APPENDIX.

APPENDIX

TO THE

CONGRESSIONAL RECORD.

Silver.

SPEECH

OF

HON. BENJAMIN F. GRADY,

OF NORTH CAROLINA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, August 24, 1893.

The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. GRADY. Mr. Speaker, It was not my intention at the beginning of this session of Congress, called together, as I understood the command from our Chief Executive, to repeal the purchasing clause of the Sherman act—it was not my purpose, I say, to engage in this discussion, or add anything to its length. I hoped that I might sit quietly and drink in wisdom from the great men of this House who have had experience for a number of years, and have studied this question, and are supposed to know all about it.

But I soon found myself in the condition that a pious old deacon up in Connecticut once found himself in. He was a very devout old gentlemen, and was distinguished for always accepting with sublime resignation whatever ills the Lord saw fit to inflict upon him. He never murmured. One day a tornado came along and tore down his fruit trees, uprooted his yard trees, and blew down everything in its path. He took it all with quiet submission and fortitude. After awhile he ran out to his barn and tried to save its contents from the fury of the winds, but as he reached the door a shutter swung violently around, struck him, and knocked him down. Picking himself up he remarked: "I think it is time for me to express my sentiments." [Laughter and applause.]

The first speech, Mr. Speaker, delivered in this House [by Mr. RAYNER] on the opening of the discussion on this measure knocked me down. I will read the statement that gave me the blow:

If this desperate system of finance, with nothing to justify it, with almost the whole intelligence of the country against it, etc.

"Almost the whole intelligence of the country against it." That, Mr. Speaker, was the blow that struck me. [Laughter.] I can not admit the truth of this assertion. I do not think that all of the intelligence of this country is in favor of the unconditional repeal of the purchasing clause of the Sherman act, and even if it were in favor of it, I would have some hesitation in accepting this view of the situation.

You will find no more devout worshiper at the shrine of intelligence than myself. I repeat, no more devout worshiper than myself will ever be found at the shrine of that intellect which has brought the arts and the sciences to the degree of perfection which is the wonder and the glory of these declining years of the nineteenth century; but when we survey the past or the present and rest our eyes on the deeds of the human intellect when greed, pride, vanity, spite, and ambition have been among its controlling motives, horror takes the place of admiration, and we hang our heads in shame. The intelligence of Athens compelled Socrates to drink hemlock. The intelligence of Judea crucified Christ. The intelligence of Europe imprisoned Galileo for twelve years, and built slow fires under John Huss and Jerome of Prague. And almost every page of history is stained with the blood of the victims of laws and institutions established by the intelligence of the world.

And coming to our own shores, Mr. Speaker, we find that the intelligence of this country has in twenty years wrought out a condition which, with a few names of persons and places changed, we might mistake for the condition of Rome in its most corrupt period, as described by Froude.

No, Mr. Speaker, I can not surrender my convictions because the intelligence of the country is against me; and when it comes asking me to join it in enacting, repealing, or amending laws, let it come with facts—not with analogies which are not analogous, not with parallels which are not parallel, nor with guesses founded on insufficient or irrelevant testimony.

Let us see and consider one of the facts that is presented to the House. It was first asserted in the House in the early part of this discussion—rather tentatively—that silver was demonetized practically in 1834. The next speaker finding that assertion was not denied, repeated it with a little more confidence, and it has gone on until I believe the day before yesterday it was repeated [by Mr. BYNUM], without any qualification whatever. Let us see about that. In 1834 the act of Congress providing for the coinage of gold coins says:

Every such eagle shall be of the value of $10.

Now, what was ten dollars? What did the word "dollar" mean? What did it mean from the foundation of the Government? There never had been coined a gold dollar up to that time. The only dollar known to the people at that time, or since, except the few gold dollars in circulation for a little while, were silver dollars, the Spanish milled dollar that was fixed as standard coin by the First Congress—the Spanish milled dollar that was declared to be the unit of value by the Congress under the Confederation—the Spanish milled dollar that has been the unit all along until it was demonetized in 1873.

This debate, Mr. Speaker, has brought to me humiliating reflections. I see strong men—men of giant intellects and of unsullied honor—contending for opposing and conflicting measures of relief, with the same facts and conditions before their eyes. What should we think of two schoolboys who should go through Euclid's Geometry, arriving at different results from the same axioms? One demonstrating, for instance, that the square on the hypotenuse of a right angled triangle is equal to the sum of the squares on the other two sides, while the other proved that there is no such equality? We should say that one of them was demented. Why not say this of one side or the other in this debate? Because the conditions are not the same.

The student of geometry has neither pride, ambition, nor spite, nor any selfish motive to warp his judgment, nor is he influenced by his education or his environment; nor is there any room for guesses. In this discussion every participant gives voice to the promptings of his own environment—using that word in its broadest sense. Every man is more or less—and more, perhaps, than less—the creature of circumstances. He is the creature of his own environment. Why, if I had been born and reared in Mecca, I would have been a Mohammedan. A man who has been born and reared in New York, if he is a pet among the gold bugs, will be a gold bug. If he is born on a cotton plantation in the South, and works for 65 cents a day, whether he is white or black, he will be in favor of more money—in favor of free silver. It is altogether a question of where a man has been raised. So these gentlemen have voiced their own environments.

For this reason I can not find it in my heart to complain of them. I can not find it in my heart to think evil of them. They are as sincere as I would dare claim to be, and their motives are as pure as mine. But, Mr. Speaker, all this could be said of Peter the Hermit, whose mistaken zeal plunged Europe into two hundred years of destructive war. He was just as sincere as these gentlemen are, and from his surroundings and the influences that controlled his thoughts, not only as sincere but as wise, perhaps, for his day and generation.

It could be said, too, of the God-fearing people of New England who cropped the ears of Quakers and bored holes in their tongues with hot irons, until the Catholic King of England ordered John Endicott to have it stopped. I trust, therefore, I may be pardoned if I warn these gentlemen to study well the ground on which they stand, and seek with all possible caution the path of duty. We are to decide a question of supreme importance, and on our decision hangs the weal or woe not only of the present generation, but of

those who are to come after us; and I think we ought to weigh well the conditions confronting us before we cast a vote on the measure before the House.

It would be an unreasonable reflection on the intelligence of this country if it could not justify its claim to respect and to its right to guard the "honor of the nation" and the "credit of the Government." The honor of the nation and the credit of the Government—they are the things this intelligence is to guard. It is not the honor of the people and their welfare. They may go to the dogs. They may stay in the poorhouses. They may stay in rags and in ignorance, but the "honor of the nation" and the "credit of the Government" must be preserved.

When the Pharisee heard the accusation that he devoured widows' houses and laid on the shoulders of the people burdens grievous to be borne, his answer was just such as we might have expected. His accuser was a disturber of the public peace, an enemy of good government, a destroyer of vested rights, an infidel, and a nobody who consorted with publicans and sinners. And just here I can't help expressing my mortification at seeing some Democrats consorting with Republicans and sinners and applauding their speeches on the silver question. [Laughter.]

The Pharisee's answer, Mr. Speaker, can be found paralleled in all ages and in all countries wherever the right of the ruling classes to live on the labors of others has been disputed. It was disputed in Judea. It was disputed in Greece. It was disputed in Rome. It was disputed in every country on the face of the earth so far as history gives us any light. And the excuse has always been about the same.

In this boasted land of liberty every man who demands justice for himself and his children is denounced by the intelligence of the country as an enemy of the laboring man, an enemy of those who are patriotically striving to build up a great and powerful nation, as a hireling of British manufacturers, as an agrarian advocate of a dishonest dollar, as an ignoramus who deserves to be laughed at by soft-handed intelligence which "sits at the receipt of custom." [Laughter.]

If a law of Congress had been passed twenty years ago requiring the destruction of all the mules in the United States, and forbidding the rearing or importation of any more mules, the friend of the mule would soon have found the "intelligence" of the country against it. The price of horses would have gone up, no doubt, but as a horse was not a measure of value the same arguments could not have beed used; but other arguments could have been found. The friends of the mule would have been laughed to scorn as advocates of "a cheap and nasty" substitute for the noble animal which has been the companion of man in all intelligent countries. [Laughter.]

Electrotype plates would have been furnished free to all the country newspapers, caricaturing the mule, warning the people of the danger in his hind legs, and poking fun at his obstinacy and his voice; and the "nigger" with his 40 acres and a mule would have cut a conspicuous figure. [Laughter.] All the poetry on the mule would have been collected into an attractive volume and furnished for "ten names," and soon every boy in the country would have had one, and nobody would have been ignorant of the mishap to the owner of "Nebuchadnezzar." [Laughter.]

After twenty years of such education as this, Mr. Speaker, an effort in this House to "remonetize" the mule would have been resisted with as much eloquence, as much earnestness, and as much sound reasoning as we have witnessed against the "dollar of our daddies." [Laughter.] I shall not quote any authorities, Mr. Speaker, on the Sherman law, nor on the question of remonetization. My reason is that if I quoted one, somebody might quote him on the other side. The distinguished Senator whose name is joined to the act which it is now sought to repeal, can be quoted on both sides, and most of the distinguished Republicans on this floor who cheer Democratic advocates of repeal, voted for the act. Which side would you quote them on? At least one of their platforms denounces the Democrats for omitting a free-silver plank from their platform. What, then, Mr. Speaker, is authority worth? Why, sir, there are Democrats here who voted for free coinage last year, and are now declaring that free coinage would be disastrous. No; we do not want any authorities. We want common sense, and a just regard for the welfare of the people.

Nor do I intend, Mr. Speaker, a dissection of the arguments of the monometallists; most of them have been *post hoc, propter hoc*, and merely a rehash of what have already been lavishly supplied to us in "marked" copies. [Laughter.] But I can not let the opportunity pass to remind the doctors who have been feeling the pulse of the patient and looking at his tongue that the disease is deeper down than they have looked.

Here is an extract from a memorial, which is published as Senate Miscellaneous Document No. 24, Fifty-first Congress, second session—that famous Congress:

MEMORIAL CALLING ATTENTION TO THE PRESENT DEPRESSED FINANCIAL CONDITION OF THE COUNTRY.

To the United States Senate:

Your memorialist, the National Convention of the Representatives of the Commercial Bodies of the United States, respectfully calls the attention of your honorable body to facts as follows:

The financial affairs of the country are in a perilous condition. Business men in all of the States of the Union are apprehensive that there will be a panic. Citizens in general are alarmed at the outlook. Values of property are decreasing. Persons, firms, and corporations are daily failing whose assets are largely in excess of their liabilities. There is but a single cause for all of the above conditions, and that is a want of confidence. As a result of that single cause, money is being withdrawn from circulation and the evils which are following, and are likely to continue to follow are innumerable. There is but a single certain remedy for such single cause. The putting into circulation of more money may or may not avert the danger as there is no limit to the amount of money that can and will be hoarded so long as the single cause, want of confidence continues.

* * *

Signed by the national convention of the representatives of the commercial bodies of the United States, by its executive committee, as follows:

Wm. E. Schweppe, chairman, St. Louis; Isaac Atwater, Minneapolis; Herbert P. Bissell, Buffalo; Mortimer N. Burchard, Chicago; Richard D. Coughanour, Dallas; J. Frank Fort, Newark, N. J.; Joseph Fahys, New York City; Henry A. Fry, Philadelphia; Frank Gaiennie, St. Louis; Justus Goebel, Cincinnati; David Hirsch, New York City; John J. Horner, Helena, Ark; Rosel Weissinger, Louisville; Anthony Ittner, St. Louis; John A. Lee, St. Louis; Henry M. Mendel, Milwaukee; Beverly K. Moore, Boston; Fred. F. Myles, New Orleans; James M. Nave, Kansas City; Peter Nicholson, St. Louis; Ferdinand W. Risque, St. Louis; Channing Seabury, St. Paul; Daniel M. Thomas, Columbia, Pa.; Francis B. Thurber, New York City.

In 1890 it was sent here to induce Congress to pass the Torrey bankruptcy bill. I read that part of it which stated that the condition was such that everything was going to wreck and ruin then and that a panic was on the country, before the Sherman act was in force.

I have an account of another memorial clipped from to-day's New York Press, which will be published to-morrow in the Dry Goods Economist, warning the people, by this same sort of intelligent gentlemen. What do they say now is the matter with the country? They say it is the Sherman law. Now, if the same set of doctors in diagnosing a case come to such contradictory conclusions, what are we laymen to do? Here it is:

"STRIKE NOW; STRIKE HARD."—A REMARKABLE APPEAL TO CONGRESS BY FOREMOST MERCHANTS.

The Dry Goods Economist, to be issued to morrow, will contain a petition to Congress asking prompt repeal of the silver purchase act, signed by about 100 of the foremost dry goods wholesale houses in the United States. The editorial accompanying the petition says:

Everyone knows pretty well now what this country is suffering from. It is lack of confidence; in other words, lack of credit. There is nothing the matter with national strength nor with natural national wealth. There is no serious lack of currency; we have got a good many millions more now in the hands of the people and banks than we had a few months ago, when there was no complaint of its scarcity. We have, in fact, $24.34 of currency for every man, woman, and child in the United States, while Great Britain has only an amount equal to $13.42 per head of population; and yet England, with only about half as much currency per capita as this country, has quantities of money to loan, while we can scarcely get hold of enough to pay off help.

The reason for this topsy turvy condition becomes plain enough when it is known that 95 per cent of business is carried on by means of credit, leaving only about 5 per cent to be transacted with actual cash. It would be from fifteen to twenty times easier for us to get along if every bit of our currency were destroyed and our credit system left intact, than it would be with our currency intact and our credits gone.

To get business back into good shape it is absolutely indispensable, therefore, to revive confidence. Within three weeks over $24,000,000 in hard gold coin have been brought into this country, and something like half that amount of equally good national-bank notes have been added to the circulation; but it has all disappeared like a drop of water on a red-hot stove, leaving the stove as hot as ever.

Confidence is wanted, not more currency. Congress has been two weeks in session, but has done nothing.

No more talk. Repeal the silver-purchase law!

Let us search, Mr. Speaker, into the history of this country for the causes of the present distress. Twenty-eight years of Republican rule have resulted in general nervous exhaustion, with loss of blood and loss of hope, and no amount of faith cure can restore the patient to a healthy condition, nor can the repeal of any one law or the enactment of any one law undo this mischief. The people have been taught that this Government is omnipotent; that it can enrich or impoverish as it pleases, and hence all classes are asking it to legislate money into their pockets.

The laboring man everywhere, except on the farm, has learned that he is the beloved pet of this Government, and that it has his rate of wages in its fatherly care and keeping. Hence, when distress comes upon him he looks to Congress for employment and demands extravagant appropriations of other people's money that he may find work to do. The foundations of self-reliance, Mr. Speaker, have been sapped in every class of people except those who have been the victims of misrule; and the long train of evils resulting in the present distress can not be remedied by this Congress immediately. As it has taken time for bad legislation to bring on present conditions, it will take time to undo the wrongs.

But, Mr. Speaker, I have wandered from the purpose I had in view; it was to give in a few words the reasons why I shall oppose the measures of the monometallists.

Much of the rubbish piled up about this discussion and obstructing the view will be removed when we rid ourselves of the notion that our coinage of money concerns anybody besides ourselves. The foreigner takes our gold and silver coins just as he does our wheat and cotton, by weight. Even our own Treasury does this. If any gentleman will carry gold to the Sergeant-at-Arms and ask him to give him paper for it he will find out whether it does or not.

The naked question for us, then, Mr. Speaker, is whether the 67,000,000 of our people ought to be compelled to conduct their business on a gold basis. I do not think they ought. As a measure of values gold gradually adds to the burden of the taxpayer and debtor and to the wealth of the deferred creditor and the re-

cipient of a fixed income. Why, the $5,000 paid to a member of Congress in 1873 is worth $7,000 or $8,000 now, measured in commodities. In a less degree, Mr. Speaker, this is true, also of our silver coins, and I hope gentlemen on this floor will not forget it. Neither metal, therefore, is a fixed measure of values.

If we were obliged, then, to demonetize either metal, it should be gold.

In order to arrive at the truth on this question I have prepared a table from data furnished by the Statistical Abstract, showing the fall in prices, from 1873 to 1891, of twenty-four commodities, including silver. The average fall of twenty-three of these items was from 100 cents to 57 cents, while the fall in silver was from 100 to 76. The silver, therefore, which would pay for one hundred parts of these commodities in 1873, would pay for one hundred and thirty-three parts in 1891, while gold had gone up in purchasing power from 100 to 175. And since preparing this table, Mr. Speaker, I have found one constructed by Mr. Sauerbeck which teaches the same truth. The average price of forty-five commodities in the London market fell from 100 in 1874 to 66 in 1892, while silver fell from 100 to 68. These facts, Mr. Speaker, are worth more than all the eloquence and arguments of the monometallists on this floor, and they deserve the most careful study before we enter upon legislation which may bless or curse our children.

Shall the white man and the black man work in the fields and forests of this country for the enrichment of money lenders? Shall they be robbed of the means of comfortable living that others may enjoy the magnificence of royal extravagance? Shall these people be deprived of the means of educating their children that they may be enabled to understand and justly denounce the legislation which impoverishes them? Are they to be kept in ignorance, to be sneered at by the intelligence of the country? And is the Democratic party—the party of the *demos*, the partyof the people—to go down in history as *particeps criminis*—the responsible author of this continued degradation of the people?

Mr. Speaker, the proposition to repeal the Sherman act unconditionally is, to me, monstrous. It would have disgraced the legislation of the feudal ages, and I can never vote for it. I believe the purchasing clause of the Sherman law ought to be repealed, but I can take no risks. [Applause.] Gentlemen tell us that we shall pass a coinage bill after this is repealed. If this promise comes in good faith let us have the free-coinage act first, and then there will be no trouble about the Sherman law. [Applause.]

APPENDIX.

The following table gives in parallel columns for the years 1874-1892 (1) the index numbers for the forty-five commodities and (2) the index numbers of silver for the same year:

Mr. Sauerbeck's index numbers.

Year.	Index numbers of forty-five principal commodities.	Index number of silver.	Year.	Index numbers of forty-five principal commodities.	Index number of silver.
1874	102	95.8	1884	76	83.3
1875	96	93.3	1885	72	79.9
1876	95	86.7	1886	69	74.6
1877	94	90.2	1887	68	73.3
1878	87	86.4	1888	70	70.4
1879	83	84.2	1889	72	70.2
1880	88	85.9	1890	72	78.4
1881	85	85.0	1891	72	74.1
1882	84	84.9	1892	68	65.4
1883	82	83.1			

Table showing how prices fell in the United States from 1873 to 1891, and comparing these prices with the depreciation of silver.

Starting at 100 cents in 1873 the price of each article in the table fell gradually to the number of cents in 1891, shown below:

Freights on New York Central Railroad	48
Freights on Pennsylvania Railroad	42
Freights on Illinois Central Railroad	43
Freights on lake and canal from Chicago to New York	30
Freights on canal from Buffalo to New York	30
Price middling cotton	42
Price wool, average	49
Price mess pork	70
Price pig iron	41
Price cut nails	38
Price corn, export	81
Price wheat, export	71
Price flour, export	64
Price cotton, export	53
Price leather, export	65
Price illuminating oils, export	30
Price bacon and hams, export	80
Price lard, export	75
Price salted pork, export	76
Price beef, export	73
Price butter, export	70
Price cheese, export	69
Price tobacco, export	80
Price silver	76
The average of these twenty-three items, excluding silver, is	57

NOTE—The export price is more than is paid the farmer.

Silver.

SPEECH

OF

HON. THOMAS C. CATCHINGS,

OF MISSISSIPPI.

IN THE HOUSE OF REPRESENTATIVES,

Saturday, August 19, 1893.

The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. CATCHINGS said:

Mr. SPEAKER: I shall vote for the unconditional repeal of the purchasing clause of the Sherman law. I shall vote against every proposition which directly or indirectly looks to the free coinage of silver by this country at this time at any ratio that has been suggested. I have not reached this conclusion, Mr. Speaker, except after the most careful and patient reflection and consideration. I represent a constituency which in intelligence and straightforwardness of purpose is excelled by none.

I would be recreant to every duty which I owe them if I had not given this question my most conscientious thought and painstaking investigation. I do not address the House with the hope or expectation that anything I shall say will change the judgment or alter the vote of any gentleman present. I do so simply that I may give to my constituents plainly, frankly, and honestly, the reasons which impel me to assume the position which I occupy upon this question.

It is said, Mr. Speaker, that no man can stand upon the Democratic platform who is not prompt and swift at this time, or any other time and under any and all circumstances, to vote for the free coinage of silver, and that, too, at some one of the ratios named in the special order of business under which we are proceeding. I deny this utterly and absolutely. My Democracy is as good as that of any man on this floor, and I will suffer no man to challenge it or put a taint upon it. It was not declared by the Chicago platform that the Democratic party should at this time or at any other given time vote for the free coinage of silver. That platform is in the following words:

We denounce the Republican legislation known as the Sherman act of 1890 as a cowardly makeshift, fraught with possibilities of danger in the future, which should make all of its supporters as well as its author anxious for its speedy repeal.

We hold to the use of both gold and silver as the standard money of the country, and to the coinage of gold and silver without discriminating against either metal or charge for mintage, but the dollar unit of coinage of both metals must be of equal intrinsic and exchangeable value or be adopted through international agreement, or by such safeguard of legislation as shall insure the maintenance of the parity of the two metals and the equal power of every dollar at all times in the markets, and in payment of debts, and we demand that all paper currency shall be kept at par with and redeemable in such coin. We insist upon this policy as especially necessary for the protection of the farmers and laboring classes, the first and most defenseless victims of unstable money and a fluctuating currency.

We recommend that the prohibitory 10 per cent tax on State bank issues be repealed.

It committed the Democratic party to the coinage of both gold and silver by either of three methods, designating neither as the one which should absolutely be chosen and acted upon. The first method suggested by that platform was the coinage of silver upon such terms as would make the silver dollar equal in value with the gold dollar.

The second method suggested by that platform was the coinage of silver upon some ratio to be agreed upon with the civilized nations of the earth: and the third method was coinage upon some arbitrary ratio, but which should be maintained by suitable safeguards of legislation. In my judgment the first and the third of these methods must, in view of the world's present attitude towards silver, be repudiated as incapable of adoption at this time. I stand myself for the adoption of the second method. And in doing so I am squarely upon the platform adopted by the Democratic convention in 1892.

Much has been said as to the dread fate which will happen to us who do not haste to join those who assume that they are the only true friends of silver. Mr. Speaker, I have just as much respect and just as little respect for a member of this House who would suffer himself to be forced to the surrender of his convictions by threats of that sort, as I have for a gentleman who would attempt by such methods to influence the vote or the action of his colleagues on this floor.

This question is too serious and too far-reaching in its consequences to be determined by such forensic methods as that. I had thought that we were here to exchange views honestly and conscientiously, making suggestions on the one hand and meet-

ing them on the other, so that out of a multitude of counsel there might come wisdom.

But I may be allowed to remark, in passing, that there was another declaration in the platform adopted at Chicago; and it pledged the party to the repeal of the 10 per cent tax on the issues of State banks. I would like to know how it is that some gentlemen are so urgent in requiring that we shall vote at this time for the free coinage of silver, and that upon such terms as they have chosen to prescribe, while at the same time they are disposed to ignore utterly this other plank in the platform.

For myself, I take the whole platform from the beginning to the end of it. I am against the free coinage of silver at this time; I am for the free coinage of silver if we can obtain it under suitable regulations with the nations of the civilized world; and I am for the absolute and immediate repeal of the tax on the issues of State banks.

Mr. Speaker, I know of no better method by which we may safely mark out our future pathway, than by taking into consideration and drawing lessons of wisdom from the events of the past. He is a foolish man, indeed, who will give no heed to the experience of mankind. This is not the first time that the question of a double standard has troubled this country. It was a source of anxiety, of difficulty and embarrassment at the very beginning of the Government, when we had conquered the right to take our place among the great sisterhood of nations, and sought to exercise the sovereign power of coining our own money.

At that time the question of the double standard was carefully considered and debated by the wisest of our ancestors. The range of discussion was not limited to the consideration of the ratio which should be adopted between gold and silver, but was extended to the question as to whether the double standard was capable of being maintained at all. And, sir, I can not impress it too clearly upon those who do me the honor to listen to me, that at that time the theory had not fastened itself upon the minds of the fathers of this country that the Government by its mere declaration could impress a fixed value upon gold and silver, and, by such declaration, maintain a fixed relative value of the one to the other.

Amid the colloquy and the discussion then elicited we find that there was absolute agreement that no ratio could be maintained unless it were based entirely and unequivocally on the commercial value of the two metals.

The theory now so loudly advanced that we can by mere fiat of law establish a ratio which will remain, regardless of the real value of the metals, is of modern invention.

It was agreed by Mr. Jefferson, by Mr. Hamilton, and by Mr. Morris that if the double standard was to be attempted at all, it should be predicated of a ratio to be fixed by the commercial or market value of the two metals. And it was so well recognized then that from the inherent nature of things the relative value of the metals would fluctuate, whereby any ratio that might be fixed might fail, that Mr. Morris was in favor of abandoning the double-standard idea altogether, and putting the country absolutely and at once on a silver basis, by making silver alone the standard of value. It was his judgment, although at that time and for many years preceding there had been but slight variation in the commercial value of gold and silver, that it was not possible for the Government to fix a stable ratio for the coinage of the two metals.

Mr. Jefferson and Mr. Hamilton were by no means certain that any ratio that might be fixed could be maintained, but they agreed that under the conditions then prevailing it was best to try the experiment; and so, after much research and reflection, they settled on what they believed to be the commercial or market value of the two metals and fixed the ratio at 15 to 1, which meant that 371¼ grains of fine silver were assumed and declared to be the equivalent in value of 24¾ grains of fine gold.

What I have stated is history. There is no theory involved in it. You may all learn it for yourselves if you choose to read the history of the country in that regard; and, Mr. Speaker, I shall state nothing in this connection which depends on theory. My experience in this world has been that ninety-nine out of every one hundred theories fail to square with the facts, and that after being dallied with and tossed about from time to time, to the amusement of those of a speculative turn of mind, they have been abandoned and tossed aside as worthless rubbish.

It turned out, notwithstanding the care and patient consideration that had been given to this question of fixing a ratio between gold and silver, that the wise statesmen to whom I have referred had committed an error. It was not a large one, but still it was an error. It appears that gold was worth a little more than they had supposed it to be. Their ratio was wrong; not very much out of the way, but enough out of the way to make it to the interest of the men who held gold bullion not to have it coined into dollars.

It was soon discovered by brokers and those who were shrewd in matters of trade, that the owner of 24¾ grains of fine gold could go into the market and with it purchase more than 371¼ grains of fine silver. It was not to his interest, therefore, to have his gold coined into dollars. If he wanted money, he bought silver dollars with his gold bullion, or bought silver bullion with it, and then took the silver bullion to the mint and had it coined into silver money.

The owner of gold saw that he could make a profit of 4 or 5 cents on every 24¾ grains of fine gold by withholding it from the mints and exchanging it in the form of bullion, for silver bullion, and having the latter coined. The natural and inevitable result was that gold ceased to go to the mints at all, and the country, while having, so far as law could make it so, a double standard, in fact was on a silver basis pure and absolute. By the simple and inexorable rule of common sense that makes men do those things that are most beneficial to themselves in matters of business, the law prescribing a double standard was overthrown, and a single standard of silver set up in its place.

Theory said that we had the double standard and that gold was worth exactly fifteen times as much as silver, because the act of Congress had so declared. Facts said that the act of Congress was a lie, because in the markets of the world gold was worth more than fifteen times as much as silver, and because, as a consequence thereof, gold was keeping away from the mints, where it was undervalued, leaving us with nothing but silver money and a silver standard. In that conflict between theory and facts, theory went to the wall and facts triumphed. In such a conflict so it has ever been, and so it will ever be until the end of time.

So completely and rapidly was the country settling down to a silver basis that Mr. Jefferson became alarmed, and, for the purpose of arresting the conditions prevailing, issued his proclamation in 1805, forbidding the further coinage of silver. He had no warrant of law for this, but felt that the gravity of the situation justified the step. Matters then drifted along in such confusion that, practically, neither gold nor silver was coined, and in order to reinstate the double standard, it became necessary to fix a new ratio of value between the metals.

The matter underwent very considerable investigation and discussion, and the trouble arising from the constant liability to fluctuation in the relative value of the two metals was fully recognized. There was no excitement and angry discussion at that time to warp or obscure men's judgments, and the work of devising the means by which gold would be induced to again come to the mints for coinage was seriously considered. Mr. Benton, who took part in the discussion, says:

> The difficulty of adjusting this value so that neither metal should expel the other had been the stumbling block for a great many years, and now this difficulty seemed to be as formidable as ever. Refined calculations were gone into; scientific light was sought; history was rummaged back to the times of the Roman Empire, and there seemed to be no way of getting to a concord of opinion, either from the lights of science, the voice of history, or the result of calculations.

The ratio of value between the metals was by the act of 1834 finally changed from 15 of silver to 1 of gold to 16 to 1. By this alteration it soon appeared that the situation became exactly reversed. The new ratio undervalued silver, for it soon became evident that gold was not worth sixteen times as much as silver. The very same self-interest that had kept the owner of gold from taking it to the mints to be coined under the ratio of 15 to 1 now kept the owner of silver from taking it to the mints to be coined into dollars. He could, with the bullion required to be put into a silver dollar, go into any market where gold was sold and purchase more gold bullion than was required to be put into a gold dollar. He would therefore have lost by the operation of having this silver bullion coined into dollars, and of course he did not do it.

If he wanted coin he bought gold coin or bought gold bullion with his silver bullion, and had that coined. The great gold discoveries of the world, beginning with California about 1848, made gold so plentiful that silver, at the ratio of 16 to 1, continued to be more valuable than gold until the year 1874, and the natural and inevitable consequence was that it was practically driven from our coinage. As the owners of silver bullion could not, without suffering great loss, have it coined into dollars at the ratio of 16 to 1, our mints were as effectually closed against silver as though its coinage had been expressly prohibited by law. Again, gentlemen, I desire to say that I am not indulging in theory. I am stating facts that any man can delve out of history for himself.

From the establishment of our mints to 1878 little more than $8,000,000 of silver were coined, and these were melted down in time and exported as bullion. This inevitably resulted from the undervaluation of silver by the act of 1834, which made it unprofitable to coin silver at our mints. A very considerable quantity of half dollars, quarter dollars, and dimes were coined; but, as the bullion contained in two half dollars, or four quarters, or ten dimes was worth more than the bullion contained in a

gold dollar, it was found profitable to melt them down and sell the bullion.

Nothing but the necessity for small change had caused them to be coined, and the same necessity led to the passage of the act of 1853.

In order to keep our small coins from being melted down and exported, as they had been because of the undervaluation of silver in the act of 1834, the act of 1853 reduced the amount of silver in them so that a dollar in such money would be intrinsically less valuable than a gold dollar; and to compensate for this depreciation in value, they were declared to be a legal tender only to the amount of $5

But we search in vain for an act of Congress reducing the ratio and placing a just value upon silver, so that its coinage could be resumed without loss to the owners of silver bullion.

During all these years the mints and coinage laws of France and other countries admitted silver at the ratio of 15½ and 15 to 1, and practically all of our silver bullion and silver dollars, that did not go into our coinage as small money or change, found their way to those countries whose ratio placed the true value on silver, and did not underrate it as ours did.

I am led here to call attention to the utter want of foundation for the charge so constantly and vociferously made, that this country, up to what is erroneously called the demonetization act of 1873, was devoted to the use of silver as a money metal.

As soon as it was discovered that by the ratio of 15 to 1, which, as stated, undervalued gold, silver was becoming our standard, steps were promptly taken to reverse the situation and make gold the standard, by raising the ratio so as to undervalue silver, and thereby debar it from our mints. If it be said that this was not the actual purpose of the act of 1834, it can not be denied that when it became known that its effect was to shut out silver, the act was deliberately allowed to remain.

While the law as to small money was altered by reducing the amount of silver in it for the avowed purpose of keeping it from being melted down and exported, not a voice was raised in favor of reducing the ratio so as to make it again possible to coin silver dollars without a loss. It was perfectly known that silver was fleeing our shores, and yet no hand was lifted to stay its flight.

Men are presumed to intend to do those things that naturally or necessarily follow their acts. This rule is so just and in such accord with human nature and human action that it has been adopted as a maxim of law which every court in the land daily recognizes and enforces.

When men now, in the excitement and enthusiasm of free-silver oratory, proclaim that we have turned from the paths that our forefathers trod, they may be answered by the truth of history, which is, that from 1805, when Mr. Jefferson placed his iron hand upon the throat of silver, until the Bland act of 1878, our legislation had been framed in a spirit of hostility to silver. Under that legislation, not only was the further coinage of silver prevented, but even that which had straggled into the mints and come out in the form of dollars was degraded, melted into bullion, and exported from our shores. The hand of vandalism was even laid upon our subsidiary silver.

During this period of silver's overthrow and degradation those who represented us in the Halls of Congress sat with sealed lips and motionless hands and suffered the silver mined in this country to leave our shores and seek refuge in the mints of other countries. From this review of our legislation no other conclusion is left, but that the country was satisfied wfth the gold standard indirectly erected by the coinage law of 1834 and preferred to let silver go.

Until silver coinage was begun in 1878, under the provisions of the law commonly known as the Bland act, we had substantially no silver dollars in circulation. Our silver money consisted of small money and a limited quantity of foreign coins.

Gold was the standard of value and, supplemented by notes issued by State banks, constituted our medium of exchange. As the direct result of the discrimination against silver under our coinage laws, while $816,904,807 gold dollars had been coined up to 1874, we had coined but $8,045,838 of silver, and they had not been in circulation for twenty-five years. During that period there was no agitation of the people for a change in our laws that would undo the discrimination against silver and admit it to our mints; we had an abundance of money and great prosperity among all classes of our people; and the gold standard resulting from our coinage laws was acquiesced in by all. The plain truth is we had no silver money aside from small change, and did not want it.

Again, gentlemen, I am not dealing in theory. Again I am telling you simple facts, which any man may ascertain for himself by reading, as I have done, and facts which no man has disputed on this floor, and which no man will dispute.

Mr. DAVIS. Will the gentleman allow me to ask him a question?

Mr. CATCHINGS. Yes.

Mr. DAVIS. Had we not in circulation foreign silver, and did we not invite the circulation of foreign silver by making foreign coin a legal tender, and in that way get circulation without coining?

Mr. CATCHINGS. That was done, and it had the effect of giving us a small amount of foreign currency. But even that foreign currency was not admitted here in accordance with its nominal value. The value at which it was to be received was fixed by law; and even then, as I recollect, its entry into circulation came about almost entirely through purchases of the public lands and payment of public dues.

Mr. DAVIS. I will ask the gentlemen whether Spanish milled dollars, which contained 371¼ grains of silver, were not adopted as a standard?

Mr. CATCHINGS. That is true, but the reports will show that there was only a very small amount of foreign money in this country at the breaking out of hostilities between the States in 1861. If I am mistaken in this I invite any gentleman to get the statistics and dump them into this House, so that they may be seen and read by all.

Mr. LIVINGSTON. May I suggest to the gentleman, with his consent, that we provided by law for the minting of foreign coin from January, 1874, for seventy years previous, repeatedly.

Mr. CATCHINGS. What do you mean by minting?

Mr. LIVINGSTON. Coining for foreign nations silver and other money.

Mr. CATCHINGS. That has nothing whatever to do with the proposition. It is wholly foreign to this issue, and I must be excused for not suffering myself to be diverted from the main question to be argued.

Now, Mr. Speaker, let us come to the next act of Congress relating to silver. Before examining that, however, let us rapidly review the situation and state of our currency as it was pending the war between the States, and for some years thereafter. The emergencies of that great war made it necessary that there should be a large issue of paper money. And the uncertainty of that conflict was such that that paper money was at a discount. It did not circulate anywhere in the whole United States at its nominal value.

Now, gentlemen of the House, what happened then? Why just what any man of sense would have foretold, just what has happened under similar circumstances since the world was made, and just what will happen whenever similar conditions prevail. The gold and silver coin of this country went as absolutely out of sight as if it had been gathered into a mass and dumped into the middle of the Atlantic Ocean; and there was not a man during those long years who laid his eyes upon one gold dollar or one silver dollar—not one, and until we had resumed specie payments in 1879 there was no coin, either of gold or silver, in circulation. Greenbacks were at a discount, and the gold in the country either went abroad or was bought and sold as a mere commodity.

We had no coin in circulation, because a man would have been a fool who would have taken his gold or silver with which to effect his business transactions or pay his debts, when he could have done the same thing with depreciated paper money. Here is a most striking illustration that it is impossible, in the very nature of things, so long as human nature is constituted as it is, to circulate side by side two kinds of money, one good and the other bad. The dearer money is always withdrawn from circulation, and usually leaves the country, as silver fled from our shores after the act of 1834.

This is the principle underlying what is spoken of as Gresham's law; but that law was not an invention of Gresham. It is not a theory; it simply expresses a practical truth, which the humblest man understands as well as Gresham did, and upon which the humblest man instinctively bases his conduct as quickly and certainly as the most learned. Gresham's law is merely a clever definition of one characteristic of human nature, and it is a law which can never be altered or repealed. It operates by day and by night and from century to century, as changelessly as the revolving planets, and it will so continue until this world itself shall be no more.

The next act relating to silver is that of 1873, which is often erroneously characterized as an act demonetizing silver. It did not demonetize a dollar of silver on the whole globe. Certainly it did not demonetize any American silver, because, as already shown, there was none to demonetize. We had no silver in this country in 1873, except our small coin, and the law under consideration had no relation to that. The act of 1873 simply dropped from the list of coins which the mints were permitted to produce the silver dollar; but it had no relation whatever to our halves, quarters, dimes, and half-dimes; and it had no effect

upon our silver dollars because we had no silver dollars. But it did do this: It prevented the further monetization of silver in this country, except for token or subsidiary money.

Mr. PATTERSON. Is it not a fact that it was not the act of 1873 that dropped the silver dollar from the coinage, but was the act of 1874?

Mr. CATCHINGS. Perhaps you are correct about that. But it is immaterial to the line of argument I am making whether the silver dollar was dropped in 1873 or 1874. My impression is that it was dropped by the act of 1873; but I will accept the correction of my friend and place it in 1874, though all I have said remains just as pertinent to my argument.

Mr. ALLEN. I think you had better stand by the first position.

Mr. CATCHINGS. Mr. Speaker, I do not believe that the act of 1873 had any material effect upon the price of silver at that time, because, although it closed our mints against the standard silver dollar, an enormous use of silver by this country set in contemporaneously with the passage of that act. Provision had been made for the coinage of what was called the "trade dollar," to weigh 420 grains, which it was thought would be useful for shipment to China and Japan and other Eastern countries, and tend to facilitate our commerce with them. At the same time we began the coinage of large quantities of fractional silver to take the place of the fractional paper currency then in use.

So that from January 1, 1873, to March 1, 1878, we coined $34,715,960 (trade dollars), and in subsidiary coins, $48,831,912. This was more than the total coinage of silver for thirty years previous. Followed as it was by this enormous coinage, I am disposed to think that the act of 1873 had little, if any, effect upon the price of silver. I am confirmed in this belief by what my distinguished friend, Mr. BLAND, said in a speech delivered in this House on March 22, 1892, viz:

> Until the very day that she (meaning France) suspended or limited the coinage of silver, silver bullion was at a par with gold bullion everywhere. The moment the French mint put a limitation upon the coinage of silver, that moment it began to fall, and not till then. There was, it is true, a slight depreciation before, but it was so slight as to hardly occasion notice.

The trade dollars, from some cause, were not acceptable to the people of China and Japan, and having failed to effect the purpose they were intended to accomplish, were taken up by the Government, melted down, and recoined into standard dollars.

Before considering the Bland act of 1878, which comes next in sequence, it will be profitable to take a cursory view of what was going on about that time in other countries with regard to silver. It must be remembered that during all these years of which I have been speaking the mints of France and of all the States of the Latin Union, composed of France, Spain, Belgium, Italy, Greece, and Switzerland, had been thrown wide open to the reception of the world's silver bullion. It must also be remembered that Scandinavia, Germany, Austria-Hungary, Holland, and the Dutch East Indies not only coined silver freely, but discriminated against gold and excluded it from their mints. So that here were all the civilized nations of Europe, except Great Britain, receiving silver with open arms, and some of them even extolling and lauding it above gold.

But there came a cataclysm, so far as silver was concerned, with the ending of the great struggle in 1870-1871 between France and Germany. One of the results of the great victory which had come to the arms of Germany was the payment by France of a war tribute or indemnity of about $1,000,000,000 of gold. The mighty Empire created by the consolidation of the German states, flushed with victory and strengthened by this large mass of gold, at once became seized with the ambition to place itself upon a pinnacle of commercial greatness as lofty and commanding as that of Great Britain, and to that end the great statesmen who shaped its policies resolved that it should follow the example set by England in 1816, adopt a gold standard and close its mints to the further coinage of silver.

As part of the process which Germany was obliged to pass through in order to accomplish this ambition, her great mass of silver thalers, which had been accumulating for years, had to be disposed of, so they were thrown upon the markets of the world, and offered for sale as bullion. This action of Germany created consternation among the silver-using nations of Europe. So great a stimulus was given to the flow of silver into those countries whose mints remained open to it that in less than six months after this action of Germany, and before it had sold one-tenth of its silver, the coinage at Brussels and in France sprang from 38,000,000 francs in 1871 and 1872 to 235,000,000 in 1873.

To escape from this deluge of silver which threatened to engulf them and to drown their industries by the blighting effects of a demoralized and depreciated currency the States of the Latin Union were hastily convened in 1874 and steps taken to prevent the further uprising of the silver flood. It was agreed by those States that they would limit the coinage of silver for twelve months. They hoped that by that time the confusion, which had been set on foot by the action of Germany, would subside so that they could return to their first love, and deal freely and affectionately with silver as they had always done. Disappointed in that, the limitation agreed upon was extended for another year, and for another, and another, until 1878, when the wise men of those nations saw that these changed conditions had come to stay, and then, and then alone, did they abandon all hope and absolutely close their mints to the further coinage of silver, except as to subsidiary coin.

Holland also took fright, and in 1873, to save itself from the silver deluge threatened, suspended the coinage of silver.

After vainly hoping and waiting for a reaction which would permit its mints to be safely opened to silver again, it gave up the contest in 1875, and adopted the gold standard, with a prohibition against silver coinage, except of token or small money.

Austria-Hungary held out until 1879, when, seeing that silver had fallen from 59½ pence in 1873 to 51½ pence, it closed its mints to the coinage of silver on private account, but continued to coin at its own discretion until 1891. In 1891 it resolved to adopt a gold standard, thus abandoning silver coinage altogether, except for subsidiary coin.

For the same reason Scandinavia in 1873 adopted the gold standard, and its silver is only subsidiary currency. India held her mints open to silver until July of this year, although her rupees had depreciated until they were worth little more than one-half of their face value.

The action of these countries can not be imputed to hostility to silver. Certainly it does not lie in our mouths to impute such a motive to them. On the contrary, they had been steadfast friends of silver when we were its enemies and had kicked and spurned it from our shores, and had only abandoned it after a vain and hopeless struggle in its behalf. They realized the truth of the principle announced by Jefferson and Hamilton, when, in 1792, they were considering the ratio to be adopted between gold and silver, namely, that "the proportion between the value of gold and silver is a mercantile problem altogether."

Germany having adopted the gold standard and thrown silver overboard, it was evident to them that the value of silver must fall.

The demand for silver was reduced by just the amount which Germany, while coining it, had been using, or would have been likely thereafter to use.

The value of silver was not only lessened by this diminished demand, but by the glutting of the markets with the share of silver which Germany thus threw upon other countries and by the $300,000,000 of silver coin it had offered for sale. Contemporaneous with this action of Germany there came an enormous increase in the output of silver. These countries knew that they could not maintain silver at a value above its mercantile price and that if they kept their mints open to silver their silver money would fall in value just as silver bullion should fall. So that all things seemed to combine to drive down the price of silver from that which it had so long maintained.

Now, I am not a theorist. I have been accustomed all my life to ascertain what were the real facts, those about which there could be no possible doubt, and then I have tried to apply to those facts when definitely ascertained the plain, simple methods of reasoning which suggest themselves to the mind of any man of ordinary sense. And by that sort of reasoning, given these facts, that all the silver-using States had shut their mints to silver and that there had come about this enormous increase in the world's output of silver, I have been simple enough to believe that in them is to be found the cause of the fall in the price of silver.

But, Mr. Speaker, we are told (and it has been said here repeatedly) that for seventy years prior to 1873 the mere fact that France had coined silver freely at a ratio of 15½ to 1 had kept the price of silver stable relatively to gold. I confess my inability to accept that proposition. No doubt the coinage laws of France added value to silver bullion and gave a steadying influence upon its price, but the real cause which upheld silver during all those years lies plainly on the surface.

The ratio of 15½ to 1 continued up to 1873 to fairly represent its market or commercial value. You may follow the price of silver back during those seventy years, and you will find that during all that time the actual market price of silver had remained substantially about the same. But that market price was broken when the action of Germany diminished the demand for silver, just as the market price of anything is always broken by diminution of demand. And when to diminished demand there was added increased supply, the price was necessarily driven lower still.

I have not been able to bring myself to the belief that an enactment by this Government or any government can fix a definite value to silver. The argument is, that if you are allowed to take your silver to a mint and have it coined into dollars, your bullion is necessarily equal to the nominal value of the dollars into which you are permitted to have it coined.

Why, sir, just the reverse of that proposition is true. There can be no doubt of this: that with mints open to the free coinage of silver, silver bullion is just as valuable as the silver dollars into which it can be coined; but the effect is that the value of the silver dollar under those conditions is dragged down to the market value of the bullion, not that the value of the silver bullion is lifted up to the legislative value of the silver dollar.

All experience has demonstrated the truth of this proposition. The argument that if we open our mints to the free coinage of silver on a fixed ratio the value of silver bullion will at once be raised to the valuation so assumed by law seems to be based upon the following careless and illogical statement made by the British commission of 1888:

> The fact that the owner of the silver could in the last resort take it to those mints and have it converted into coin which would purchase commodities at the ratio of 15½ of silver to 1 of gold would, in our opinion, be likely to affect the price of silver in the market generally, whoever the purchaser and for whatever the country it was destined. It would enable the seller to stand out for a price approximating to the legal ratio, and would tend to keep the market steady at about that point.

If this proposition is sound, then it might as well be said that we could take copper or tin in place of silver, provide for its coinage into dollars, declare that they should be converted into coin which should have full legal-tender power at the ratio of 15½ of copper or tin to 1 of gold, and thereby "affect the price of (copper or tin) in the market generally, whoever the purchaser and for whatever the country it was destined." According to this doctrine it would enable the seller of copper or tin "to stand out for a price approximating to the legal ratio, and would tend to keep the market steady at about that point."

If the proposition of the British commission is sound, it will cover copper or tin as well as silver, and yet no sensible man believes that they can be raised in value by free coinage of them so that gold shall only be worth fifteen and a half times more.

The proposition commits the unpardonable fault of wholly leaving out of consideration the market or commercial value of silver.

Let us now see what was the effect of the action of those states that closed their mints to the further coinage of silver? Their silver money was kept at a stable ratio with gold because by closing their mints they gave to their silver money greater value than that possessed by silver bullion; that is to say, their silver money, in addition to its bullion value, had a value springing from the use to which it could be put in effecting exchanges of commodities and in satisfying debts.

It was the closure of the mints of those countries which maintained the value of their silver money, and it is also because we have not had free coinage of silver that we have been able to uphold our silver coin in the face of the tremendous downfall in the price of silver bullion.

But take the case of India, which pursued the contrary policy. India suffered its mints to remain open to the free coinage of silver, notwithstanding the action of Germany in 1873, and that of the other countries named, and it is the only country on the face of this earth assuming to have relations to any extent with the civilized world that did so. And there, as the natural and necessary result of a policy which placed its money and silver bullion upon the same level, we see that its silver money has gone down, and down, and down, just exactly as the price of silver bullion has.

Now, gentlemen, here are two illustrations. You can take them and draw your own conclusions. I repeat that experience has proven that when you have free coinage of any metal your coined money can not be worth any more than your bullion, and will fall to the value of bullion. I say that when you have not free coinage your coined money has a greater value than your bullion, because it has the bullion value and also the additional value given it, as I have suggested, by the use that can be made of it in the exchange of commodities and in paying debts.

The facts stated by me can not be disputed, and if my deductions from those facts are sound I would like some gentleman to tell me why we would not have the experience of India repeated here should we have free coinage. If we should throw our mints open to the free coinage of silver, and admit the whole output of the world, I see no reason why that experience would not be repeated here, driving down the value of our silver dollars to a correspondence with the value of silver bullion.

If France and other countries that had long been accustomed to the use of silver had believed that the ratio of 15½ to 1 had been maintained prior to 1873, as is contended here, either by force of legislative enactment or because the right to coin bullion at that ratio made it have the value assumed by that ratio to belong to it, does any gentleman suppose that they would have altered their laws so as to suspend free coinage? Their action in limiting coinage from year to year before finally abrogating it entirely in 1878 shows that they abandoned silver with extreme reluctance. It is perfectly clear to my mind that they closed their mints to silver because they foresaw a fall in silver and knew that if they did not do so all their silver money would depreciate in value correspondingly. Silver did fall from a ratio of 15.92 to 1 in 1873 to one of 17.94 to 1 in 1878, when the Latin Union abandoned silver coinage entirely, and to 18.40 to 1 in 1879, when Austria-Hungary closed its mints to private coinage.

But the depreciation in value of their silver money would not have been the only injury resulting to these countries from free coinage. Upon the principle heretofore mentioned, as expressed by Gresham's law, when their silver coin had become depreciated, their gold coin would have withdrawn from circulation; for man's self-interest will always prompt him, where there are two kinds of money, one being better than the other, to use the cheap money and hoard or sell the other.

In passing from this phase of the question, I will remark that it is not to be supposed for a moment that the tremendous fall in silver that has continued from 1873, when the mercantile ratio with gold was 15.92 to 1, until now, when it is 28 to 1, has been caused alone by the action of other countries in abandoning the coinage of silver. The discovery of new mines, and of modern processes for treating argentiferous ores, and increased transportation facilities, have enormously augmented the world's output of silver. In 1873 it was 63,267,000 ounces, while in 1892 it was 152,061,800 ounces.

Gentlemen in discussing this question have pointed to the fact that we are now maintaining an immense amount of silver money at par with gold; and by some sort of mental obtuseness they seek to build on that an argument that if we open our mints to the free coinage of silver we can still maintain this parity between the two metals.

I can tell you, sir, why the silver dollar is as good as the gold dollar with us. It is because ours is a great nation, stirred by ambition, and boastful of its credit, and every man feels it in his heart that this great and proud people do not intend to let any money which they may issue be debased and degraded in the estimation of the world.

Every man who takes a silver dollar knows that we will redeem it and that it will be kept as good as gold, even if it be necessary for the Government to enact a law that will drag gold from the uttermost corners of the earth to maintain the value of that dollar. That is the reason. It is the faith of the people in the Government itself. It is the same faith which makes our three hundred and forty-six millions of greenbacks pass current in this country with gold.

If I am mistaken in this, and if it be true, as has been claimed by gentlemen, that these silver dollars pass current according to their own value, notwithstanding the fact that every man who takes one knows that he possesses in that silver dollar but 56 cents worth of silver, then this parity of value must be because there is a conviction or belief on the part of the people that the other 44 cents of apparent value has been added to it in some manner by legislative enactment. That is to say, that we have 56 cents in silver in actual value, and 44 cents of added value based entirely upon a declaration of law. That is fiat money doctrine pure and simple.

But if it be true, as gentlemen say, that this Government, by legislative fiat, can add 44 cents to the value of a silver dollar, why, let me ask, should we tax the people to purchase the 56 cents' worth of silver contained in it? Could not the Government just as well take 40 cents' worth, or 30 cents, or 10 cents, or no cents worth of silver, and make it answer the purpose of a dollar just as well, if legislative enactment can do so much? Why not abandon silver altogether and turn our printing presses loose? It would be better and it would be cheaper. And then it would be decidedly more expeditious.

I am advised by those competent to give information on the subject that our mints can only coin $50,000,000 or $60,000,000 annually. But with the printing presses thoroughly greased and kept regularly at work, the Lord only knows how many billions upon billions of just as good money as our 56-cent silver dollars are we could turn out in the course of a year. [Laughter.]

Mr. Speaker, I am not jesting upon this subject. I am simply taking the arguments which gentlemen have offered here and following them out to their legitimate conclusion. Therefore, I say that if it is within the power of Congress by legislative pronunciamento to add 44 cents value to every dollar coined of silver in this country there is no reason why we can not just as well add 100 cents of value to a piece of printed paper and save to the people the expense of purchasing the 56 cents' worth of silver contained in our dollars.

The simple truth is our silver dollars do not pass for 100 cents upon their merit, but are upheld by the faith our people have that the Government will keep them at par with gold regardless of their real value. They are merely regarded by the people as obligations of the Government, just as greenbacks are, and are received by them just as they receive greenbacks.

Let us now consider the act of 1878, commonly known as the

Bland act. It required the Secretary of the Treasury to purchase at the market price not less than $2,000,000 worth of silver bullion per month, nor more than $4,000,000 worth, and cause the same to be coined into silver dollars at the old ratio of 16 to 1, and the dollars so to be coined were made a legal tender at their nominal value for all debts and dues, public and private, except where otherwise expressly stipulated in the contract.

The market thus assured to silver bullion, was a great stimulus to its production. In 1877, the year before the passage of this act, the output of American mines was 30,783,000 ounces. By 1890, when the Sherman law was passed, it had increased to 50,000,000 ounces. During this period the Government had bought altogether 291,292,019 ounces, at a cost of $308,199,261, and had coined the same into standard dollars, worth nominally $378,166,793.

The difference between the cost of the bullion and the nominal value of the dollars into which it was coined is $69,967,532.

It may be remarked here that the magnificent sum represented by this difference, under free coinage, would have gone into the pockets of the mine-owners instead of into the Treasury for the benefit of the whole people. I want some man to tell me why we should have opened our mints to the free coinage of siver, and thereby put this $69,967,532 into the pockets of the mine-owners instead of putting it into the Treasury for the benefit of the whole people.

Notwithstanding the enormous quantity of silver bullion purchased by this Government during this period, and although the mints of India were open to silver and absorbed vast amounts, its price steadily fell from a ratio of 17.94 to 1 in 1878 to 22.10 to 1 in 1889.

In July, 1890, the act commonly known as the Sherman law was passed.

It directed the Secretary of the Treasury to purchase from time to time silver bullion to the aggregate of 4,500,000 ounces in each month, at the market price, and issue in payment therefor Treasury notes, in such form and such denominations as he might prescribe.

The Secretary was required to "redeem such notes in gold or silver coin, at his discretion, it being the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio, or such ratio as may be provided by law."

Under that law he has purchased, up to August 1, 160,157,168 ounces, paying therefor $149,661,211.

The present value of the same, being estimated at 72½ cents per ounce, is $116,113,947, showing that the Government has lost by this transaction $33,547,264, and yet in the face of this fact there are gentlemen who hesitate about striking down such a monster of wrong and absurdity as this law. There have been issued in payment for this bullion $148,286,348 of Treasury notes. Of the bullion bought, 27,911,182 ounces were coined into dollars of the nominal value of $36,087,145.

The difference between the cost of the 27,911,182 ounces so coined and the nominal value of the dollars into which they were coined is $6,977,069.

We now have 130,461,034 ounces of bullion stored away in the vaults of the Treasury, which, according to the Director of the Mint, it would take four or five years to coin.

Mr. HUTCHESON. Since 1861 the world has never had less than $175,000,000 of metal coined. It has approached now $325,000,000. The whole product of gold is $130,000,000. Now, conceiving that every dollar of gold would be coined into money are you willing to turn the hand of time back and make the total fifty millions less than it was in 1862 in coined money; and, if not, with what will you supplement the gold coin?

Mr. CATCHINGS. My distinguished friend has overlooked the fact that the hand of time is forever turning forward, and that I am protesting against any action that will interrupt its forward movement. He has forgotten that there has been a great evolution in the methods by which the world transacts its business. He does not take into account that it has been demonstrated time and again that the medium of exchange in this country no longer consists mainly of gold or silver dollars, nor of greenbacks, nor of national bank notes nor of anything commonly regarded as money; that all these constitute but the smallest part of our medium of exchange which besides them includes credits on account, bank credits, checks, bills of exchange, clearing-house associations, and all those devices by which the use of money is economized and the exchange of commodities facilitated to a degree which was never dreamed of in the years to which the gentleman would refer me.

Why, Mr. Speaker, the reason the world does not take this silver is because the world does not want it except in limited quantities. The world to-day, notwithstanding what its laws may proclaim, and notwithstanding their legal-tender quality, regards our silver dollars as little more than subsidiary coin, or token money. It treats them practically as it does our half-dollars and quarter-dollars, and it wants them to little more than the same extent.

Our silver dollars are no more fitted for the transaction of other than business of the smallest nature than our subsidiary money is. They are too bulky and heavy to be used except in small quantities. Who ever heard of a large sum being paid in silver? The truth of what I state as to the very limited use that the country will make of silver dollars, is attested by the fact that we could not keep them in circulation among the people, except to a very small degree, when their coinage was begun under the provisions of the Bland act.

The country soon became surfeited with them, because the use that could be made of them in business transactions, because of their bulk and weight, was circumscribed, just as the use is that can be made of subsidiary money, which we commonly speak of as change. Our silver dollars were used to a considerable extent during certain seasons of the year, but during most of the year they were lying idle in the Treasury, to which they had returned because no use could be made of them in business. To remedy this condition, we provided in 1886 for the issuance of silver certificates of the denominations of $1, $2, and $5, to be put in place of silver dollars, themselves deposited in the Treasury.

While the silver dollars themselves could not be kept in circulation beyond a very limited amount, these small silver certificates were eagerly taken and freely used, because they are convenient to handle. They circulate, not upon the faith of the silver dollars against which they are issued, but upon the general faith of the people in the power and purpose of the Government to keep them good, just as greenbacks and national bank notes are taken. An inspection of the monthly statements of the Treasury Department will show that nearly the whole use that we make of our legal-tender silver money is through the medium of silver certificates, and that a comparatively small number of silver dollars are kept in circulation. But for the use of these silver certificates there can be no doubt, I think, that the great bulk of our silver dollars would remain idle in the vaults of the Treasury.

Mr. HUTCHESON. Then you propose to put credit in the place of money?

Mr. CATCHINGS. What I propose is not to strangle the efforts of the people of this country to transact their business in accordance with modern processes, whatever they may be, and which are constantly changing and developing with the experience of mankind.

I will now call the attention of my friend to the case of France. While the distinguished gentleman from Tennessee [Mr. PATTERSON] was speaking, a day or two since, the Delegate from Utah [Mr. RAWLINS] asked him why this country can not maintain $19 per capita of silver as France does.

I hold in my hand this statement to-day issued by the Treasury Department:

Monetary systems and approximate stocks of money in the aggregate and per capita in the principal countries of the world.

Countries.	Monetary system.	Ratio between gold and full legal-tender silver.	Ratio between gold and limited tender silver.	Population.	Stock of gold.	Stock of silver.			Uncovered paper.	Per capita.			
						Full tender	Limited tender.	Total.		Gold.	Silver.	Paper.	Total.
United States	Gold and silver.	1 to 15.98	1 to 14.95	67,000,000	$604,000,000	$538,000,000	$377,000,000	$915,000,000	$412,000,000	$9.01	$9.18	$6.15	$24.34
United Kingdom	Gold	.....	1 to 14.28	38,000,000	550,000,000	.....	100,000,000	100,000,000	50,000,000	14.47	2.63	1.32	18.42
France	Gold and silver	1 to 15½	1 to 14.38	39,000,000	800,000,000	650,000,000	50,000,000	700,000,000	81,402,000	20.52	17.95	2.09	40.56
Germany	Gold	.....	1 to 13.957	49,500,000	600,000,000	103,000,000	108,000,000	211,000,000	107,000,000	12.12	4.26	2.16	18.54
Belgium	Gold and silver	1 to 15½	1 to 14.38	6,100,000	65,000,000	48,400,000	6,600,000	55,000,000	54,000,000	10.66	9.02	8.85	25.53
Italy	....do	1 to 15½	1 to 14.38	31,000,000	93,605,000	16,000,000	34,200,000	50,200,000	163,471,000	3.01	1.62	5.27	9.91
Switzerland	....do	1 to 15½	1 to 14.38	3,000,000	15,000,000	11,400,000	3,600,000	15,000,000	14,000,000	5.00	5.00	4.67	14.67
Greece	....do	1 to 15½	1 to 14.38	2,200,000	2,000,000	1,800,000	2,200,000	4,000,000	14,000,000	.91	1.82	6.36	9.09
Spain	....do	1 to 15½	1 to 14.38	18,000,000	40,000,000	120,000,000	28,000,000	168,000,000	100,000,000	2.22	8.78	5.56	16.56
Portugal	Gold	.....	1 to 14.08	5,000,000	40,000,000	.....	10,000,000	10,000,000	45,000,000	8.00	2.00	9.00	19.00
Austria-Hungary	....do	.....	1 to 13.69	40,000,000	40,000,000	90,000,000	.....	90,000,000	260,000,000	1.00	2.25	6.50	9.75
Netherlands	Gold and silver	1 to 15½	1 to 15	4,500,000	25,000,000	61,800,000	3,200,000	65,000,000	40,000,000	5.55	14.42	8.89	28.86

Monetary systems and approximate stocks of money in the aggregate and per capita in the principal countries of the world—Continued.

Countries.	Monetary system.	Ratio between gold and full legal-tender silver.	Ratio between gold and limited tender silver.	Population.	Stock of gold.	Stock of silver.			Uncovered paper.	Per capita.			
						Full tender.	Limited tender.	Total.		Gold.	Silver.	Paper.	Total.
Scandinavian Union	Gold		1 to 14.88	8,600,000	$32,000,000		$10,000,000	$10,000,000	$27,000,000	$3.72	$1.16	$3.14	$8.02
Russia	Silver	1 to 15½	1 to 15	113,000,000	250,000,000	$22,000,000	38,000,000	60,000,000	500,000,000	2.21	.53	4.42	7.16
Turkey	Gold and silver		1 to 15.1	33,000,000	50,000,000		45,000,000	45,000,000		1.52	1.36	.....	2.88
Australia	Gold		1 to 14.28	4,000,000	100,000,000		7,000,000	7,000,000		25.00	1.75	.....	26.75
Egypt	....do		1 to 15.68	7,000,000	100,000,000		15,000,000	15,000,000		14.29	2.14	.....	16.43
Mexico	Silver	1 to 16½		11,600,000	5,000,000	50,000,000		50,000,000	2,000,000	.43	4.31	.17	4.91
Central America	....do	1 to 15½		3,000,000		500,000		500,000	2,000,000	.....	.17	.67	.84
South America	....do	1 to 15½		35,000,000	45,000,000	25,000,000		25,000,000	600,000,000	1.29	.71	17.14	19.14
Japan	Gold and silver	1 to 16.18		40,000,000	90,000,000	50,000,000		50,000,000	56,000,000	2.25	1.25	1.40	4.90
India	Silver	1 to 15		255,000,000		900,000,000		900,000,000	28,000,000	.....	3.53	.11	3.64
China	....do			400,000,000		700,000,000		700,000,000		.....	1.75	.....	1.75
The Straits						100,000,000		100,000,000					
Canada	Gold		1 to 14.95	4,500,000	16,000,000		5,000,000	5,000,000	40,000,000	3.56	1.11	8.89	13.56
Cuba, Haiti, etc	....do	1 to 15½		2,000,000	20,000,000	1,200,000	800,000	2,000,000	40,000,000	10.00	1.00	20.00	31.00
Total					3,582,605,000	3,489,100,000	553,600,000	4,042,700,000	2,635,873,000				

TREASURY DEPARTMENT, *Bureau of the Mint, August 16, 1893.*

It shows that France has $20.52 per capita of gold to $17.95 of silver and $2.09 per capita of paper, her gold exceeding her silver and paper money together. Gold, therefore, is the bulwark of her financial system. If we should coin as much silver per capita as France has we would have about $1,224,000,000.

If we had $20.52 per capita of gold, as France has, our stock of gold would be about $1,500,000,000 instead of $604,000,000, as it now is.

If we could diminish our paper money so that we would have only $2.09 per capita of it, as France has, our paper money would be only $136,030,000 instead of $412,000,000,000, as it now is, not including $170,000,000 of national-bank notes. If we could adjust our finances in this manner, a fair parallel between France and the United States might be drawn, and with such readjustment I should unhesitatingly say that we could maintain at parity with gold the same amount of silver per capita that France does. But with our present stock of gold and our enormous paper issues, it would, in my judgment, be impossible to maintain at par with gold $1,224,000,000 of silver.

It must also be remembered that France can and does make use of more silver than ourselves, because it has not our extraordinary facilities for transacting business without the use of money at all.

Let us take the case of a farmer who hauls a bale of cotton to town for the purpose of selling it and buying meat with its proceeds. He may do that of course by actually paying over the money for which he sells his cotton to the man from whom he buys the meat; but the man who buys his cotton will most likely give him a check on a bank, and when he goes to pay for the meat he will most likely turn that check over to the man who sells him the meat. And the man who sells the meat, doing business, we will suppose, at the same bank, deposits the check there, the amount is charged to the man who drew the check, and credited to the man who deposited it, and not one dollar of gold and silver or any kind of money has been used. This is a simple illustration of hundreds of thousands of transactions of more or less similar character that are daily effected. Indeed more than 90 per cent of all the business of this country is transacted without the actual use of money. In France all transactions such as this are effected by means of actual money.

Mr. RAWLINS. Will the gentleman yield to me for a question?

Mr. CATCHINGS. Yes, sir; if it is not too long.

Mr. RAWLINS. Do you regard the credit system superior to a system wherein the people transact their business by metallic money?

Mr. CATCHINGS. Is that the question?

Mr. RAWLINS. That is the question.

Mr. CATCHINGS. The proposition impliedly put by your question is utterly impracticable. It is just as impossible that the business of the world shall be transacted by the use of specie alone as that I should take wings this moment and fly to heaven. All the gold and silver that was ever dug from the bowels of the earth would not suffice to transact the business of New York City for two weeks if it had to be done with actual money. It is utterly preposterous to even think of doing the business of the country with gold and silver, no matter how plentiful they may be.

Mr. RAWLINS. Will the gentleman permit me to ask him one other question?

Mr. CATCHINGS. Yes, sir.

Mr. RAWLINS. I concede largely what you say, but if the country to-day had twice as much money metal to transact its business, when confidence and credit are destroyed, do you not think our situation would be far better than it is?

Mr. CATCHINGS. I must be permitted to express a very great big doubt as to whether it would or not, for to my mind all experience shows that when confidence is destroyed and credit gone, our money invariably, to a very large extent, goes into hiding; and that even if it should remain in circulation, it is utterly impossible to have a sufficient volume of it to suffice for the transaction of more than a trifling part of the normal business of the country. We transact our business chiefly through the medium of checks, bills of exchange, book credits, clearing-house associations, and other economic devices, and so long as confidence prevails, because of their greater convenience, these methods would be used instead of money, no matter how much of the latter there might be.

If confidence is destroyed and a panic comes on, such as that which now afflicts the country, no matter how ample or redundant our currency might be, fright would take the place of reason and disruption of business would ensue. When a panic once begins it would seem that like certain kinds of fever it must run its course.

The New York Clearing House Association during the present panic has issued $38,000,000 of its certificates, which, among the banks belonging to that association, have circulated and taken the place of that amount of money. They have practically been the exact equivalent of that much money.

We have within the past few weeks imported more than $30,000,000 of gold, and during the same time the volume of national-bank notes, by new issues from the Treasury, has been increased by $12,000,000. Yet we have seen that this addition, we will say of $80,000,000, has had no staying effect whatever upon the panic. There is no sense in a panic and no reason can ever be given which will justify a panic. Nothing but harm can ever come from one. And that is why no amount of money can stay one when it is fairly begun. A panic is a senseless movement, and it can not, therefore, be reasoned with.

We have just as much money to-day as we ever had, and yet it has absolutely disappeared from sight, and the country is suffering from a great money famine. The enormous quantities of gold which have been imported from Europe during the last few weeks and the additional issues to the national banks have not recalled one dollar of our affrighted money from its hiding place, and have been as impotent as would be a drop of water poured upon the desert of Sahara only to be licked up by the blistering sun.

Mr. BOATNER. Will the gentleman allow me to ask him one question?

Mr. CATCHINGS. Yes, sir.

Mr. BOATNER. Upon what theory do you expect the repeal of the purchasing clause of the Sherman act to restore confidence? I understand you to say that during the existence of a panic no amount of money will restore confidence. If that is the case, upon what theory do you expect the repeal of the purchasing clause to restore confidence?

Mr. CATCHINGS. I want the purchasing clause of the Sherman act repealed for two reasons. In the first place, it is a very unsound and a very unwise law. I believe the effect of it has been to accumulate within the vision of the whole world such a mass of silver bullion as it has never before had the opportunity to gaze upon; and, inasmuch as the price of silver is regulated by the world's visible stock of silver, just as the price of cotton is regulated by the world's visible stock of cotton, so we have

seen in the presence of this great mass of silver prices fall and values knocked out. [Applause.] I want to stop this growing accumulation of bullion. That is one reason I want the law repealed.

The SPEAKER *pro tempore* (Mr. HATCH in the chair). The time of the gentleman has expired.

Mr. HOPKINS of Illinois. Mr. Speaker, I ask that the gentleman from Mississippi be allowed to complete his remarks.

There was no objection.

Mr. CATCHINGS. And, Mr. Speaker, there is another reason why I would like this purchasing clause of the Sherman act repealed. I do believe that it would tend very greatly to restore confidence. I will say more than that. I believe it will absolutely restore confidence and unlock the money which has been hidden away and restore it to the channels of trade: and I say this because, after giving as much reflection to the situation as I am capable of, I can not find a single pretext for this panic, except the Sherman law.

I have heard gentlemen talk about it and make one suggestion and another, but I have heard nothing suggested which, in my judgment, could possibly have produced this panic, except the Sherman law.

It can not be, that the failure of the Barings several years ago, and the stringency of the money market thereby set up, has produced this panic. If it may be attributed to that, why did not the panic begin when the first shock from that failure was felt, and why should it break out years after the effect of that failure had been discounted? Any why has not a panic been produced by it in England, where its effect fell with tenfold more force than here? But it has produced no panic there.

It has been said that the great failures of banks in Australia and in London in the early spring account for this panic; but I can not accept that explanation when I see that by tnose failures no panic was produced in Australia, in Great Britain, or anywhere else in Europe. The losses from those failures fell upon our friends across the ocean and not upon us, and if they created fright that fright must have affected communities abroad much more strongly than ours. Therefore, I find myself compelled, as a plain practical man, devoted to facts and with no fondness for theories, to utterly disregard those occurrences as a means of accounting for our panic. Our crops have been fairly good.

While it is true that there is a depreciation of the agricultural interests of the country, I am not conscious that it is greater to-day than it was twelve months or two years ago; at least, I find no marked change in the condition of our farmers that could suddenly precipitate a panic here, in sight of God and man, destroying credit, pinching the poor, crushing the rich, and threatening bankruptcy to all. The wise men of Europe saw that, disregarding our own experience, disdaining the counsels of older countries, and giving no heed to the rapid march of events, we had seemingly accepted the visionary theory that we, acting alone, could compel the civilized nations of the world to remodel their monetary systems and unite with us in the free coinage of silver. They saw the price of silver driven down by the mountain of bullion accumulated under our senseless legislation.

I know not how it may strike other gentlemen, but to my mind it was most natural that those wise men should have begun to think that we were fast reaching the limit of our credit. It must be remembered in this connection, though the fact is too often forgotten, that there is a limit to the credit of nations, just as there is a limit to the credit of individuals.

We had that illustrated in the case of our greenbacks. Although in 1865 this country had emerged victorious from the protracted struggle between the States, and was apparently stronger and greater than ever, and although we had only about four hundred millions of greenbacks outstanding, yet the people declined to take them at par. They did this because they questioned the credit of the Government; that is to say, they questioned the ability of the Government to redeem those greenbacks in gold.

But when, in 1875, the resumption act was passed, and notice was given to the world that on the 1st day of January, 1879, this Government would stand prepared to pay gold to all persons who desired to exchange greenbacks for it, instantly faith in the capacity and purpose of the Government to redeem those obligations sprang into existence, and we saw them rise steadily and steadily in value until finally, when the day of redemption came, they were at par with gold, as they have remained ever since.

This, I say, is a striking illustration of the fact that people, when they are asked to give credit to a government, debate the question upon the same lines precisely as when they are called upon to give credit to individuals. And when people abroad saw that we were engaged in this foolish and senseless effort in regard to silver, it was most natural that they should think that we were approaching the point when we would no longer deserve credit; when we would no longer be able to redeem our obligations in gold, and when our securities, held by them in such great quantities, might be paid off in depreciated silver. Then began the return of those securities to this country for conversion into gold, though not in sufficient quantities, I frankly admit, to justify this panic. I am not stating this to justify the panic, because it can not be justified; but the fact remains that our securities did return in very considerable quantities.

About that time our own people got alarmed and began to pay their customs dues in silver or silver certificates, or Treasury notes issued under the Sherman law, so that instead of paying about 75 per cent of them in gold, as has been the general rule for many years, the gold paid in ran down until last month none at all, I believe, was received at the custom-houses. So the thing spread, and became contagious. Panics are always produced that way. The papers began to talk about the matter, and the drain of gold from the Treasury became so serious that the amount rapidly dwindled to the one hundred million limit and finally went below it.

It may be a strange thing, but it is a fact nevertheless, that the people of this country had been so long accustomed to see that $100,000,000 of gold lie there in the Treasury as a solid basis upon which we had built up our greenback currency, that they felt it could not be touched without great disaster; and when our stock of gold was being drained away and we were closely approaching the $100,000,000 limit there were many men, sensible business men, who believed that if we ever crossed that limit this country would fall asunder and would instantly go to the "demnition bow-wows." [Laughter.] It was regarded as a sort of "dead-line," such as boys draw when they play marbles, to cross which would bring the game to an end.

Now, Mr. Speaker, I freely confess that I have not mentioned a fact that can justify the mad fright that has deprived us all of our senses, but if this panic did not result from the causes indicated by me I will thank some gentleman before the debate closes to tell me what did cause it.

That is a much longer answer than I had epxected to make to my friend from Louisiana, and I will try to get back to my line of discussion.

Now, Mr. Speaker, another thing has been demonstrated by our silver legislation, and that is, that the market price of silver goes up or goes down just exactly as you have or have not a demand for it; in other words, it stands on a level with any other commodity; there is nothing sacred about silver, which makes it different from any other commodity in this respect.

When you have had an enlarged use for silver you have always had temporarily an increased price for silver, and *vice versa*. That was illustrated when the Bland act was passed. In that act we provided for the purchase of $2,000,000 worth of silver each month. The consequence was that there was an immediate and quite sharp rise in the value of silver bullion. But there resulted what invariably results when you artificially create a demand; you by the same means artificially stimulate production.

The world's output of silver sprang from 62,648,000 ounces in 1877, the year before the passage of the Bland law, to 91,652,000 in 1885, when the price went down below that of 1878. The production increased thereafter until it reached 125,420,000 ounces in 1889, and the price of silver fell to a ratio of 22.18 to 1 in 1889.

The Sherman act of 1890 calling for a still larger use of silver, the price temporarily rose until it reached the ratio of 19.83 to 1 in 1891. But it at the same time stimulated the production of silver, so that the world's output increased from 125,420,000 ounces in 1889 to 144,426,200 in 1891 and 152,061,800 in 1892. Thereupon the price fell, as was natural, and it has continued to fall until it is now about at the ratio of 28 to 1.

It thus appears that, notwithstanding the low price of silver that has prevailed for many years, whenever an enlarged market has been provided for it, the production has increased: and in spite of the protestations of our friends from the silver States that it can not be mined at the present price, he would be a bold man indeed who would undertake to construct a coinage law upon the assumption that the limit of production has been reached.

While not given to prophecy, I make bold to venture the prediction that if by free coinage, or otherwise, we provide a better market for silver, its production will be correspondingly augmented.

It is perfectly clear to my mind, from this review of the silver situation, that Jefferson and Hamilton were absolutely correct in saying that the ratio between gold and silver is to be determined by the market price of the metals, and that it can not be arbitrarily made by legal enactment.

Mr. Speaker, as our bullion accumulated through these senseless purchases, and the world began to gaze upon it and see its volume grow and grow and grow, with that uncertainty which must have existed in the minds of all as to what would be the ultimate fate of that bullion—whether it would be dumped upon the market, as Germany had attempted to dump her silver, or

whether we were to throw our mints open to free coinage and have a flood of cheap silver dollars—the price of silver was necessarily forced down.

Our friends who would press this country into the immediate free coinage of silver are fertile of resource and apt with theory. Indeed (and I say it with most profound respect for gentlemen who differ with me, because they are my personal and political friends, and I know them to be men of ability far greater than I possess), I must say that after a patient hearing and examination of all that can be said in behalf of their position, I am driven to the conclusion that it all rests upon theory, and that there is not a fact in the history of the world upon which that theory can rest.

It is fanciful, visionary, beautiful, delicately embroidered, handsomely mounted, but at last it is only a pretty picture to look at and to allure the imaginations of those who are fond of speculation. Their theories can not be squared with facts which stare us in the face and which must not be ignored if we would find the truth. One of these theories is that even if our gold should be driven from this country by depreciated silver money, as in my judgment it certainly would be, no loss would thereby be inflicted upon us. It is said that the place of gold would soon be taken by silver. So it would be in time, but it would not soon be taken.

My friends can not move as fast on this line as they think; for, according to the estimate of the Director of the Mint, it would take ten years to coin $500,000,000 of silver dollars, and if our six hundred millions of gold should be driven out of the country it would take ten or twelve years to supply its place, even with depreciated silver dollars.

Pending this substitution of silver for our $600,000,000 of gold there would be necessarily such a contraction of our circulation as would plunge the country into the greatest financial distress, if not universal bankruptcy. A great country like this could not radically alter its entire monetary system, including its standard of value, without such disturbance and disruption as would inflict a paralysis of business that would not be relieved during this generation.

It is said that in the course of time silver would take the place of gold; and that, although our gold would go to Europe, it would still circulate as part of the world's medium of exchange; and that European nations would still trade with us. All this is true; but what would be left to us? We would be left with a fluctuating, unstable medium of exchange, which could not but operate harmfully to us. It would inject into every business transaction an element of uncertainty that would invest it constantly with a speculative character, and it need not be said to any thinking or business man that that would be highly injurious. We would place ourselves upon a level with the semicivilized countries of the world, who have been, as we know, when it comes to international transactions, largely at the mercy of the civilized countries, for the reason that they have been operating upon an unstable, an uncertain, a falling exchange.

Why, sir, even India found itself compelled at last to take position with the leading states of the world. Its troubles had become innumerable; its difficulties had become unbearable; and, notwithstanding its limited commercial intercourse with the world, it was constrained, after vainly attempting during many years to stem the tide, to seek respite from its afflictions and attempt, by cessation of silver coinage, to stop the fall in exchange and give greater stability to its silver money.

I know it is said, and I have heard it said on this floor, that India did not voluntarily suspend the coinage of silver, but was coerced into doing so by England. There is no warrant for that statement. Those who have read the report of the Herschel committee upon which this action of the Indian government is based, are bound to be advised that the influence of the home government was restrictive upon India. The Indian government applied for permission to suspend absolutely the coinage of silver and for permission to throw its mints open to gold, so as to come absolutely and at once to a gold standard.

But the home government declined to suffer India to go so far. It did permit the Indian government to close its mints to the coinage of silver on private account, but it insisted that it should contemporaneously with that, give notice that it reserved the right to coin on government account, and that in addition it would coin silver in exchange for gold at the ratio of 1*s.* 4*d.* to the rupee. But they refused to permit it to throw its mints open to gold. So the action of the home government restricted the Indian government and did not permit it to go as far as it had desired.

And this, Mr. Speaker, is another instance where legislation has been powerless to maintain silver above its market value. Here was an effort on the part of Great Britain to prevent a further decline in silver, and to fix the value of the Indian rupee at 1*s.* 4*d.*; and the Indian council in London, with the same end in view, refused to sell bills on India except at that ratio.

But the effort was entirely in vain. The rupee at 1*s.* 4*d.* was valued above the market price of silver. The council could not sell their bills at that price, and they had to relax the regulation and sell at 1*s.* 3½*d.*, I believe. At all events, here is another instance of the utter futility by legislation of undertaking to fix the value of metal.

And so these gentlemen say—but I will not leave this phase of the question until I have read to the House a striking passage from a speech made at the recent Brussels conference by Mr. Van den Berg, president of the Bank of the Netherlands, who was a delegate to that conference. He was discussing the necessity that all nations are under, if they would avoid disturbance and financial loss in their intercourse with others, of accepting the standard of value adopted by the great civilized countries of the world. Before proceeding further I will state that he is, and has always been, a bimetallist. My friend here, Mr. BLAND himself, who has given his best years to the study of the silver question, is not a more firm believer in bimetallism than is Mr. Van den Berg. He accepts the theory that great appreciation of gold has resulted from the suspension of the free coinage of silver, and believes that the world has not gold enough for the transaction of its business, and in time must of necessity make use of silver also.

The words that I am about to read come, therefore, from a friend and not an enemy of silver. He called attention to the fact that in 1876 some writer in the Journal of Economy in France had suggusted that matters might be so arranged as that Eastern countries would be satisfied with the use of silver, and that the division of gold would be restricted to America and the civilized countries of Europe: and that in March of that year he had in a published communication denied that proposition, and said:

> That the East (India) could not withdraw with impunity from the general economic laws which govern the currency in the civilized countries of Europe; that there, as here, the nature of things is opposed to the maintenance as a measure of value of a metal (silver) subject to continual and violent vacillations in value; and that the East (India) would find itself compelled to follow the general movement towards gold in order to escape from profound disturbances in its internal economic situation and its commercial and financial relations with foreign countries.

He continued:

> And now, gentlemen, I ask you whether any prediction was ever more completely fulfilled?
>
> We see British India struggling against the difficulties and damages which have been produced by the inaction of their government with regard to the measures which it might, and, in my opinion, should have taken, in order to insure the monetary standard (silver) of the country against the fluctuation and vacillations which have for long disturbed all business and social relations.
>
> We know that the British Government has been compelled to open an inquiry to obtain information upon the present monetary situation in India; and we have been informed by the direction of Sir Guilford Molesworth, one of the Indian delegates, that very serious attention is at present being given to the measures which should be taken for establishing the currency system of India on the same basis as that of England, namely, upon a gold basis.

Mr. Van den Berg was wiser than the statesmen of India and Great Britain in 1876. He clearly foresaw what they did not, that India could not prosper in its business with the civilized countries of Europe unless it should adapt its measure of value to theirs, and that the time would surely come when to escape from the "profound disturbances in its internal economic situation and in its commercial and financial relations with foreign countries" it "would find itself compelled to follow the general movement toward gold."

The prediction made by him has been verified by the recent action of the Indian government.

I appeal to gentlemen to give heed to the far-seeing sagacity of this sturdy and enlightened bimetallist, and not plunge this great country headlong into the condition from which India, after years of costly experience, is struggling to escape. If India, with its limited international intercourse, has been compelled from its necessities to join the procession of civilized nations, and accept their gold standard as its measure of value, how can it be possible for this great and growing Government, with its foreign commerce of $2,000,000,000, to give up the place it has occupied in that procession since 1834 without producing the most violent disturbance of values and economic upheaval that the mind can conceive of?

The Indian government has been compelled after long years of waiting and hoping, to close her mint to the coinage of silver. And it seems to me to be strange that there should be gentlemen present who would wish to take this Government from the gold basis on which to-day it substantially stands, and degrade it to the very condition which brought such distress and disturbance and loss to India, and from which she is now struggling desperately to escape.

And, my friends from the South, I wish to say a word to you. We would be the chief sufferers from the monetary dislocation which would certainly follow fast upon the heels of the change from the use of both gold and silver as now to the employment of silver alone. Two-thirds of all the cotton that we grow is sold

to Europe and the fluctuations in exchange that would result and the disturbances that would surely come would fall most heavily upon the devoted people of the South.

Mr. Speaker, I am free to say that if I believed, as earnestly as my distinguished friend from Missouri [Mr. BLAND], in the theories which he preaches, my courage would fail me if it were left with me to say whether this country should boldly plunge into an experiment regarded by the President and his advisers, and by so many of the ablest statesmen of the world, as fraught with danger and disaster. I do not profess to be a timid man, nor one of exceptional courage, yet I do believe that, regardless of my convictions, I would shrink when the time for decision came, from compelling the adoption of my conclusions.

Mr. Speaker, some of these same gentlemen who insist that we would not be injured should our gold leave us, because it would in time be replaced with silver, singularly enough advance the wholly inconsistent theory that our gold would necessarily come back to us, for the reason that foreign countries must continue to trade with us and must buy our products, which, it is said, they would pay for in gold. They forget that the same conditions that had expelled our gold would prevent its return.

As a matter of fact, however, the gold would not return. It would come to us no more than it has gone to India in trade, no more than it goes to China or any other silver-using country. Balances are not settled in that way. If there should be a balance in our favor which had to be settled in coin, you may be sure that it would be settled in silver.

Singular as the statement way be, it is nevertheless true, that India is a very large creditor nation; and yet whoever heard of a balance of trade in favor of India being settled in gold? Why should the English or the French or the Germans send gold here to pay debts when they have the huge stock of nearly four billions of silver in the world to draw upon to get such amounts as they need to send here?

Now, Mr. Speaker, my friend from Missouri [Mr. BLAND]—and I mention him so frequently because he is the most distinguished leader on the side which is in opposition to me in this House, and not for the purpose of unduly making use of his name, which, as my friend, of course he will understand—the gentleman from Missouri [Mr. BLAND], speaking for those who agree with him, says that there has been an enormous rise in the price of gold, resulting from the action of the world with reference to silver.

When I come to this subject, I am reminded of a jest once made by one of Mississippi's most distinguished lawyers, who now, alas! has gone to join the great majority. I was engaged with him in the trial of a large and important lawsuit, and it came to pass that during its trial there was put in evidence a most singular kind of account. It was one the like of which I had never seen before, and will never see again. Indeed, it was such that I find it impossible for me now at this time, to explain it, but it was many-sided and admitted of many constructions.

This distinguished lawyer, the Hon. Wiley P. Harris, in speaking of this account, said:

> Gentlemen of the jury, when I approach the discussion of this account, I find myself like the ancient geographer who, when attempting to delineate upon his maps a part of the world that had never been explored, and was therefore wholly unknown by him, marked it down as covered by mountains, volcanoes, arid plains, and deserts.

[Laughter.]

I wish I could as easily dispose of this question as to the appreciation of gold. It is something about which we can only speculate. No man on the face of this earth has the wit to absolutely prove anything on the subject one way or the other. The whole proposition rests upon two facts, and a syllogistic method of reasoning is adopted. I am not contending against the proposition. I only aver that, after all that has been said regarding it, the candid man must admit that it still remains largely a matter of conjecture and speculation.

Years ago prices were higher than they are now. Consequently it takes more products to-day to buy the same amount of gold than it did years ago. From these two facts the deduction is broadly drawn that the difference in prices between now and then results from the appreciation of gold. If I were to concede the truth of that proposition I should still want some gentleman to tell me how it can affect the issue here, unless it can be shown not only that the appreciation of gold is the cause of this fall in prices, but that this Government, acting alone, without the coöperation of other governments, can pull down the price of gold and restore fallen prices to their former level. Because if we can not do this it is in vain to discuss the question whether gold has appreciated or not.

If we can not rectify the evil all that remains to us is to contemplate it and reflect upon the cruelty of the act which resulted in our affliction; so that if I should admit the doctrine as to appreciation of gold, and the deductions drawn therefrom as broadly as stated, I should still occupy the position I do; because to my mind it is clear that it is utterly impossible for this country, by the free coinage of silver, single-handed and alone, to drag down the price of gold and put up prices as they were. But we happen to know that there are many causes which have operated to bear down prices.

Take the case of the staple product of the section of country in which I live; and that reminds me, Mr. Speaker, of a most prodigious falsehood projected into space by the silver convention which met in Chicago. It was solemnly said by that convention that suspension of the free coinage of silver, by the act of 1873, had driven down the price of cotton from 19 cents in 1873 to 7 or 8 cents at this time.

That statement was made for the purpose of inducing the cotton-planters of the South to believe that if free coinage could be restored, cotton would again go to 19 cents a pound. There is not a cotton-planter who does not know that never, until the inflated prices of the war and the years succeeding, did cotton bring 19 cents per pound. Never in the good old days when free coinage of silver was militant throughout the world, did the most enthusiastic and ardent planter of the South expect to get more than 10, 11, or 12 cents for his cotton. The rule was that he rarely got so much as that.

Mr. BOATNER. That would be satisfactory.

Mr. CATCHINGS. You have had as fair prices a good many times since the suspension of coinage, as I am going to show before I get through.

Mr. HOPKINS of Illinois. I will ask the gentleman if it is not true that that 19 cents was not paid on a gold basis?

Mr. CATCHINGS. Of course it was. It was paid on an inflated price caused by the depreciated paper which at that time was our only money. And that convention knew the statement to be false when it was made.

Mr. PATTERSON. And was not that price caused by the increased demand for cotton?

Mr. CATCHINGS. Certainly. By reason of the war, and the disordered conditions following it, there was a greater demand for cotton than could be met.

Mr. MILLIKEN. Will the gentleman permit me to ask him a question?

Mr. CATCHINGS. Certainly.

Mr. MILLIKEN. Is it not true that last November and October, before this panic occurred, notwithstanding the gold standard, that we were paying a higher price to labor than ever before in this country?

Mr. CATCHINGS. I will touch upon that before I get through, if my friend will pardon me.

Everybody knows that as soon as we recovered from the disorganization which necessarily succeeded the great struggle between the States we devoted ourselves earnestly and seriously to the cultivation of cotton. New farms were opened up and a great stimulus was given to its production. General [addressing Mr. MEYER], how much cotton did we produce in 1873?

Mr. MEYER. Three and a half million bales.

Mr. CATCHINGS. How much last year?

Mr. MEYER. Nine and a half.

Mr. CATCHINGS. So, Mr. Speaker, the result was that whereas we produced about three and a half million bales of cotton in 1873, last year in this country alone there were produced about nine and a half millions.

Mr. HUTCHESON. Seven and a half.

Mr MEYER. We produced 9,100,000 bales.

Mr. CATCHINGS. I will take the statement of the gentlemen from Louisiana, as he is well informed on the subject, and he says there were 9,100,000 bales produced. I accept that statement as true and base what I have to say upon it, right or wrong.

Now, Mr. Speaker, it has been a fixed belief of the people of my section of the country that to a great extent the price of cotton has fallen off because of this enormous increase of production. It has been an accepted conclusion with them, and this is manifested by the fact that the farmers' societies all over the South, being greatly disturbed by that fall and the accompanying loss, have been attempting by every means within their power to hit upon some plan by which the output of cotton could be reduced.

So fixed is this belief among them that the reports of the Agricultural Department and the estimates of cotton exchanges and of all other experts that are given out periodically for the purpose of indicating the condition and probable amount of the cotton crop are eagerly sought and inspected by them. So sure have they been that the price of the crop depended largely upon its volume that they have often suspected, and not infrequently charged, that extravagant estimates have been published for the purpose of bearing the price.

I only allude to these things for the purpose of showing that unless our people have always labored under a delusion in this respect, the fall in the price of cotton can not be attributed entirely to the alleged appreciation of gold.

Mr. HOPKINS of Illinois. I would like to ask the gentleman

If the cultivation and production of cotton in Egypt and India has not also contributed to the fall of the price in cotton?

Mr. CATCHINGS. Very greatly. The output of those countries has increased in about the same ratio as that of this country has.

I will now show that until the great depression began, under which we have been struggling for two or three years and which has driven down prices all over the world, we were getting very nearly if not quite as much for our cotton as it brought prior to 1861, when the whole world was enjoying all the benefits that can come from the free coinage of silver.

Mr. BOATNER. I did not understand the gentleman.

Mr. CATCHINGS. I said, and I am going to prove, that until the serious depression set in about three years ago, which happened to be accompanied by a large increase of production, the price of cotton was quite as great as it was during the favored years prior to 1861, when we had the advantage of the free coinage practiced by France and other countries abroad, and that at this very moment prices are no lower than they were many times prior to 1861.

I beg leave to insert at this stage of my remarks a table of prices for the inspection of any gentleman who feels enough interest in it to look it over. It begins with 1826 and comes down to 1886, giving the highest and lowest prices of cotton.

Lowest and highest prices of corn, cotton, oats, tobacco, and wheat for sixty-two years: 1825–1886.

[Where no mention of quality is made it is understood that the price quoted is for the cheapest grade of each commodity. The prices are those of the New York market.]

Year.	Corn, bushels.		Cotton, upland, pounds.		Oats, bushels.		Tobacco, Kentucky leaf, lbs.		Wheat, bushels.	
	Lowest.	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.	Highest.
1825	$0.42	$0.75	$0.13	$0.27	$0.26	$0.40	$0.03	$0.09	$0.75	$1.06
1826	.62	.83	.09	.14	.42	.60	.03	.08	.84	1.02
1827	.54	.75	.08	.12	.31	.56	.03	.06	.80	1.25
1828	.46	.62	.09	.13	.24	.37	.03	.06	.95	1.62
1829	.48	.64	.08	.11	.27	.46	.05	.07	1.00	1.75
1830	.48	.65	.08	.13	.26	.40	.03	.07	1.00	1.15
1831	.54	.75	.07	.11	.27	.48	.03	.06	1.06	1.35
1832	.50	.87	.07	.12	.38	.56	.03	.06	1.12	1.35
1833	.65	.86	.09	.17	.30	.48	.03	.08	1.15	1.28
1834	.53	.75	.10	.16	.28	.48	.04	.08	1.02	1.10
1835	.70	1.12	.15	.20	.33	.75	.06	.11	1.04	1.50
1836	.83	1.12	.12	.20	.40	.75	.06	.10	1.37	2.12
1837	1.00	1. 5	.07	.17	.40	.75	.03	.09	1.55	2.10
1838	.76	1.00	.09	.12	.25	.60	.04	.13	1.35	2.00
1839	.75	.98	.11	.16	.30	.60	.08	.16	1 15	1.37
1840	.46	.63	.08	.10	.24	.43	.03	.16	.95	1.25
1841	.47	.81	.09	.11	.37	.50	.04	.14	.90	1.50
1842	.54	.68	.07	.09	.25	.53	.02	.09	.83	1.30
1843	.48	.60	.05	.08	.27	.34	.02	.07	.84	1.20
1844	.43	.54	.05	.09	.27	.37	.02	.06	.82	1.12
1845	.45	.85	.04	.09	.29	.51	.02	.07	.85	1.40
1846	.55	.89	.06	.09	.28	.48	.02	.07	.80	1.35
1847	.64	1.10	.07	.12	.39	.65	.02	.08	1.01	1.95
1848	.52	.78	.05	.08	.32	.51	.03	.08	.95	1.40
1849	.57	.70	.06	.11	.33	.49	.03	.09	1.20	1.35
1850	.55	.72	.11	14	.37	.51	.05	.14	1.00	1.50
1851	.53	.68	.08	.14	.65	.80	.03	.14	.93	1.22
1852	.62	.78	.08	.10	.75	.86	.03	.09	1.03	1.15
1853	.64	.82	.10	.11	.41	.52	.04	.10	1.22	1.80
1854	.76	.98	.08	.10	.45	.75	.05	.11	1.75	2.50
1855	.93	1.15	.07	.11	.42	.82	.06	.13	1.96	2.80
1856	.48	.94	.09	.12	.35	.50	.06	.16	1.30	2.17
1857	.71	.98	.13	.13	.40	.66	.07	.20	1.25	1.95
1858	.58	1.03	.09	.13	.40	.53	.06	.18	1.20	1.50
1859	.76	1.05	.11	.12	.36	.58	.04	.14	1.30	1.65
1860	.64	.95	.10	.11	.37	.47	.03	.13	1.35	1.70
1861	.48	.74	.11	.28	.30	.47	.03	.16	1.20	1.60
1862	.50	.75	.20	.68	.37	.67	.06	.30	1.30	1.55
1863	.68	1 23	.54	.88	.53	.90	.08	.36	1.25	2.00
1864	1.25	1.97	.72	1.90	.86	1.02	.08	.55	1.72	2.75
1865	.70	.97	.33	1.22	.45	.20	.07	.45	1.25	1.88
1866	.80	1.32	.32	.52	.55	.85	.08	.18	2.20	3.45
1867	1.00	1.40	.15	.36	.67	.94	.09	.16	2.30	3.40
1868	1.01	1.41	.16	.33	(*)	(*)	.08	.15	2.05	3.25
1869	.75	1.16	.25	.35	.67	.84	.08	.13	1.45	2.18
1870	.78	1.15	.15	.26	.52	.69	.07	.12	1.40	1.90
1871	.66	.90	.15	.25	.42	.70	.06	.11	1.45	2.00
1872	.61	.80	.18	.25	.42	.55	09	.16	1.65	2.10
1873	.50	.77	.13	.21	.42	.58	.09	.16	1.55	2.25
1874	.53	.84	.15	.19	.38	.53	.07	.25	.93	1.35
1875	.49	.76	.13	.17	.30	.64	.09	.28	.92	1.37
1876	.38	.69	.11	.13	.28	.35	.07	.19	.84	1.27
1877	.41	.58	.11	.13	.22	.46	.07	.16	1.06	1.85
1878	.45	.60	.09	.12	.29	.45	.04½	.07	.83	1.31
1879	.44	.64	.09½	.13½	.31	.50	.04½	.07½	1.10	1.56
1880	.48	.61	.11	.13½	.36	.49	.05	.07½	1.03	1.59
1881	.48	.76	.09⅞	.13	.42	.52	.05½	.12	1.14	1.56
1882	.63	1.00	.11⅝	.13	.37½	.72	.03½	.09	1.03	1.43
1883	.55	.70	.10	.11⅛	.36	.51	.05	.11	.95	1.24
1884	.45	.66	.10½	.11½	.32	.42	.05	.09	.74	1.05
1885	.40	.57	.10	.11½	.27½	.41½	.07½	.09	.88	1.05
1886	.43	.56	.08 1/16	.09 7/16	.30⅝	.39	.07⅞	.09⅝	.83	.95½

*Nominal.

It appears from this table that the price of cotton was very often as low as it now is.

In 1885, when this great appreciation of gold was supposed to have taken effect, we got 11¼ cents; in 1882 we got 13 cents; in 1881 we got 13 cents; in 1879 we got 13½ cents, and so on. An inspection of this table will show that a man might very reasonably think that he could account for the fall in the price of cotton by the increase of production.

Mr. BOATNER. Are you giving the average prices?

Mr. CATCHINGS. This table gives the highest and the lowest prices.

A MEMBER. What are you reading from?

Mr. CATCHINGS. I am reading from an authentic table which was prepared some years ago. I am going to put it in my speech if I should conclude to let the speech go into the RECORD.

I hold in my hand another table, prepared for me by the Department of Agriculture, giving the highest and lowest prices of middling upland cotton from 1884 to 1892, inclusive, which I will also insert.

Highest and lowest prices of middling upland cotton in New York for the years indicated.

Years ending August 31—	Highest, per pound.	Date of highest quotation.	Lowest, per pound.	Date of lowest quotation.
1884	$0.11⅛	Apr. 14, 1884	$0.10¼	Sept. 1, 1883
1885	.11½	Feb. 26, 1885	.09⅞	Oct. 24, 1884
1886	.10½	Sept. 1, 1885	.08 3/16	Feb. 26, 1886
1887	.11 7/16	May 31, 1887	.09¼	Nov. 4, 1886
1888	.11⅛	Aug. 14, 1888	.09 7/16	Oct. 3, 1887
1889	.11¼	Aug. 20, 1889	.09⅝	Oct. 7, 1888
1890	.12¼	May 28, 1890	.10¼	Nov. 4, 1889
1891	.11	Sept. 2, 1890	.07 7/16	Aug. 17, 1891
1892	.08 13/16	Sept. 8, 1891	.06 13/16	Mar. 28, 1892

And, recurring to the question of increase in production, I will insert the table in my possession, prepared for me by the Department of Agriculture, showing by pounds the production of cotton in the United States from 1884 to 1892, inclusive:

Years ending August 31—	Pounds.	Years ending August 31—	Pounds.
1884	2,757,544,422	1889	3,439,934,799
1885	2,742,906,011	1890	3,627,365,183
1886	3,182,305,659	1891	4,316,043,982
1887	3,157,378,443	1892	4,593,575,984
1888	3,439,172,391		

Assuming a bale to contain 500 pounds, it will be seen that the number of bales produced in 1887 was 6,314,756; in 1888, 6,878,344; in 1889, 6,879,869; in 1890, 7,254,732; in 1891, 8,632,088; and in 1892, 9,013,111.

Notwithstanding the enormous and rapid increase of production here shown, an inspection of the tables I have furnished will show that until 1892 the price was quite up to the average price prior to the late war, at which time, except in the case of England, all the countries of the world coined silver freely.

But the crops for the past three years have been so great that at the end of each season a large quantity of cotton remained unconsumed, and was carried over and added to the following crop. This condition continuing for several years, the price broke in 1892, and has not rallied.

Here is a cause for the present low price of cotton so simple that no man can fail to see it. Why should we ignore it and wander off into a labyrinth of theory and speculation about the appreciation of gold?

Again, let us take the case of sugar. Sugar has fallen 2 cents a pound. Everybody knows that the fall in the price of sugar is because we took off the protective tariff of 2 cents. That not only gave cheaper sugar, but established, beyond the domain of argument, that the tariff is a tax. [Laughter.] Now the appreciation of gold certainly had nothing to do with the reduction in the price of sugar.

Again, I remember that in the Fifty-first Congress, when an effort was being made to pass what was known as the compound lard bill, it was stated by the gentleman from Missouri [Mr. HATCH] on the one side and the gentleman from Iowa [Mr. Conger] on the other, that compound lard (which, as everybody knows, is a compound of hog's lard and cotton-seed oil) had forced down the price of lard 4 cents a pound. There was a fall in the price of lard, and a great one at that, accounted for by a plain and obvious reason which had no connection whatever with the appreciation of gold.

Mr. GEAR. I will ask the gentleman whether that decline in the price of lard has been a serious injury to the farmers throughout the West who raise hogs?

Mr. CATCHINGS. It has been a very great benefit to the

farmers in my part of the country. Here is a case, where, by the natural evolution of business, by the invention of man, you find a new condition brought about by which great injury is inflicted on one set of producers and great benefit done to another.

Mr. CLARKE of Alabama. Compound lard has been a great benefit to the consuming world also.

Mr. CATCHINGS. Certainly. But the point I am making is that this is another case where even so great a fall in price as 4 cents a pound can be easily accounted for without reference to the appreciation of gold.

Mr. BOATNER. You did not admit, however, the deduction that compound lard had driven down the price of ordinary lard.

Mr. CATCHINGS. Certainly I did; and I denounced the effort to suppress compound lard as an effort to take away from the people a good and wholesome product, and to tax them 4 cents a pound extra for the benefit of the hog-raisers of the country. My speech on that subject is in the RECORD.

The apprehension that the compound-lard bill would become a law forced down the price of cotton seed from twelve to five dollars a ton. If it had become a law the price of cotton seed might have remained at that low figure, and another case of fall in prices would have been presented, that had nothing to do with the appreciation of gold. Cotton seed last winter sold for $2 a ton, showing the laws of demand and supply at times raise as well as lower prices.

Again, take the case of sewing machines. They are very much cheaper now than they formerly were, for the very obvious reason that the patents on them have expired. You can buy a sewing machine for less than 50 per cent of the price before the expiration of the patents. Here is another case where you can find a very simple reason for the fall in price without going into the question of the appreciation of gold.

Again, who does not know that steel rails that at one time sold for $200 a ton can now be bought for about $30 a ton, this being the result of the Bessemer process of making steel, whereby their cost has been enormously lessened? Here again you have a most astonishing fall in the price of one of the most useful articles produced in this country, and which can not be remotely connected with the appreciation of gold.

Take the case of quinine. It formerly cost $4 an ounce. It was then only obtained from South America. Now the cinchona tree is largely cultivated in India, and by improved processes "more quinine can now be made at less cost in from three to five days than could have been effected by old methods in twenty days." Surely it can not be claimed that this fall in the price of quinine has been caused by appreciation of gold.

Instances innumerable might be given of a fall in prices from easily detected causes wholly unconnected with the gold question. Improvements in labor-saving machinery, where a handful of men now often accomplish as much as hundreds formerly did; enlarged transportation facilities, whereby exchanges of products are made easy and inexpensive, and many other causes which naturally occur to one, account for very much certainly of the general fall in prices.

Mr. ALLEN. If the price of cotton has probably been reduced on account of the increased supply in proportion to the demand——

Mr. CATCHINGS. I say that it has certainly been largely reduced by that. I am going to give another cause presently which would tend to reduce it.

Mr. ALLEN. Well, if that has reduced the price of cotton, is it not probable that the increased demand for gold arising from our making it the sole standard of value will increase the price of gold?

Mr. CATCHINGS. I wish to say that I have not challenged the statement that there has been an appreciation of gold, though conceding it as a general proposition, for the sake of argument, I do not think it has affected the price of cotton. I am simply showing that, inasmuch as there are so many other causes that have certainly reduced prices which must be taken into account, no living man can do more than speculate as to the effect that that appreciation of gold has had upon prices. The strongest evidence of this is that the ablest men of the world differ widely upon the proposition.

Some claim that appreciation of gold has lowered prices greatly; others deny this absolutely. All admit that the means of estimating the appreciation of gold, conceding it to exist, are meager and unsatisfactory, and that it is necessarily largely a matter of opinion. This is bound to be so, since the fall in gold prices has not been uniform, nor even approximately so, as to the various commodities of the world. The prices of some have fallen more largely than others, in the very nature of things.

So we are left without any standard by which to measure the rise in gold, and are driven to adopt arbitrarily a supposed general average, which is obviously unsatisfactory, It is not only unsatisfactory, but practically useless to the inquirer into the effect that appreciation of gold has had upon a given commodity, as for instance cotton. It is my opinion, and before I get through I think I will demonstrate that whatever may have been the fall in prices generally resulting from the appreciation of gold, the price of cotton can not be shown to have been noticeably lowered from that cause.

I will now invite the attention of the House to an excerpt that I shall read from the report made to this House in February, 1889, by the distinguished gentleman from Texas [Mr MILLS], now a Senator of the United States, but who at that time headed the Ways and Means Committee of this House. And I will say in advance to Democrats, that unless we have been preaching false doctrines always, and winning battles on false issues, this report points out the cause of very much of the fall in agricultural prices generally, and for that in the price of cotton in particular.

My distinguished friend [Mr. MILLS] was elaborating a proposition which Democrats all accept as incontrovertible; that is to say, that any policy which tends to reduce imports tends to restrict commerce with the world, and by diminishing the market for our surplus products, breaks down their prices.

Mr. MILLS said—and these are words of wisdom which can not be too often repeated:

As high duties are high walls, that keep out imports and keep in exports, just in proportion as they are reduced the volume of trade increases both going and coming. A reduction of duties reduce the prices of the imported article and of the competing article produced at home, and that distributes more money among the millions of consumers. A reduction of duties likewise increases the prices of the articles we export, and that again distributes more money among the wealth-producing masses of the country. This fund thus saved is the capital that employs labor to produce the things that the wants of the millions require. Without this pecuniary ability these wants must be suppressed, the demand for employment must be withdrawn, wages must shrink, and distress and suffering must usurp the places where comfort and contentment should reside.

The policy of the party represented by the Finance Committee is a policy of restriction not only against importation of products, but restriction against the distribution of wealth among the masses by permitting them to buy where they can buy cheapest and sell where they can sell highest. It is a restriction against demand for employment and better wages. It is contended by them that if we exclude foreign imports our own manufacturers and their workmen will supply them, and that will give employment to our own people.

The Finance Committee criticised by Mr. MILLS was the Senate committee, controlled by Republicans, that had reported and passed through the Senate a substitute for the bill passed by a Democratic House in the Fiftieth Congress, commonly known as the "Mills bill."

His report continued:

The period mentioned by the committee is an unfortunate one for the committee's argument. From 1869 to 1873 prices were rising and importation was increasing year by year. In 1869 our net imports amounted to $394,000,000; in 1870, $426,000,000; in 1871, $500,000,000; in 1872, $560,000,000, and in 1873 $663,000,000.

This was a period of great prosperity in all departments of our national industry. Did the increasing importations during that period deprive any home laborer of a home market for the employment of his mind or muscle? On the contrary, it increased the demand for work all over the country in every line of employment. But a change long to be remembered occurred in 1873. From that year, till 1879, prices were falling, and importations were decreasing.

In 1874 importations had fallen from $663,000,000 in 1873 to $567,000,000; to $526,000,000 in 1875; to $464,000,000 in 1876; to $439,000,000 in 1877; to $438,000,000 in 1878. If restricted importations keeps the home market for the home producer and gives employment to home labor, this ought to have been a period of great industrial prosperity. But it is recalled with a shudder and remembered as the very darkest in our history. Consumption of the products of labor was decreasing, production was decreasing, wages were falling, factories were closed, machinery was idle, and industrial paralysis was seen in every department of labor.

Gentlemen will be good enough to note that in describing the depression from 1873 to 1879, which included the six years following the closure of our mints to the free coinage of silver, the Committee on Ways and Means, speaking through Mr. MILLS, attributed the great fall of prices that marked that period entirely to the restrictive influences of the protective tariff, whereby importations were checked, and consequently the demand for our export products was lessened. Nothing whatever was said about appreciation of gold or the stoppage of silver coinage.

He continued the argument as follows:

In the fall of 1879 prices again rose all over the world and continued upward for two years, and during the period from 1879 to 1881 our imports of merchandise increased $196,886,853 and our exports $191,937,905. Was anyone injured by this large increase of imports? Was the home market for the employment of home labor impaired? On the contrary, every idle hand found work, every department of industry and every occupation of labor found constant and remunerative employment. Our farmers were greatly benefited, because it created a demand for a vast amount of agricultural products to be exported to pay for the increased importation, and an active demand for these products largely increased their prices. Our exports of agricultural products increased from $546,476,703 in 1879 to $730,394,943 in 1881.

The price of corn rose from 37 cents in 1879 to 63 cents per bushel in 1881; wheat, from $1.10 in 1879 to $1.19 in 1881; rye, from 65 cents in 1879 to 93 cents in 1881; oats, from 33 cents in 1879 to 46 cents in 1881; barley, from 58 cents in 1879 to 82 cents in 1881; buckwheat, from 50 cents in 1879 to 86 cents in 1881; potatoes, from 43 cents in 1879 to 90 cents in 1881; hay, from $9 per ton in 1879 to $11 per ton in 1881; middling cotton, from 10 cents in 1879 to 12 cents in 1881.

This increase in the value of farm products was caused by the increased demand for exportation, which was the product of increased importation

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In 1882 our imports touched the highest point ever reached either before or since that time, $724,639,574. From this time importation began to recede and with it the prosperity of the country. The home market began to shrink in its proportions. Its demand for manufactured products began to contract, and with it went the demand for employment. Importation continued to fall off from 1882 to 1885, when it had gone from $724,639,574, in 1882, to $577,527,329, in 1885. Now, if restricted importation is conducive to the prosperity of our country, the year 1885 ought to have been a prosperous year to all classes. The farmer ought to have realized higher prices for the products of his labor. There ought to have been a more active demand for the employment of manufacturing labor. There ought to have been an increase in the number of immigrants attracted to our shores by the active demand for employment at higher wages.

But we look in vain for these evidences of prosperity during that period of our history. The exports of the products of agriculture fell from $730,394,943 in 1881, to $530,172,906 in 1885, and $484,954,595 in 1886. Corn fell in price from 63 cents in 1881 to 33 cents per bushel in 1885; wheat from $1.19 in 1881 to 77 cents per bushel in 1885; rye from 93 cents in 1881 to 58 cents in 1885; oats from 46 cents in 1881 to 29 cents per bushel in 1885; barley from 82 cents in 1881 to 56 cents in 1885; buckwheat from 86 cents in 1881 to 56 cents in 1885; potatoes from 90 cents in 1881 to 44 cents in 1885; cotton from 12 cents in 1881 to 10 cents per pound in 1885.

The committee here absolutely demonstrate that the rise in cotton and other products from 1879 to 1881, and the fall from 1882 to 1885, were the result directly of the state of our commerce with foreign countries. It never occurred to them that silver was the slightest factor. But I will not leave this matter alone to the decision of Mr. Mills and the very able committee over which he presided.

I will put upon the witness stand the very distinguished and aggressive chairman of the Committee on Agriculture, Mr. HATCH, of Missouri. That committee was directed by the House of Representatives in 1892 to report to it what had been the effect of the tariff on agriculture, and it summed up the matter in these words:

Thus it will be seen that while other interests have profited by and prospered under the protective system, agriculture has suffered a steady decline. Prices for farm lands have been greatly reduced, farms in some of the older States having been abandoned because the owners could no longer afford to till them, prices for stock, grain, and other farm products have seriously declined, and the statement of increased mortgaged indebtedness upon homes and farms, so far as made known by the Census Bureau, conclusively establishes the fact that the occupation of farming has, under the present system of so-called protection, been dealt an injury almost if not quite beyond repair.

Your committee would, therefore, in view of the facts which have come to their notice during the investigation of this subject, beg to report that the present law for the collection of revenues by means of duties upon imports is most unjust, and if persisted in will prove ruinous to that greatest of all interests, that foundation of all wealth, agriculture.

Here we have the solemn and deliberate judgment of another able committee that by reason of the protective tariff, "prices for stock, grain, and other farm products have seriously declined."

Mr. HOPKINS of Illinois. If the gentleman is going into a discussion of the tariff question I would like to have him read from the report of the minority of that committee.

Mr. CATCHINGS. Oh, I have not time to do that.

Mr. TUCKER. That question was passed on last fall.

Mr. CATCHINGS. Mr. Speaker, I had the pleasure of listening in the last Congress to a very remarkable and eloquent speech, delivered by the distinguished gentleman from Nebraska [Mr. BRYAN]. He was then undertaking, as he undertook a day or two since, to portray the depression which had come upon the people of this country, and more especially upon those who live in the agricultural districts.

Then, as now, he was seeking to point out to this enlightened assembly the causes of the depression which he portrayed in such emphatic language. Now, let us see what he said at that time as to the cause of this depression. Here is his speech, a long one, and there is not one word in it about silver—not one word about the appreciation of gold. He subdivided his speech into different topics, and one of the catch-lines is "A cannibal tree." Under that heading he said:

A CANNIBAL TREE.

Out in the West the people have been taught to worship this protection. It has been a God to many of them. But I believe, Mr. Chairman, that the time for worship has passed. It is said that there is in Australia what is known as the cannibal tree. It grows not very high and spreads out its leaves like great arms until they touch the ground. In the top is a little cup, and in that cup a mysterious kind of honey. Some of the natives worship the tree, and on their festive days they gather around it, singing and dancing, and then, as a part of their ceremony, they select one from their number, and, at the point of spears, drive him up over the leaves on to the tree; he drinks of the honey, he becomes intoxicated as it were, and then those arms, as if instinct with life, rise up, they encircle him in their folds, and, as they crush him to death, his companions stand around shouting and singing for joy.

Protection has been our cannibal tree, and as one after another of our farmers has been driven by the force of circumstances upon that tree, and has been crushed within its folds, his companions have stood around and shouted, "Great is protection!"

But the dream has passed, the night is gone, and in the east we see more than the light of coming day. A marvelous change has taken place, and, rising from the political mourners' benches throughout the Northwest, their faces radiant with a new-found joy, multitudes are ready to declare their allegiance to the cause of tariff reform. [Applause on the Democratic side.]

At that time, in the judgment of the eloquent gentleman, it was the cannibal tree of protection, and not the gold bug that was preying upon the vitals of the farmers and consuming their substance. The people of the Northwest agreed with him as to the cause of their depressed condition, and awaited relief through tariff reform with "faces radiant with a new-found joy."

What has happened since 1892 to take the shine out of their faces and cover them with gloom? What has occurred that tariff reform should be shelved, and the free coinage of silver substituted for it as the salve with which to heal their wounds? Nor will it do in searching for the cause of agricultural depression to overlook the following declaration in the Democratic platform of 1892:

We call the attention of thoughtful Americans to the fact that after thirty years of restrictive taxes against the importation of foreign wealth in exchange for our agricultural surplus, the homes and farms of the country have become burdened with a real estate mortgage debt of $2,500,000,000, exclusive of all other forms of indebtedness; that in one of the chief agricultural States of the West there appears a real estate mortgage debt averaging $165 per capita of the total population; and that similar conditions and tendencies are shown to exist in other agricultural exporting States. We denounce a policy which fosters no industry so much as it does that of the sheriff.

Trade interchange on the basis of reciprocal advantages to the countries participating is a time-honored doctrine of the Democratic faith, but we denounce the sham reciprocity which juggles with the people's desire for enlarged foreign markets and freer exchanges by pretending to establish closer trade relations for a country whose articles of export are almost exclusively agricultural products with other countries that are also agricultural, while erecting a customs-house barrier of prohibitive tariff taxes against the richest countries of the world, that stand ready to take our entire surplus of products and to exchange therefor commodities which are necessaries and comforts of life among our own people.

Mr. Speaker, unless we have been teaching falsehood, and deceiving the people systematically for many years, it must be admitted that much of the fall in prices of agricultural products is directly chargeable to the restraints and fetters that have been put upon our commercial relations with other countries by the prohibitive tariff, fastened upon us by our Republican friends. If we could return to the revenue tariff that prevailed in 1861, I have no doubt that under its stimulating influences an increased demand would spring up for all of our agricultural products, and while taxes upon all necessaries would be lessened, that prices would rise.

Again, we find a very great number of people who believe that dealing in futures is largely the cause of the fall in the prices of agricultural products, and notably of cotton and wheat. Farmers' societies all over the country have adopted that opinion and have flooded us with resolutions demanding that Congress at once enact laws to prohibit it. Who has not noted the earnestness with which my distinguished friend from Missouri [Mr. HATCH] has championed this theory and cried out aloud for its adoption? Who has not read the bitter denunciations of future dealing by the eminent senior Senator from Mississippi, who has held it up as the definite cause of at least a very large part of the depression in the prices in agricultural products?

While this distinguished Senator, because of his opinion, in which I fully concur, that the Hatch bill, which sought to suppress future dealings, was grossly and intolerably violative of the Constitution, was compelled to refuse to vote for it, yet he left no room for doubt that after his elaborate investigation he had reached the conclusion that future dealing directly and materially lowered prices. If this theory is correct we might from this cause easily account for the decline in cotton from the prices that prevailed under the world's free silver régime.

But conceding all that can be or has been asserted as to the appreciation of gold, I do not see how the evil is to be removed, unless we can, by international agreement, secure such an extended use of silver by the great commercial nations as will immensely broaden the metallic base of the world's money. My learned friend from Missouri [Mr. BLAND], and those who train under his banner, contend that if we should admit the free coinage of silver only the products of American mines would come to our mints.

We mined last year 58,000,000 ounces of silver, and according to him this is the greatest amount that would be coined. And yet he declares that free coinage by us alone would bring down the value of gold. Here is the way he stated his proposition in a speech delivered in this House in March, 1892. He said:

It will probably reduce the value of gold—

"Probably," now remember; not that it will certainly do it, but a mere conjecture that it will—

It will probably reduce the value of gold 10 or 15 per cent and increase the value of silver that much, and they will meet each other half way.

We have about $8,000,000,000 of metallic money in the world, about one-half being gold and the other half silver. According to Mr. BLAND'S argument, the annual coinage by us of 58,000,000 ounces of American silver would reduce the value of the gold half of this gigantic and stupendous stock of money about 15 per cent and raise the value of the silver half about 15 per cent.

Having reached this middle ground, he expects them to shake hands, make friends, and dwell together without differences forever thereafter.

It is impossible to combat such a theory by argument. It is purely fanciful and visionary, and I only invite attention to it to show the ingenuity and desperation of my distinguished and learned friend. However, it is well to remember in this connection that since July, 1890, we have annually bought under the Sherman law 54,000,000 ounces of silver and that India with open mints has annually absorbed 34,200,000 ounces without even checking its decline.

If the use by us of 54,000,000 ounces and by India of 34,200,000 ounces annually, in all 88,200,000 ounces of silver, has not even checked the decline, I must be pardoned for not adopting the theory that the coinage of 58,000,000 ounces would reduce the value of $4,000,000,000 of gold 15 per cent and raise the value of $4,000,000,000 of silver 15 per cent. I again say that the theory is wholly fanciful and visionary.

In my anxiety to advance the interests of my constituents I am willing to assume that gold has appreciated to the utmost extent claimed by anybody, though to my judgment the claim must, for the reasons heretofore given, be very greatly exaggerated; and I am willing to do anything that will destroy that appreciation, but I can not suffer myself to be led off by such an *ignis fatuus* as this.

I wish to refer briefly to another scheme by which it is suggested that the gold and silver dollars may be made equal. A gentleman for whom I have not only the profoundest respect, but the deepest love, has suggested that we might bring down the price of gold, or rather close the gap that marks the difference in value between gold and silver, by subtracting enough gold from the gold dollar to make it equivalent in value to the silver dollar. When he suggested that, I said, "My friend, you are unquestionably the greatest gold bug I have ever met in all my experience. The necessary effect of your proposition would be to nearly double the value of the six hundred millions of gold in this country, since silver is only worth about 56 cents on the dollar."

Now if you take from every gold dollar 44 cents, as would have to be done to make it equal in value to silver, and recoin all of our gold upon that basis, you will have substantially doubled the stock of gold owned in this country. Our annual gold production is about $33,000,000, and such a scheme would nearly double the value of that also. I said to him that the wildest gold monometallist, the wildest Wall street Shylock had never conceived an idea so beneficial to the gold owners of this country as that, if it would work. But of course, Mr. Speaker, it would not work.

Mr. DAVIS. May I ask the gentleman a question?

Mr. CATCHINGS. Yes.

Mr. DAVIS. By what means do you judge that the value of the silver dollar is 56 cents?

Mr. CATCHINGS. I judge silver just exactly as I would judge cotton, as I would judge a Kentucky horse. That is, by the price I would have to pay for one if I wanted to purchase it in the market. I do not know of any other standard of value by which I can judge of the value of silver than that.

Mr. DAVIS. By comparing it with gold it is just as you say; but by comparing it with the other products of the country it is as high as ever.

Mr. CATCHINGS. Mr. Speaker, that suggests another extraordinary proposition, a most extraordinary one. With one breath these gentlemen say that silver has not fallen in value at all, and that the whole difference between it and gold springs from a rise in the value of gold. They seek to prove this by telling you that silver coin will buy just as much of our products as ever before.

But they do not stop to think that they prove too much by their assertion. They do not stop to think that if it be true, if it be the fact that in the markets with silver we can buy the same amount of products, and that silver has not fallen, we are driven to the conclusion that there has been no fall in prices. By their contention they prove too much, and their argument turns against them.

Mr. DAVIS. But you must compare the price of silver with some other standard. Two clocks that differ in time can not be regulated by comparing them with each other. There must be some standard of comparison, the sun or the stars. The conditions of commerce are the same.

Mr. CATCHINGS. I am no astronomer, and can not undertake to discuss with the gentleman the influence of the sun, the moon, or stars. [Laughter.] I think if my friend would gaze less upward, and would see facts which lie at his feet, he would get along a little better.

Mr. DAVIS. Do not you think a man ought to look up in this world and aspire?

Mr. CATCHINGS. With a view to his habitation in the next, yes; but he ought to look at the ground enough to see the path in which he is traveling in this world. [Laughter.]

Mr. TUCKER. Was not the gold dollar clipped in 1837?

Mr. CATCHINGS. An alteration was made at that time for the purpose of making both silver and gold nine-tenths fine, the other part being alloy.

I had just remarked, Mr. Speaker, when I was interrupted, that the plan of reducing the gold in the gold dollar, so as to make it no more valuable than the silver dollar, would not work. A man might get more dollars nominally for his commodities, but he would get no more gold. Cotton, for example, sells by the pound, and the vender of a bale of cotton would get the same number of cents of gold, no more and no less. As I have stated, he would get more nominal gold dollars, but no more gold. Nor would the stock of gold in the country be increased. There would be no more gold than now to furnish reserves for our banks, and no more to settle balances of trade. There would be no more gold as basis for credits; and, inasmuch as gold coin does not circulate to any great extent, I can not see that any larger use would be made of gold in our everyday transactions.

Another serious objection to it is that clipping our gold dollars would not give any greater stability to silver. The latter would remain just as liable to fluctuation, and we would have no ground to hope that the equivalence between the clipped gold dollar and the silver dollar would remain. That suggestion may be dismissed, I think, as impracticable.

Again, it is said, that if we should undertake free coinage, and should fail in the experiment of maintaining an equivalence of value between the metals, as, in my judgment, we should certainly do at any of the ratios that have been suggested, whereby our gold would be expelled from our shores, leaving us only a depreciated silver currency, we would, nevertheless, derive a great benefit from the fact that our debtors would be enabled to discharge their debts in cheap money.

It is said that the farmers of the country are largely in debt, by reason of short crops and low prices, and that if our money should be degraded and depreciated the benefit resulting to them would compensate for the general disturbance and unsettling of value that would result.

In my opinion this suggestion can find no acceptance among the constituents whom I represent, nor among people of the South generally. We have no rich people in the South. Even my brother BLAND can find no gold bugs or conspirators there. We are not speculators or millionaires. The stock in our banks, and in all our corporations, is owned by our own people. Our merchants are men of limited means.

We traffic almost entirely among ourselves. The debts that we owe we owe to each other, and between creditors and debtors the most friendly relations exist, because they are all of one type. If, therefore, the debts that one class of our people owe should be paid in depreciated money, except in a very limited number of cases, another class of our people would be the sufferers.

I am sure that I voice the sentiments of those whom I represent when I say that they would look upon such a suggestion with disfavor. But at best that sort of relief would be extremely limited and merely temporary. It would give relief only to that class of debts now existing. All new contracts would provide for payment in gold, or would be made upon terms that would guarantee the creditor against loss by the liability of the depreciated money to fall still lower in value, and higher prices would of course be asked. Those who had availed themselves of the opportunity to settle their debts in depreciated currency would find themselves without credit.

Moreover, creditors would become alarmed, and apprehending further depreciation of our money would make haste to call in their loans. No extensions or renewals would be granted, mortgages would be foreclosed, securities sacrificed, and general distress and confusion would ensue. We can not afford to shape our monetary system, which ought to be permanent and lasting, if practicable, to give relief, and that of the most doubtful and temporary nature to a single class of our citizens.

Moreover, if we should have free coinage and there should result, as our overzealous friends predict would be the case, a rise in the prices of commodities bought and sold in this country, but at the expense of the loss of all our gold, the effect would be harmful and not beneficial to the cotton-planters of the South.

It must be remembered that two-thirds of our cotton is sold in Europe, and that its price is there fixed in gold. No legislation here can alter or qualify this fact. The daily quotation in Liverpool fixes the daily price offered in our home markets. It is a simple matter for any planter to see for himself the daily prices stated there in pence and then to translate them into cents.

If we were on a silver basis, as I think we would be, of course he would be paid in silver, receiving so much thereof, and no more, as would be the equivalent of the gold price quoted in Liverpool. But as silver would doubtless, judging from the past, fluctuate as much as if not more than, cotton, the planter would

also have to keep advised as to the daily quotations of silver, so that he might know how much in silver his cotton was worth. We may be sure that in this matter the average planter, who is not expert in such matters, would be outfigured by the buyers and suffer considerable loss.

And as silver, unless its past history should be absolutely reversed, would fluctuate and have its ups and downs, just as cotton, wheat, meat, and our other products do, from day to day and week to week, the cotton-buyer would be sure in fixing the price that he would pay to allow himself a sufficient margin to insure him against loss in case silver should take an unfavorable turn before he could get the cotton off his hands. And this margin would be a dead loss to the planter. It would be extorted from him as a guaranty that the buyer should suffer no loss.

If silver remained steady or went up this margin would be a profit to the buyer. If it went down it would save him from loss; but in any event it would represent a dead loss to the planter. But this would be but a part of his loss.

If the price of his cotton in silver rose, so would the price of everything that he is compelled to buy rise at the same time. But the price of his cotton is fixed in Liverpool, and he would receive in silver only so much silver as the gold price in Liverpool would buy, so that in fact there would be no rise in the price of his cotton at all. Everything that he has to buy having also risen in price, he would certainly gain nothing by the apparent rise in cotton prices. And as few or any of those things that he must buy have their values fixed by European markets, the rise in them would be certain to be greater than that in cotton.

The cotton-planter would get for his cotton the silver value of its gold price, for as the purchaser would send it to Europe, where he would only get the gold price for it, he would pay no more in silver than would be equivalent to its price in gold, and, to insure himself against loss by fluctuation in silver, he would be sure not to pay quite that much. But the things that he would have to buy are not controlled in price by the gold prices of Europe, and they would rise in price higher proportionately than cotton.

Only those commodities that are raised here in such quantities that they can not all be consumed in this country, so that the surplus is sold in Europe, have their prices kept down by European prices. We raise more cotton and wheat, for instance, in America than we consume, and the surplus is shipped abroad. All economists admit that the price of our whole cotton crop is fixed and controlled by the price that the surplus brings in Europe.

So that, as I have stated, if we had a depreciated silver currency and prices should, because of it rise, we would only get silver prices which, when reduced to gold, would be equivalent to the gold price in Europe. But the price of wagons, plows, meat, and such other commodities as the planter must have, are not at all fixed or controlled by prices in Europe. The consequence is they would be certain to rise in price with a depreciated silver currency much higher than cotton would, and the planter would therefore be able to buy fewer of such commodities with his cotton than he now does. Truly his last condition would be worse than his first.

To my mind it is a perfectly clear proposition that, no matter what kind of currency we may have, the planter can never get more for his cotton than its gold price in Liverpool, and that it is to his interest that everybody else should also be kept down to gold prices. Otherwise he will be compelled to dispose of what he has to sell in the cheapest market, and to buy those commodities which he is bound to have in the dearest market. Under such circumstances it is not to his interest to advocate a monetary system that will cause an inflation in prices which would benefit everybody else at his expense.

Again, it is said that England is now, and for some years has been, exerting its utmost power to induce us to adopt gold monometallism, and that as we more than one hundred years ago proclaimed and enforced our independence of that country as a people, so we should now proclaim and enforce our independence of it by wholly disregarding its monetary conditions.

There is considerable sound and fury about this style of speech making, but I fear the thinking listener will perceive little else.

I am not a financier, nor do I profess to be quite so familiar as some gentlemen are with political economy, but I try to look at things from a practical standpoint, and I have endeavored to test the assertion in this respect by assuming for the moment that I myself stood in the place of England, and I said to myself, "Now, upon that assumption would you wish the United States to abandon silver and adopt gold monometallism?" I concluded that I would not, for the reason that if this country should discard silver entirely there would leap full-armed into the arena, scrambling for gold, the most powerful and dangerous competitor which England could have on the face of this earth.

With our vast opportunities for investment (for while we are a great nation, we are yet substantially undeveloped, and opportunities are presented here for investment not to be equaled on the face of the globe) in a race for gold, there can be no question that we would far more than hold our own; and I believe that the abandonment of silver by us would be the most serious blow that could be inflicted upon the Government of Great Britain. The greatest solicitude was manifested by the British delegates to the recent monetary conference at Brussels that something should be done to dissuade the United States from taking any action looking to the cessation or diminution of its use of silver.

No one can read the proceedings of that conference without reaching the conclusion that the British delegates believed that it was to the interest of England that we should continue to make as large a use of silver as possible, and that the abandonment of silver by us would inflict great injury upon England.

My own judgment is that whenever the nations of Europe see that we will no longer consent to be a silver stalking-horse for them, but that we are determined that if the world is to make use of silver for money purposes they shall take their share of the burden, they will very soon be willing enough to enter into an international agreement which will enable all countries to make free use of silver with safety.

It is my opinion that we can never have free coinage of silver with safety to ourselves so long as European nations close their mints to silver, and that we can never have an international agreement until, like them, we have suspended coinage of silver.

Now, Mr. Speaker, pursuing the discussion, I desire to remark that history teaches that it is utterly impossible for any nation to have a double standard unless at the same time the two metals which constitute that double standard are of equivalent value. The very moment there comes a difference of value between the two metals composing the double standard, the question arises, by which will we measure values?

If we have gold and silver for a standard, and have them separated in value, as, in my opinion, they would be by free coinage at any ratio suggested, and I should sell a bale of cotton, by which one of these metals would I measure the value of my cotton? If gold and silver had different values, I could not, of course, measure its value by both of them.

If we could keep the two kinds of money in circulation side by side at all, we would measure values necessarily by the dearer money, and in fact, the cheaper money would itself come to be measured by the dearer money, just as though it were a commodity. This is bound to be so in the very essence of things, and and in spite of statutory declarations and definitions. So long as the two metals constituting the double standard maintain an equivalent value, everything will be smooth and easy, as was the case in France and the States of the Latin Union for most of the time, until disruption began by the action of Germany in 1873.

But how are we to be sure of having a double standard? We may appear to have, as we did from 1834 to 1878, whereas the truth was we were on a gold standard all those years. Professing to have a double standard, as a matter of fact we had but one standard, and that was the standard of gold. And notwithstanding the assertion so constantly made to the contrary, the double standard was only approximately maintained in France from 1803 to 1873. The conditions prevailing in that country during those years is clearly stated in the following extract from a recent editorial in the New York Evening Post:

> Mr. Robert Giffen, the statistician of the British Board of Trade, * * * showed * * * that France did not have the two metals in concurrent circulation during the period under consideration, but had had them alternately, first one and then the other. He produced and published the market reports of Paris for each month, from 18.0 to 1867, during all of which time there had been a premium on gold ranging from ¼ per cent to 2 per cent. Nobody would pay a debt in gold when ¼ per cent could be saved by paying it in silver. On every debt of 1,000 francs from five to twenty francs could be saved, according to the premium of the day, by paying in silver. The literature of the period is full of proofs that gold was not in circulation at this time, although it was coined more or less, at the French mint, for money changers and hoarders.
>
> After 1847 a change took place, due to the gold discoveries in California and Australia. Silver went to a premium in France and was exported and melted to such an extent that the country was left with an insufficient supply of small change, and was obliged to adopt a token coinage by debasing the fineness of all coins smaller than 5 francs to 835 thousandths, instead of 900. After 1867 there was another change. Gold went to a small but increasing premium, which became so excessive in 1873 that the coinage of franc pieces was limited by law, and stopped altogether in 1876, in order to prevent the exportation of gold. In short, the facts show that France did not have the double standard in practice during the period in question any more than we in America had it.
>
> Mr. Giffen showed conclusively, too, that the French law of 1803 had no tendency to hold the two metals together. It should be remarked that as no reason has been assigned by the bimetallists for the spell coming to an end in 1873, there is as little reason for putting its beginning in 1803. The ratio of 15½ to 1 was adopted by France in 1785, and was continuous from that time, and was merely reenacted in 1803.

The experience of France, therefore, as well as that in this country, abundantly demonstrates that the double standard can

not be maintained unless there is an equivalence between the value of the two metals.

It is also said that if the whole world should adopt the gold standard, there will not be gold enough to transact its business. If the general adpotion of the gold standard would limit the world to the use of gold, the averment would be correct.

But the idea of a gold standard must not be confounded with the use of gold money. It is not necessary at all that the money of a country having a gold standard shall be gold. There may be an utter absence of gold in a country, and still it may have the gold standard, as is the case with Canada. There we have the case of a government which has the gold standard, which has no mint and no gold coin, and yet in which values are measured by gold, just as they are in England. So, as in this country, there may be a gold standard with gold constituting but a part of its circulating medium. We have silver, silver certificates, gold, gold certificates, national-bank notes, and greenbacks. Each of these, Mr. Speaker, constitutes a part of our circulating medium, and they are all equally valuable in effecting the exchange of commodities. There is not a country in Europe that transacts its business with gold alone. The purpose in having a standard is to provide a definite means by which to measure values. This is the most important function money has to perform, but it is by no means the only one, for money has other uses than the measurement of values.

When we speak of a gold standard we simply mean that the prices of commodities shall be fixed and expressed in terms of gold. It does not mean that all payments shall be made in gold. France has a gold standard, and all values there are measured by gold, and yet she has $700,000,000 of silver constituting a part of her circulating medium; and there is no country of Europe whose circulating medium does not contain gold, silver, and paper.

All these constitute the circulating medium by means of which commodities are exchanged and debts satisfied, and yet only one of these things, gold, constitutes the measure by which values are determined.

Take the case of India, whose only money practically is silver. If it shall adopt gold as a standard, as it certainly will in a short time, it by no means follows that it will have gold money. They will have millions and millions of silver money in active circulation, and still values will be determined by a gold standard.

Mr. ALLEN. I would like to ask the gentleman a question for information. How does my friend come to the conclusion that France has a gold standard, when France says that silver is a legal tender just the same as gold? How does that make France a gold-standard country?

Mr. CATCHINGS. Mr. Speaker, I spoke of France as being a gold-standard nation because it is so defined by all writers. I know of no better method by which to convey the idea that I have in my mind; but I will be more explicit.

I will call the attention of my friend to this fact, that the mints of France are open to the free coinage of gold, but not to the free coinage of silver, either for Government or private account; so that by closing its mints to free coinage of silver, while silver is maintained at a parity with gold, the latter metal is the standard by which everything is measured. France is now avowedly a gold-standard country, notwithstanding its large use of silver.

Many times during the seventy years prior to 1873, as I have already shown, there was a slight difference in value between the metals, which put gold at a small premium; so that it is not true that France ever, strictly speaking, maintained a double standard. I understand a nation to be bimetallic which has its mints open to the free coinage of both gold and silver, making no discrimination at all between the two metals. No country in Europe opens its mints to both gold and silver, and according to this definition there is no bimetallic country, so far as I am advised, in the world to-day.

Now, Mr. Speaker, there is one class of people in this country who have no cause to complain, even if it be true that there has been a great appreciation in the value of gold. I allude to the wage-earners. No matter what may be the cause of it, whether it results from the system of protection as my good Republican friends believe, or from natural causes peculiar to this country, it can not be denied that wages are higher in this country now than they were in 1860 and 1861, when free-silver coinage prevailed.

The wage-earner certainly has not been hurt by the fall in prices. Because of the rise in wages and the fall in those commodities that he must have, the wage-earner to-day can, with the wages he receives, purchase more of the useful things of life than he ever could before. That is unquestionably true. And yet, strange to say, some associations of laboring men, stimulated no doubt by the eloquence of those who are paid to represent the silver miners of this country (and I do not make that remark with any disrespect, for they have a perfect right to employ counsel to present their case to the people of the United States), are advocating free coinage of silver as a measure of relief to themselves.

Mr. Speaker, gentlemen are never so happy as when they point to France, beautiful, sunny France, with its seven hundred millions of legal-tender silver money and its per capita of $40. They regard the system of France as the perfection of financiering, and point with scorn to our $600,000,000 silver and our per capita of $24.

I have waited in vain for some of the gentlemen who have showered their plaudits upon the French system to state to this House that their $40 per capita and their seven hundred millions of silver money have made the products of that country one penny more valuable than ours, or that they have prevented in the slightest degree the fall in prices which has gone on all over the world.

If the volume of money per capita regulates prices, why has there not been a rise in prices in France? Yet, sir, prices in France are not as high as they are in this country. Labor does not earn such a wage and agricultural products do not bring such prices. The fact is that while we have not so large a volume of money per capita as France, we have infinitely larger facilities for transacting business.

With our multitude of banks; with our systems of exchanges, checks, and drafts; with our railways and highways for transportation; with our telegraphs for lightning communication between business centers, we have agencies for the exchange of commodities that the $40 per capita of France fail to approach. So it is not true, Mr. Speaker, that the volume of money necessarily regulates prices. If gentlemen would state that prices are regulated by the facilities of exchange they would come nearer the truth.

In pointing out that because of the fall in prices more products are now required than formerly to acquire the same amount of gold, gentlemen overlook the fact that the fall in prices has not been confined to the products of the farm, but that the prices of other things have fallen in proportion. While, generally speaking, we get less gold for farm products than formerly, nevertheless if we exclude gold from consideration we find that we can barter one product for another as advantageously as ever.

I have here a statement, which I will file with my remarks, which was laid before the Committee on Coinage, Weights, and Measures by my distinguished and industrious friend from Massachusetts [Mr. WALKER]. I have not time to read the whole of the table to the House, but I will call attention to some articles included in it.

Prices agreed upon by Messrs. Kingsland & Douglas, successors of Kingsland, Ferguson & Co., Simmons Hardware Company, and Mansur & Tebbetts Implement Company, all of St. Louis, Mo.

Implements.	Money in—		1889, in bushels of—			1873, in bushels of—		
	1889.	1873.	Wheat.	Corn.	Oats.	Wheat.	Corn.	Oats.
One-horse steel plow (wood beam)	$2.75	$6.50	3.8	8.5	11.5	6.4	19.1	27.0
Two-horse steel plow (wood beam)	12.00	20.00	16.4	37.5	50.0	19.6	58.8	83.3
One-horse iron plow (wood beam)*	2.00	5.00	2.7	6.2	8.3	4.9	14.7	20.8
Two-horse iron plow (wood beam)	8.00	13.00	10.9	25.0	33.3	12.7	38.2	54.1
Two-horse side hill or reversible plow	10.00	18.00	13.7	31.2	41.7	17.6	52.9	75.0
One potato-digger	7.50	20.00	10.2	23.4	31.2	19.6	58.8	83.3
Old-fashioned tooth harrow	6.50	15.00	8.9	20.3	27.0	14.7	44.1	62.5
One-horse cultivator	3.50	7.00	4.7	10.9	14.5	6.8	20.5	29.1
Two-horse corn cultivator	15.00	28.00	20.5	46.8	62.5	27.4	82.4	116.6
One-horse mowing machine	45.00	85.00	61.6	140.6	187.5	83.3	250.0	354.1
Two-horse mowing machine	50.00	90.00	68.5	156.2	208.3	88.2	264.7	375.0
Horse rake (sulky)	20.00	30.00	27.4	62.5	83.3	29.4	88.2	125.0
Common Hunt rake (horse)	3.50	6.50	4.8	19.9	14.5	6.3	19.1	27.0
Common iron garden rake (10-tooth steel)....dozen	3.75	12.00	5.1	11.7	15.6	11.7	35.2	50.0
One-horse horse-power	25.00	45.00	34.2	78.1	104.1	44.1	132.3	187.5
Two-horse horse-power	35.00	65.00	(*)	(*)	(*)	(*)	(*)	(*)
Reaper	75.00	95.00	(*)		(*)	(*)	(*)	(*)
Binder	135.00		184.9	421.8	562.5	277.7*	769.2*	857.1*
Cornsheller (one hole)	6.00	11.50	8.2	18.7	25.0	11.2	33.8	47.9
Fanning mill	15.00	25.00	20.5	46.8	62.5	24.5	73.5	104.1
Common hoes (cast-steel socket), per dozen	3.50	6.50	4.7	10.9	14.5	6.3	19.1	27.0
Common rakes (wood), per dozen	2.00	3.00	2.4	6.2	8.3	2.9	8.8	12.5
Scythes (Ames' grass), per dozen	7.50	16.00	10.2	23.4	31.2	15.7	47.0	66.6
Do	9.50	21.00	(*)	(*)	(*)	(*)	(*)	(*)
Scythe snaths (patent), per dozen	4.50	11.00	6.1	14.0	18.7	10.8	32.3	45.8
Shovel (Ames), per dozen	9.50	18.00	13.0	29.6	39.5	17.6	52.9	75.0
Spades (Ames), per dozen	10.00	18.50	13.7	31.2	41.6	18.1	54.4	77.0
Crowbars (steel)	.06		(*)	(*)	(*)	(*)	(*)	(*)
Crowbars (iron)	.05	.10	.06	.15	.2	.09	.29	.46

* For 1880.

In 1873 the price of a one-horse steel plow was $6.50, and it would have taken 6.4 bushels of wheat to pay for it. I am treating this as if the exchange were made directly of one article for another without the intervention of gold.

In 1873 the price of a one-horse steel plow was $6.50, and it would have taken 6.4 bushels of wheat to buy it. In 1889 the price of the plow had fallen, according to this table, to $2.75, and it would take but 3.8 bushels of wheat to buy it. So that the man who wanted to buy plows with wheat was in 1889 as well off as he was in 1873. It is true he could not buy as much gold with his wheat; but if he wanted to swap wheat for plows he could get just as many plows in 1889 as in 1873.

Now, take the case of a one-horse plow. In 1873 the price of such a plow was $5; and a man would have had to give for such a plow 4.9 bushels of wheat. In 1889 the price of such a plow had fallen to $2; and it could be bought for 2.7 bushels of wheat. So that while wheat had gone down in its gold-buying quality, the plow also had gone down in its gold-buying quality; and the man who wanted to exchange wheat for plows was just as well off, or, in fact, better off.

Now, take the case of a potato-digger. In 1873 it cost $20; and it could be purchased for 19.6 bushels of wheat. In 1889 it could be bought for $7.50, or 10.2 bushels of wheat.

Thus it will be seen from this table of prices, for which I will vouch, it having been prepared with great care under the superintendence of my friend, Mr. WALKER, and certified to by leading merchants, that while a dollar of gold will buy more wheat to-day than it would in 1873, the dollar of gold will also buy more plows, more potato-diggers, and other things than in 1873; and if a man sells his wheat for gold, he can take that gold and buy just as many plows as he could if he had done the same thing in 1873. The net result is exactly the same.

Mr. ALLEN. Does not that show just what my friend was arguing against awhile ago—that while everything else has kept along tolerably even, gold has gone up?

Mr. CATCHINGS. Even if that be conceded to be true, I am speaking of what has been the practical effect. I am simply trying to show that even if it be conceded that gold has appreciated, the world, generally speaking, has not been affected harmfully. The only people on the face of the globe who could be injuriously affected by this appreciation of gold which is claimed to have taken place are those who owe long-time obligations.

No others can be affected by it. If I make a debt to be settled in six or twelve months (and those are the sort of transactions our farmers nearly always make), it is utterly impossible that there can be any rise in the value of gold in that short time which can have any appreciable effect upon the amount of the debt. It is only in the case of such matters as Government bonds or bonds of corporations, not maturing for a long period of years, that the debt becomes more burdensome and difficult to pay by reason of appreciation of gold.

Let us now substitute cotton for wheat and see if the exchangeable value of the former for other commodities is not quite as great as it was in 1873, when the fall in prices is supposed to have set in. In 1873 a one-horse steel plow cost $6.50, and it required, at 19 cents a pound, $34\frac{4}{19}$ pounds of cotton to buy it. In 1889 the plow cost $2.75, and in 1891 it would have taken 25 pounds of cotton to buy it.

In 1873 a two-horse steel plow cost $20, and it would have taken $105\frac{5}{19}$ pounds of cotton to buy it.

In 1889 that plow cost $12, and it would have taken $109\frac{1}{19}$ pounds to buy it. In 1873 a one-horse iron plow cost $5, and it would have taken $26\frac{6}{19}$ pounds of cotton to buy it. In 1889 the same plow cost $2, and it would have taken $18\frac{2}{19}$ pounds of cotton to buy it. In 1873 a two-horse iron plow cost $13, and it would have taken $68\frac{8}{19}$ pounds of cotton to buy it. In 1889 that plow cost $8, and it would have taken $72\frac{8}{19}$ pounds of cotton to buy it. In 1873 an old-fashioned tooth harrow cost $15, and it would have taken $78\frac{8}{19}$ pounds of cotton to buy it. In 1889 that harrow cost $6.50, and it would have taken $59\frac{1}{19}$ pounds of cotton to buy it.

In 1873 common hoes (steel socket) cost per dozen $6.50, and it would have taken $34\frac{4}{19}$ pounds of cotton to buy them. In 1889 they cost $3.50, and it would have cost $31\frac{8}{19}$ pounds to buy them. In 1873 spades (Ames) per dozen cost $18.50, and it would have taken $97\frac{7}{19}$ pounds of cotton to buy them. In 1889 they cost $10, and it would have taken $90\frac{10}{19}$ pounds to buy them.

The same result will be found as to all the other commodities whose prices are stated in the table that I have presented. It is thus demonstrated that in 1891 it would have taken no more pounds of cotton to buy those commodities than would have been required in 1873.

The result would be the same whether the cotton planter should actually swap his cotton for those commodities or sell his cotton for money, and with it buy those commodities. In seeking to ascertain what effect the appreciation of gold has had upon the gold prices of cotton, the only just comparison that can be made is with its gold prices prior to 1861.

If we compare the price of cotton in 1891 with that in 1860, when free coinage of silver prevailed substantially throughout Europe and the East, and when we also professed to have it, we find that the price in both years, taken at its highest, was 11 cents per pound. If we compare 1890 with 1859, we find that in the former year the price was 12 cents per pound and in the latter 12¾. Comparing 1889 with 1858 we have 11½ cents per pound in the former and 13 in the latter year.

Comparing 1888 with 1857 we have 11⅝ in the former year to 15 in the latter. Comparing 1887 with 1856 we have $11\frac{7}{16}$ in the former to 12 in the latter year. Comparing 1886 with 1856 we have 10⅝ in the former year to 11 in the latter. Comparing 1885 with 1855, we have 11¼ in the former to 10 in the latter year. Comparing 1884 with 1854, we have $11\frac{13}{16}$ in the former to 11 in the latter year.

This comparison of recent prices with those of the ante-bellum free silver régimé, shows conclusively that they are about the same, and that gold prices of cotton have not fallen, no matter what may be the case as to other products. It would have taken no more pounds of cotton in 1891 to pay a debt, we will say, of $1,000 in gold than would have been required to pay the same debt in 1860, thirty years prior thereto.

It can hardly be claimed that the appreciation of gold is the cause of the low prices of 1892 and the present year.

The fall in prices that writers and speakers complain of as attributable to a rise in gold is alleged to have been going on for many years, and it would be singular indeed if cotton, while not at all affected by the alleged rise in gold until 1892, as I have demonstrated, should suddenly collapse from that cause. It is unnecessary that I should say much as to the different ratios which have been suggested by the gentleman from Missouri [Mr. BLAND] and those acting with him.

All that I have said as to the ratio of 16 to 1 will apply with equal force to the ratios suggested of 17, 18, 19, and 20 to 1. If we should coin a dollar at the ratio of 20 to 1, which is the highest ratio suggested, the silver in that dollar would be worth only 81 cents.

Inasmuch as the very slight difference of 4 or 5 cents between the value of gold and silver as declared by the ratio of 16 to 1, adopted by Congress in 1834, practically excluded silver from the mints, it is to my mind absolutely certain that with a difference of 19 cents between gold and silver, as we should have at the ratio of 20 to 1, not another dollar of gold would come to our mints for coinage, and our $600,000,000 of gold would be driven from circulation, and the greater part of it to foreign countries.

The Gold Exchange, which was established in New York prior to the resumption of specie payments in 1879, wherein gold was bought and sold as a commodity, would again be set up. In my judgment, instead of free coinage of silver at any of the ratios suggested resulting in increasing our volume of money, we would have an enormous contraction. If our gold should be driven out, as I believe it would be, one-third of our volume of money would be at once destroyed.

In addition to that, if this should happen, our silver money would fall to its actual bullion value, whereby its purchasing power would be reduced at least one-third. By this means we would have a further practical contraction of about two hundred millions in the volume of our money. The question is, can we afford to risk the experiment of free coinage, which, to say the least, might result in a catastrophe so awful as this contraction would surely beget?

If my judgment commended such a course I confess I should not have the courage to pursue it. I could not bring myself in a matter of such gravity, wherein a mistake would be fraught with such perilous consequences, to take the chances. If such a step is to be taken, I prefer that others should bear the responsibility, and shall cheerfully join in showering plaudits upon them if the result should show that they are right and I am wrong.

Another serious objection to adopting a higher ratio than 16 to 1, under which all of our silver dollars have been coined, is that it would involve the recoinage of all of our outstanding dollars at an enormous cost, and with the uncertainty still remaining as to whether we would then be able to retain our gold in circulation.

Moreover, recoinage at a higher ratio would make it more difficult than it now is to obtain an international agreement with the civilized nations of Europe by which all of them should use silver freely.

This would be so, because under any international agreement all the nations subscribing to it must use silver upon a common ratio, and if we should recoin at a higher ratio the nations of

Europe would be obliged to do the same thing as to their silver money, and they would hesitate long before undertaking recoinage of their money under such circumstances, attended as it would be by great difficulty and enormous expense.

If we are to have free coinage of silver at all, it is far better to have it at the present ratio than at any of the other ratios suggested by the gentleman from Missouri and those coöperating with him.

It has been said that if we repeal the purchasing clause of the Sherman law without making some provision for the further use of silver that we would at once strike down and demonetize one-half of the world's money. This statement is utterly untrue. Not one dollar of the world's silver, amounting to nearly $4,000,000,000, would be in the least affected by it. Our silver money, and that of all other countries in the world, would continue to be money, and would be used just as it is to-day.

It is also said that if we should repeal the purchasing clause of the Sherman law without providing for further coinage of silver at the same time, we would give a death blow to silver and that it would never be used again. On the contrary, in my judgment, as I have already stated, such repeal would be the first substantial step that we have ever taken looking to the free and unlimited coinage of silver.

If it be true, as has been stated, that the world can not transact its business without the use of silver, nothing is more certain than that the world will have it. And if we should find, after maturer reflection, that we can embark safely upon the free coinage of silver, even without the coöperation of other nations, it is also certain that we will do it.

Both parties favor the use of silver, and the only question is as to the best method to be pursued by which we may obtain its free coinage at our mints.

Mr. Speaker, there are some other things I had expected to say, but I have already spoken very much longer than I had intended, and my throat is quite sore from the unusual exercise.

Gentlemen who have served with me here know that nobody takes the floor more seldom than myself. I have been impelled to give a careful investigation to this question because I have felt that it was due to those people whom I represent, and for whom I entertain not only the most profound respect but great affection, born of long and intimate acquaintance.

I know that they will credit me with honesty and sincerity of purpose; and I know that they would have the same scorn and contempt for me which I would entertain for myself if, after careful consideration, I had reached a conclusion which I had not the courage and manliness to avow distinctly and frankly.

I believe, Mr. Speaker, we could do nothing more fatal to the interests of the South than to undertake the free coinage of silver at this time. I think we should be flying in the face of all history if we should conclude that we can do what the states of the Latin Union, after solemn deliberation, concluded they could not do.

I am unable to accept the opinion of certainly not more than one-half of the American people as against the judgment of the other half, supplemented by that of all the civilized nations on the face of this earth.

I believe that we can have an extension of our volume of money. I believe there are many means by which we can increase our currency without incurring any of the dangers that all must admit we may encounter, should we, acting alone, attempt the free coinage of silver. And I stand ready to urge and to vote for any proper measure looking to the expansion of our volume of money.

But, sir, I believe that the President is right in urging as the best means of restoring confidence, the prompt and unconditional repeal of the purchasing clause of the Sherman law. Other measures of relief can well stand aside until then. I can not describe that law in terms so fitting as those used by the distinguished Senator from Missouri, Mr. VEST, who used this language a few days ago in the Senate:

> I was never the friend of the so-called Sherman act. I voted against it, spoke against it, denounced it as a makeshift, and declared it to be the worst measure for silver and for bimetallism that could be invented and placed upon the statute book. I am in no sense responsible for its enactment. To-day its malign and distorted features look out upon a land staggering and reeling upon the verge of bankruptcy. Its putative fathers have bastardized it, and are falling over each other now in a vigorous attempt to prove that they never favored it, and are not responsible for its existence.

These words I fully adopt as my own. So far as my vote can remove a law so pernicious and harmful as this is conceded by all to be, it shall be given promptly and willingly.

Mr. Speaker, let us rid ourselves of that law and get together like Democrats—I should have said like American citizens—without passion or partisanship, and promptly enter upon the consideration of some measure by which we can relieve the country of the disasters from which it is to-day suffering. [Applause.]

Silver.

SPEECH
OF
HON. LEONIDAS F. LIVINGSTON.
OF GEORGIA.

IN THE HOUSE OF REPRESENTATIVES,

Saturday, August 19, 1893.

The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. LIVINGSTON said:

Mr. SPEAKER: I have listened patiently and attentively to the gentleman from Mississippi, a distinguished Southern member on this floor, laboring with this House to show that free silver is not good for his section of the country. With this proposition I do not concur. He concluded his remarks by saying that he hoped we would conclude this matter and settle the question now before us from a nonpartisan standpoint. With him in that I am in hearty accord.

Mr. Speaker, there is no reason why the Democratic party or the Republican party or the Populists should not now, while this country is bleeding at every financial pore, while unrest and intense excitement pervades the masses, not only in our great money centers, our cities and towns, but all over the rural sections of this country—there is no reason, I repeat, why we should not rise above a partisan plane and discuss and conclude this question as sensible men, as statesmen, and as patriots. I am not disposed to stop and inquire how this condition of things was brought on the country. It is of but little moment now. It might encourage some man in some campaign speech before his constituency, in time to come, to be able to say that the other fellows, Democrats or Republicans, brought it about.

But that will not do now, nor will it help us to conclude the question that is before us. Let us approach it as honest men, and just here I want to say that I believe my friend from Mississippi [Mr. CATCHINGS], who has just taken his seat, is as honest a man as I am, but I am thankful that we are very far apart in our opinions as to the necessities of the common people. I believe every man here is honest, and that he will thoroughly abide by his convictions. I am compelled to believe so, Mr. Speaker, from the fact that we are all certainly well aware of the condition that confronts us. It is not a Republican, a Democrat, or a Populist condition. It pervades all sections of the country, affects all classes of our people.

Now, Mr. Speaker, in regard to this question of bimetallism, I have been much surprised at developments that have taken place here. I have not been able to find a single Member who has been on the floor making an argument in favor of the bill introduced by the gentleman from West Virginia [Mr. WILSON] who has dared to admit that he was a monometallist, or that he was a single-standard man.

While some may be, at heart, and if so they well know that the temper of the people, the long use of both metals as money upon a parity, the universal prosperity for nearly one hundred years with bimetallism would all forbid an open declaration in favor of a single gold standard, and I predict that if this country should ever become a single gold-standard nation, it will be brought about in the same manner that silver was demonetized in 1873, "under cover," unknown to those voting upon the measure.

No; every man on that side has been proclaiming the fact to this House that he is a bimetallist, and at the same time he makes no proposition, no suggestion by which bimetallism can be had. Now, I am disposed, when the fourteen days end, to move to lay on the table the bill introduced by the gentleman from West Virginia [Mr. WILSON] and the bill introduced by the gentleman from Missouri [Mr. BLAND] and to give these bimetallists on the other side an opportunity to present a bill to this House that will relieve this country, and I will guarantee that every free-silver man will vote for it. There is something practical in that. There is something beneficial in it. What is the use of standing on this floor and declaring that you are for bimetallism and at the same time making every argument against bimetallism, and making no suggestion and no proposition that will cover bimetallism as the standard currency of our country?

Now, Mr. Speaker and gentlemen, you may color this as you please; you may state it as you like, but this question to-day before this House is simply a single gold standard or a bimetallic standard. That is the issue, and you can not dodge it. And I want to appeal to you, the single gold standard friends, for I do not know how else to denominate you. Those of you who are in favor of the Wilson bill, I want to appeal to you as an honest man to honest men, that you are not treating the silver question fairly in this House. Now, let us see if you are. If you are not, then I believe you ought to accord to us a fair chance, and to silver a fair opportunity to become one of the money metals of this country.

The Sherman law repealed the law of 1878 (the Bland-Allison law) and the Bland-Allison law repealed the law of 1873.

Now the Democratic platform, at Chicago, said this about the Sherman law, and I desire to call the attention of the gentleman from Mississippi [Mr. CATCHINGS], who has just taken his seat, to the language of that platform. The language is that it is a cowardly makeshift. A makeshift for what? For a gold standard? No. Well, a makeshift for what? For the free and unlimited coinage of silver. That is the declaration of the Democratic platform, and it is similar to the declaration of the Republican platform, and similar to the declaration of the Populist platform.

Now, you come here and you undertake to remove the makeshift, without presenting in its place the substance that the Democratic party complain about, and it is not fair, it is not right. And when you pass the unconditional repeal of the purchasing clause of the Sherman law, you do not place us as silver Democrats where the Democratic platform at Chicago proposed to leave us, without a makeshift, but with a free and unlimited coinage of silver upon an equitable ratio, sustained in its intrinsic value as well as its interchangeable value with gold without discrimination against either metal. You are taking the advantage, and whether you see it and feel it and purpose it or not, it is true all the same.

Is it right to stand on this floor and thrust into my face the statement that I ought to support and hold to the demands of the Democratic platform, and at the same time propose a measure on this floor that takes the advantage of two-thirds of the Democratic party who supported Mr. Cleveland and to whom his election is due to-day? Is that fair?

Why not? If you agree with the Chicago platform and with President Cleveland that it was a cowardly make-shift, I am against the Sherman law and in favor of its repeal; but if you agree with the platform and with Cleveland that it was a make-shift, why take the make-shift away without putting the thing back that it was intended to cover? Why not give this House an opportunity of doing that?

Now, I want to say, Mr. Speaker, in all kindness to our friends on the other side, that I am not willing to risk your promises and your assertions about your bimetallism. You may be bimetallists conscientiously. Your convictions may be on that line; but here is the question: Will it ever be convenient for you to vote for a bimetallic standard? Can you guarantee it? Will you stand up here to-day and say that fourteen days more shall be devoted to the consideration of a bill establishing silver and gold upon an equitable ratio, and that at the end of fourteen days we shall take a vote on that? Will you give us that guarantee and assurance if we will vote for the repeal of the Sherman law? That would be something tangible—something that a common-sense man can take hold of.

But who wants promises and nothing but promises and intimations here when our constituents stand behind us clamoring not for the repeal of the Sherman law but for the substance which the Chicago platform contemplated should be there.

There is another reason why you should not ask it. I take issue with the gentleman who has just taken his seat [Mr. CATCHINGS]. He made this assertion just before he sat down: "Why not come together from a nonpartisan standpoint, shoulder to shoulder, heart to heart, and repeal this obnoxious law that has bred all this financial trouble and distrust and suffering all over this country?"

I lay down the proposition that the Sherman law is not responsible for one single particle of it, and if I can not prove it I will vote for the unconditional repeal of the law.

I want to admit this, Mr. Speaker, that we have had some alarmists, some "calamity howlers," who have gone abroad in the land and through the press, and everywhere, and declared that the purchasing clause of the Sherman law was responsible. I understand that, and I understand they have made a great many people believe it; but that it is not necessarily true. I remember, two or three years ago, when the farmers of this country were pretty well organized and knocking at the doors of Congress and at the doors of your committee rooms in this Capitol building, asking you to give financial relief to them, pointing out the cloud that, perhaps, was not then larger than a man's hand, but as it arose over the eastern horizon it became dark and expanded until the farmers and laborers of the South and West were enveloped in financial darkness and gloom.

Gentlemen here on this floor said that we were "calamity howlers," and that "if we would go home and do more work and talk less we would be better off." Two gentlemen on the other side of the House in the Fifty-first Congress made that statement. They said that we had currency enough; that the banks were stable; the system of currency was not only ample in volume, but properly distributed. "You are calamity howlers. Go home and work more and talk less."

Well I remember, when Governor Flower, of New York, intimated to me in a committee room that that was the true condition of things, I said to him: "Mark my prediction. Two years from now the bankers and the great industries and corporations of this country will feel this wave, and then you will see 'calamity howlers' from another quarter." And here it is to-day. Who is it begging and pleading, by telegrams, by circular letters; who is it flooding your mail and mine?

Thousands and thousands of telegrams were sent to the President before he called this meeting. Where did they come from? From the farmers? No. They had ceased to be "calamity howlers." They have been squeezed and bled until they are exhausted, and somebody else has got it now, and they are very tender-footed about it.

I have said that the purchasing clause of the Sherman law, authorizing the Government to purchase 4,500,000 ounces of silver bullion per month, at the market price, was not the cause of the present financial trouble.

Now, I want to put the same rule to this Government that we would apply to an individual in determining this question. Is that fair? I want to ask some of you bankers. I want to put the same rule to the nation that I would to a bank as to its solvency. Is that fair?

The annual production of wealth in the United States is, in round numbers, $20,000,000,000. Nine-tenths of this, or $18,000,000,000, is absolutely necessary for consumption. The total amount of the annual product of all the wealth of the United States is $20,000,000,000; $18,000,000,000 of that is required for home consumption. One-tenth of this is saved as a surplus—$2,000,000,000. Listen and let us follow that surplus a little and see what becomes of it. This is the rule that measures men and their business; this is the rule that measures a bank and its solvency, and you will have to give the same measure to the nation, whether you will or you will not.

The public debt of the United States is $2,027,170,546. The private debt of the United States is $16,700,000,000. The total public and private debt is $18,727,170,546. Take the annual interest on the public and private debt and it is $1,310,901,938.22, and that is at 7 per cent, and it is hardly fair. They pay 8 or 9, I believe, in Kansas, and they pay 12 in your State, do they not (addressing Mr. Kem)?

Mr. KEM. As high as 36 per cent.

Mr. LIVINGSTON. In my State it is 8 in a clean-cut transaction with a bank; but with one of those loan and trust companies, where a mortgage has to go along with it, it is from 12 to 15, including commissions; and yet I made the moderate estimate here of 7 per cent.

The annual interest charge on the private and public debt, at 7 per cent, amounts to $1,310,901,938.22. Now subtract that from the surplus and you have only $698,098,062 left as surplus.

Now, let us carry the rule one step further. If you should come to talk about my solvency as a farmer that is the way you would talk to me. You would say, "How much does Livingston produce on his farm; how much does he consume of that on his farm; what is his surplus?" If in debt, "What is the interest that he must pay at the end of the year, when his crops mature?" That is the way you would do it.

It is a startling fact that out of twenty billions of products we have left as a surplus $689,098,062, or $10 per capita for the people of this country to put into a savings bank. Now, suppose we follow this thing out a little bit further and ask who has that surplus? Where is that $10 per capita of surplus? Seventy-five per cent of the population of this country have not a dollar of it. Twenty-five per cent of the population have got the entire surplus.

Mr. Speaker, the truth of the business is just this: We are a borrowing nation. England and Germany are creditor nations. We have borrowed more money than we can pay. In five years from this time, if the ratio of production and consumption continues as it has been for the last ten years, with the increased interest, and that compounded, the whole of that surplus will be absorbed.

It will take just five years more for that remaining surplus of six hundred and eighty-nine millions to be consumed by increased interest. Then what will you do? Then the United States Government must go into the hands of a receiver; but you propose to-day, five years ahead of time, to put it into the hands of a receiver by repealing the Sherman law and putting nothing in its stead, but turning the whole country over to a single gold-standard nation, England.

Well, gentlemen, if you will wait five years you can have this country go into the hands of a receiver without that. Mr. Speaker, we are the most extravagant nation under Heaven. There is no nation to-day that is nearly so extravagant as ours. We buy too much. We pay too much interest and commission.

The balance of trade for 1893 against us is $93,652,981.

"It has been calculated that there is at present an annual adverse balance of trade which arises from foreign travelers, interest payable abroad, freight to foreign bottoms, etc., amounting to about $158,000,000 against this country, which is invisible as far as trade reports show. These figures have been arrived at from exhaustive data and have been calculated by an expert writer in the New York Engineering and Mining Journal." Add the $158,000,000 to the reported balance against us for 1893 and you have for that fiscal year a balance against us $251,652,981.

The total balances in favor of this country from 1863 to 1893, thirty-one years, are $428,222,661. Total adverse and invisible against us for same period as calculated above from Engineering and Mining Journal, $4,500,000,000. Take from that amount total balances in our favor as per reports, $428,222,661, and you have a clear loss from 1863 to 1893 of $4,071,777,339. How will the repeal of the Sherman law remedy this evil? The only offset to this vast loss is the money brought over in the pockets of immigrants.

Our financial system has been entirely a class system, not intended

for a period of peace, not intended to build up and develop industries, not intended to promote agriculture, not intended for anything but war, to conquer the ten rebel States that were fighting the American flag. That was all you intended the system for; it answered its purpose well.

Mr. KILGORE. It seemed mighty hard at the time. [Laughter.]

Mr. LIVINGSTON. Yes; we thought it very hard at the time.

Mr. PICKLER. So did we. [Laughter.]

Mr. LIVINGSTON. Listen, now, to what Mr. Chase said on this financial question. He is good authority with the Republican party, he is good authority with the Democratic party, and he is good authority with me. He was an honest man and an able man, though he had his prejudices just as we all have. He said:

> The greatest financial mistake of my life was in what I had to do with the passage of the present national-bank act. It ought to be repealed; but before it can be done there will be such a contest between the banks on the one side and the people on the other as has never been witnessed in this country.

I wonder if that is not the condition now. That is what Mr. Chase said, and Mr. Lincoln said its equivalent. Now the extravagance of this country, in my opinion, grew largely out of the very war of which I have been speaking. Prior to that war our people were not very extravagant, but at that time they learned extravagant habits of living and moving and doing business. You people in the North had all the money you wanted at that time—more than you could handle properly, and it left you with extravagant and reckless habits.

Mr. HOPKINS of Illinois. Will it interrupt the gentleman if I ask him for a reference to that statement of Mr. Chase that he has just read?

Mr. LIVINGSTON. I will give it to you.

Mr. HOPKINS of Illinois. Is it in any of his published works?

Mr. LIVINGSTON. I will hand it to the gentlemen so that he can read it.

Mr. HOPKINS of Illinois. If the gentleman also has at hand the statement which he attributed to Mr. Lincoln, I would like to see that, or a reference to it, if it is to be found in any of his public works.

Mr. LIVINGSTON. Yes, sir. Now, Mr. Speaker, if the country is in the condition I have described, if we are a borrowing nation, and if we have borrowed up to within $686,000,000 of our entire resources, how is the repealing of the Sherman law going to save this country? I want to say further that, without questioning the honesty of the gentlemen who make the declarations, I do not believe a word of what is said here about this Sherman law being the cause of the trouble, from the simple fact that silver and silver certificates and greenbacks and United States Treasury notes, all the different nine varieties of currency that we have now in circulation, are all to-day at a parity. No; the idea is a mistake that the Sherman law is the cause of this trouble.

For the first time in the history of the world neither gold nor silver nor paper money is a standard dollar in the United States. Is not that a singular fact? I want to repeat it, because I think it may do some of our gold friends good to know it. I say that the silver certificate, the silver dollar itself, the gold dollar, the gold certificate, neither of these, nor any other form of currency that we have now in circulation is standard money in New York to-day. They are all at a premium. What is the standard currency of this country to-day? A certified check that can not be collected within thirty days.

Let us look at this proposition. If the purchase of silver and the issuing of silver certificates as provided for in the Sherman law is the cause of the want of confidence—and every gentleman on the other side who has discussed this subject has announced that the cause of the trouble is the want of confidence—how are the facts to be explained? Want of confidence in what? Confidence in the system of currency, including this depreciated 56-cent dollar? If that is true, is it not remarkable that the banks to-day are paying a premium upon the silver dollar, paying a premium upon the certificates that represent the silver bullion in the vaults?

Gentlemen, there is no consistency in any proposition like that. I want to say now, and I am glad to be able to say it for the benefit of some gentlemen who may be in doubt as to how they are going to vote on these questions, that the banks of New York have been undergoing a very rapid change of opinion for the last forty-eight hours on this question. They begin to look at it in another light, with another pair of spectacles, and I am proud of it.

I have on my desk a circular from a gentleman well known in New York, Mr. Henry Clews, who did last year more than a billion dollars' worth of business, more business, perhaps, than any other firm in the city of New York, and in this circular it is stated that, to secure the passage of the repeal of the purchasing clause of the Sherman law, it would be better to couple with it a bimetallic proposition, a silver proposition, at the ratio of 1 to 20 or 1 to 24.

I presume that other Members have received the same circular. What does that indicate? I have on my desk, also, a letter showing that the moneyed and business men of London are beginning to take a very different view of this matter from that which they had previously taken.

They say now, in London, that this gold mania has gone a great deal farther, has extended more widely, and taken root much more deeply than they expected; and they would like to check it.

Oh, gentlemen, this is a false alarm. Those of us who were in the Confederate army and those of us who were in the Union Army know what a false alarm means. When there was a false alarm we got badly scared sometimes, but not hurt much, unless by falling over the rocks and the brush in endeavoring to get out of the way of an expected but imaginary enemy. That is just about the condition at present.

Now, I am going to make this prediction: If this House should pass the act to repeal the purchasing clause of the Sherman law, and if that act should be passed by the Senate and signed by the President, I will guarantee that the price of products in this country will not increase. There will be no rise. And I am going to tell you why. The bulls and bears on Wall street may push up the prices for a day or two; but that does not affect my proposition. I understand that they can go there and gamble; but they will gamble themselves down almost as soon as they gamble themselves up.

Now, look at the proposition. You stop the issue of fifty millions of currency and then tell me that the price of products will rise! About one-third of our currency is silver; depreciate that metal, and bring the silver dollar into bad repute by discriminating in favor of gold, and then conclude that with a contracted currency at the rate of fifty million per annum prices of products and general prosperity will increase, is a proposition that can not and will not be accepted as true by the people to be affected by it.

I heard a strange declaration to-day from the gentleman from Mississippi [Mr. CATCHINGS] and the gentleman from Kentucky [Mr. MCCREARY] "that the volume of the currency of the country has nothing to do with the price of its products." Why, sir, there is not a writer on political economy, there is no statesman whose speeches or writings I have ever read, there is not a teacher in a single public institution, who has not taught the reverse of this.

Let me give you an illustration of the proposition of the gentleman from Mississippi: Suppose there are a hundred dollars in my town on a given day to be invested in potatoes, and there are ten men who come up with ten bushels each. They will receive a dollar a bushel for the potatoes. Suppose next day there are only ten dollars to be invested in potatoes, and there are again ten men who bring up one hundred bushels of potatoes. If they sell those potatoes, what will they get? The ten dollars is divided among the hundred bushels which are offered for sale, and the price received is 10 cents a bushel.

Now, gentlemen, in Savannah to-day, one of the leading cities of my State, they have agreed to issue New York exchange and certified checks to be sent up the railroad to the warehousemen to pay for cotton. In the city of Atlanta to-day they have arranged for clearing-house certificates to do the business that they hope to do, and there will be perhaps a million bales of cotton that will pass into and out of Georgia. They propose to do that business by clearing-house certificates and certified checks, and this is the best that can be done under the condition that confronts them. Should they be thus embarrassed while Congress has the right to "coin money and fix its value," and forbids by taxation the State from providing the remedy?

Mr. HOPKINS, of Illinois. Those clearing-house certificates are not used, are they, in any way except to settle the balances between the banks themselves? There is no compulsion about taking them; they are not forced upon any creditor in the settlement of indebtedness?

Mr. LIVINGSTON. But we can not get anything else with which to settle balances and what are we going to do? Of course they are not forced upon any creditor, but when a man is famishing with thirst he will drink out of a mud hole. That is all there is about it. Do you tell me that the price of cotton to-day is not dependent upon the volume of money necessary to ship it and sell it in Europe? Such a statement is nonsense. Let us carry that proposition to its legitimate conclusion. Suppose there was no money in this country——

Now, I am not objecting to those clearing-house certificates, if it is necessary to use them. I would rather have them than have nothing. I would rather have a certified check than have nothing. I am not objecting at all to such makeshifts, but I do object to the necessity on the part of our banks and business men being compelled to substitute clearing-house certificates and certified checks for ready cash with which to do business.

They deserve better facilities, and this Congress should see to it that our people are not hampered in this way when the crops of this country must be thrown upon the market.

Now, Mr. Speaker, we have heard a great deal to-day about an international conference—a monetary conference. The gentleman from Kentucky [Mr. MCCREARY] who represented us in that conference was, as I infer from his speech this morning, very much pleased with his visit, his reception, and everything he saw and heard over there. But what was the practical good of that conference? I want to ask the gentleman from Kentucky—I do not want to squirm or dodge in reference to this question—I want to ask any gentleman on the other side who may follow me in this discussion, to give me a good substantial reason why this country of ours, with our flag

and our Constitution, with our great population and our vast resources—why we should kneel at the throne of England or any other foreign country, and ask them to fix, or help to fix, a currency for us?

If we were a creditor nation we could do this without risk. If we were similarly situated and our commodities were interchangeable without let or hindrance we could afford to unite with other nations in determining how much and what kind of currency should be used, but so long as we are a money-borrowing nation, with tariff laws discriminating against those nations to whom we must go for money, is it safe to have them determine what shall be current money with us.

I want to make this suggestion: Why not have an interstate conference? Why not? I read, Mr. Speaker, when I was a school boy, in the Good Book a sentence which is there yet, that "he who provideth not for his own household has denied the faith and is worse than an infidel."

My opinion is, sir, that we have some statesmen to-day who would be vastly benefited if they would only remember that their allegiance first is to America, to their homes, to their people's homes, and the land, perhaps, of their birth, if not the land of their adoption. In other words, sir, I would hail with delight to-day a proposition adopted by the House of Representatives asking that the governor, the treasurer, and the comptroller of the currency of each State in this Union should be called together in Washington City for the purpose of discussing the situation and concluding what is best for the United States under the present circumstances and not for the world.

Let us take care of our own people first. Let us take care of our own industries first; take care of the great enterprises of the American citizens first, and then obey the Scriptural rule to go out into all the world to do good. But the trouble about the proposition is this: We are endeavoring to accommodate ourselves to the requirements of the crowned heads abroad. You want to go over and consult the queen and the king and the rulers of Europe and the Rothschilds and the brokers of Lombard street, and you have never extended an invitation to my people, the people from Georgia, the people from Mississippi, the people from Texas, and other States to come and talk with you New York, New Jersey, and Pennsylvania people about our common wants and our common interests. But you cross the broad ocean and vote away thousands and thousands of dollars to get up expensive commissions to deal with people over there and find out what they want.

Now, Mr. Speaker, I repeat let us have a little interstate monetary conference of our own and see if we can not fix up a money system in this country that will satisfy our Republican friends, our Democratic friends, and the Populists as well, if they can ever be satisfied. [Laughter]. Let us see if we can not do something for our own people in our own way and without the interference of outsiders.

Mr. BOEN. Is not this House the interstate convention of the nation?

Mr. LIVINGSTON. Virtually; but it seems somehow or other when we get up here as Populists, as Democrats, and as Republicans we can not get together from the fact that we have an organized system of partisan proceedings which are not likely, unless great public pressure is brought to bear, to cause us to rise above partisanship in a measure for the common good. [Applause.]

Mr. Speaker, I want to say this, that I believe this is an issue, as Mr. Chase said and Mr. Lincoln predicted, between the classes on the one side and the masses on the other; and I want to quote another expression of Mr. Lincoln's; it is one that I am very fond of. He said: "God must like the common people very much." Some gentleman present said, "Why?" Mr. Lincoln answered, "Because he made so many of them." This is credited to him, and I think he said it. I think I can put my finger on the quotation.

But, Mr. Speaker, I am with Mr. Lincoln in that regard; and I want to say here, with all courtesy and with all respect, that in my opinion God not only loves them but intends to shield them and protect them as long as He sits on His throne, independent of political parties or of government. Why? Let us see if I am right about it. Because they are the numerous class of His citizenship. He made them. They compose three-fourths of the human family. There is another reason. They own and run the earth when they can get rid of the politicians. [Laughter.] I want to repeat it that the common people of this country own and run the earth to-day and have always done so and always will. I am not speaking of the extreme class on one side, the millionaires, nor on the other hand am I speaking of the pauper. I am speaking of the common people. Why are they called "common people?" Because they have got common sense, and a great deal of it, common needs, and common obstacles. That is the reason they have been called the common people.

But I am going to tell you another reason I think God takes care of them, whether Congress does or not. They are the bulwarks of society, and He cares for society. But I am going to tell you still another thing. We ought to take care of them for the reason that they are the mainstay or base of this Government of ours, and every single legislative act in this House and in the other end of the Capitol ought to serve their interests and look to their welfare for the simple reason that this Government and the country must rely upon them to continue the Republic as it is. They have common needs and many of them, which must be supplied, and I want to commend them to this House to-day.

They have common obstacles which must be overcome, and when necessary they know how to combine for this purpose, and when crushed, humiliated, and denied their common rights, have ever resorted to revolution to maintain them at all hazards. Shall we tempt them to this last resort? Now, when more than a million men have been turned away from the mines, shops, and fields in this country, when bread riots are common in the East and Northwest, when thousands of dollars, the savings of the common people, are locked up in suspended banks, when crops ready for the market must be sold for less than cost of production—I am not speaking for the millionaires or the banks just at this moment. I mean to refer to them presently, but I want to commend the common needs of the common people to this House to-day—what is their need? Is it a single gold standard? If it is then, gentlemen, vote for it. Will that subserve the common people better than a bimetallic or double standard? Then vote for it. Do they need more money? Then vote for that. Do they need better money? Then vote for better money.

I want to lay down this proposition, and I do not believe there is a Congressman on this floor, whether he has served here two terms or twenty terms, who will dispute it—that that Congressman, that President, or that Senator who looks to the interest of the common people in all legislative duties and performances, has always proved a statesman, and always proved a success here and everywhere.

And I want to lay down the other proposition—that men who have disregarded the interests of the common people have sooner or later become political failures, and sooner or later were relegated to private life.

Just here I desire to say this about Mr. Cleveland's message: I believe Mr. Cleveland sent that message to this Congress with as firm convictions, with as honest conclusions and purposes as he ever did anything in his life. I do not believe what is charged to him, that he meant by the language in the last clause of his message to say that a single gold standard was his preference or his choice. I do not believe it. I believe he is a bimetallist; but I believe he got that scare on, and that he honestly concluded that if he could get the purchasing clause of the Sherman act out of the way, why, perhaps we could get bimetallism upon a stronger, safer, and more permanent basis. I do not know what he meant by the language—

and such legislation as will strengthen and assure the civilized world that we will keep our obligations.

I am quoting the substance and not the verbiage. It makes no difference what he meant by that message. We must take his letter of acceptance, take all his life, and not one isolated sentence in a letter or a message. That is no way to judge a man. Take his whole life, and no man has been more careful of the interests of the common people than has Mr. Cleveland. What was his letter of acceptance? That he was in favor of both gold and silver. That was not all. That he was in favor of an abundance of currency to meet the wants of this great people of ours. That was his language.

Now, Mr. Speaker, the Chicago platform, Mr. Cleveland's letter of acceptance, Judge Turner's speeches, the speeches of Mr. Clarke, of Alabama, the speeches of every Democrat in the South, and I presume of every Democrat in the Northwest, said that the Chicago platform meant bimetallism. I do not know what you people did up in the East. I do not know what kind of a campaign you ran up there. They charge you with running slick campaigns sometimes, and with twisting in between the corners and making tracks on both sides of the branch, dodging the tariff question one day and the financial question the other. I know nothing about that; but down South and out West we said the Chicago platform meant bimetallism. We said it meant bimetallism upon an equitable ratio. We said that Cleveland stood on that platform, and we said that if the Democratic party got into power in the executive and legislative branches of the Government, the Democratic party would enforce that platform to the letter.

I remember standing over in Alabama one day in Col. Denson's district—and here he sits right behind me. It was up on Sand Mountain, a peculiar spot in Alabama. The people are good people, plain people, and he says all from Georgia. They are honest people, and you could see it in their faces; but nine-tenths of them belonged to the Populist party, to the Third party, and when I arose and stepped out on the platform to talk to them, you could see it in their faces. I stood there that day in his district with several thousand of those people in front of me, and I took that Chicago platform and explained it, and then read Mr. Cleveland's letter of acceptance and explained it; and although Col. Denson told me the morning I entered his district that he probably would be beaten by anywhere from two to four thousand votes, and although he or anybody else would have gambled upon it, what was the result?

When we got done with the district, pledging the Democratic party in favor of the Chicago platform, that district came up and the Third party vote vanished, and came into the old Democratic

party; and here sits Col. Denson to-day, one of the best Democrats in the South, and one of the best Members on this floor, as you will discover one of these days.

Now what are we to do with these pledges of our platform as Democrats? What are we to do with them?

Mr. PICKLER. In the next campaign?

Mr. LIVINGSTON. In the next campaign; yes. But I will tell you, Mr. Speaker, there is something higher than that, that I want to bring to the attention of members of this floor. What are you going to do with a man's conscience who has stood up before the people and made these statements and these pledges? Suppose he goes out of politics before the next campaign. He goes out feeling that he has lied, and that he has degraded himself and deceived the people. There is something higher than simply being on the winning side in a political campaign.

Now, Mr. Speaker, I want to suggest, if the House will listen to me for a moment, what you do want instead of the repeal of this Sherman law unconditional. I am for its repeal. It is a makeshift and a cowardly makeshift, and I do not care who made it.

Mr. PERKINS. Does the gentleman understand that the Chicago platform pledged the Democratic party to the repeal of the Sherman act?

Mr. LIVINGSTON. Yes, I do; and that is not all that it pledged the Democratic party to do, and that is the complaint that I am making now on the floor of this House, that some Democrats who stand pledged to that platform, as I stand pledged to it, are seeking to enforce it in piecemeal, and at the same time leaving a part of the Democratic party who favor the entire platform at such a disadvantage and with such risk that we do not want and do not intend to submit to, if we can prevent it.

The Democratic voters of this country are a party to this agreement and expressed their approval at the last election. The wonderful success of the Democratic party was not due to any one individual or combination of individuals, but to the fact that the common people were tired of Republican rule, which had foisted upon this country high taxes upon the necessities of life, exemption to classes from taxation, and contraction of the currency. The success was due to the principles announced and our pledges to stand by them. Will we keep those pledges is the anxious inquiry by the common people?

Mr. PERKINS. Will the gentleman excuse me one moment?

Mr. LIVINGSTON. Yes, sir.

Mr. PERKINS. The clause in the Chicago platform, as I have it quoted in one of the opening speeches, reads as follows:

> We denounce the Republican legislation known as the Sherman act of 1890 as a cowardly makeshift, fraught with possibilities of danger in the future, which should make all of its supporters, as well as its author, anxious for its repeal.

Mr. LIVINGSTON. What are you reading from? I can not hear the gentleman.

Mr. PERKINS. I am reading from the Democratic platform of 1892.

Mr. LIVINGSTON. Is that last part of it you read a part of it? I did not hear distinctly.

Several MEMBERS. It is a part of the Democratic platform.

Mr. LIVINGSTON. The latter part of it?

Mr. PERKINS. Evidently the gentleman does not recognize it as being a part of the Democratic platform.

Mr. LIVINGSTON. That does not sound like the old hymn book the Democratic party has been singing from. You have read only a part of it.

Mr. PERKINS. Well, now, as I read that platform, it is a call from the Democratic party upon the Republican party to repeal that law.

Mr. LIVINGSTON. I do not view it that way. I think it calls on all of us to repeal it. It appeals to the author as well. All are invited to take part in the repeal.

Mr. PERKINS (quoting):

> Which should make all its supporters as well as its author anxious for its repeal.

It does not say what effect it should have on the Democrats. [Laughter.] And it declares it is

> Fraught with possibilities of danger in the future.

Possibilities for the Democratic party? [Laughter.]

Mr. LIVINGSTON. The declaration was, "Fraught with possibilities of danger in the future" to the country, and not to any party.

Mr. PERKINS. A gentleman over here the other day declared in this House that the Republicans were "not in it." Now, how are the Republicans to carry out the pledge of the Chicago platform, under those conditions?

Mr. LIVINGSTON. I will let you make your speech in your time. I am not responsible for what the gentleman said the other day, but I will answer you in this way: I am satisfied that the Democratic party in Chicago in using the language first read, which is proper and right, intended to say this, not only to the country, not to the Democratic party only, that it was a makeshift, and not a makeshift by the Democratic party. They were general declarations that were truisms; and that was all the party intended to do at Chicago.

Mr. PERKINS. If the gentleman will excuse me, I should be very glad to have every Democrat upon this floor construe that platform into an obligation for the repeal of the purchasing clause of the Sherman act.

Mr. LIVINGSTON. I want to say this to the gentleman about construction. There are rules that govern constructions, whether they apply to the law of man, to epistles, or the Bible, or to anything else; and one rule of construction is this, and I commend it to you, and to all who hinge upon that simple idea of yours, and we have some Democrats in the same fix—the obligation to carry out the Chicago platform is an obligation to carry out all of it and not a part of it. I take it as a whole, and we are to discharge our duties to it as a whole. This is the rule of construction that I insist upon.

Mr. HOPKINS of Illinois. Well, if that be true, why do you not have the repeal of the Sherman law in whole instead of the repeal of the purchasing clause?

Mr. LIVINGSTON. I supposed this, that your side thought that was just as far as you could presume upon our stupidity and ignorance at one time. [Laughter.] If you had gone any further when asking for the repeal you would repeal the only law that requires silver and gold coin to be kept on a parity, and that is the reason why you did not do it. [Applause.]

Mr. HOPKINS, of Illinois. But this resolution upon which we are to vote, called the Wilson bill, is something that was prepared and adopted in the Democratic caucus.

Mr. LIVINGSTON. I understood that it was a nonpartisan caucus. [Laughter.] I saw Republicans there. I think it represented Republicans, Democrats, and Populists. That is my understanding about it, though I was not present.

Mr. WARNER. That was the case in the one you were in.

Mr. LIVINGSTON. I suppose it was. It was the case in the one I was in and I supposed it was the case with this one, too. Nonpartisan, single-standard caucus.

Now, gentlemen, you may cover up the fact as best you can, that this fight if won, on your part, means the disuse of silver and for a single gold standard, but the friends of silver are alert and well understand your purpose.

Now, why do you propose to repeal the purchasing clause of the Sherman law? That is not all that you mean to do. The balance of it has not been developed. That is what we are afraid of. Now, I have dealt with you honestly and I have told you the truth about these things. I come to you as an honest man and ask you, if you are bimetallists, as you declare yourselves to be, how can you favor the unconditional repeal of the purchasing clause and leave silver demonetized under the then existing law of 1873? Let us stand together like sensible men and as patriots, if we be bimetallists, and show our faith by our votes.

Mr. PICKLER. You think if it is not gotten that way it will not be had at all?

Mr. LIVINGSTON. I am afraid that if we do not get it in that way we will never get it. If a member on this floor is in favor of the repeal of the Sherman law and at the same time a bimetallist, he can find in the bill introduced by the gentleman from Missouri [Mr. BLAND] an opportunity to express his wishes without risk to either the repeal or bimetallism, but we are asked to vote for the Wilson bill—simple repeal—and take our chances for bimetallism when they are combined in the Bland bill.

My opinion, Mr. Speaker, is that no pure and earnest bimetallist can or should be expected to do otherwise than vote for the Bland bill. If he does and finds afterwards no opportunity to establish bimetallism for this country, he can console himself with the language of the man who had sobered up with great loss: "When I think of what I uster was, and now is, I think I have thrown myself away without sufficient cause."

I do not intend to stand here and conceal my fears from you gentlemen, and I ask you is it fair to put one of your colleagues on this floor in a position of that kind when he comes to vote? You know it is not fair. You absolutely force him to vote against a proposition that he wants to vote for because of his fear of the consequences that may follow. It is not fair between legislators; it is hardly fair between politicians.

Now, Mr. Speaker, my friend from Mississippi [Mr. CATCHINGS] said awhile ago that there was gold enough in this country to do the business of the country upon a gold standard. Let us see. I have here a statement, received from the Treasury Department yesterday, not yet twenty-four hours old. This shows that we have gold in coin five hundred and twenty millions. The gentleman from Mississippi [Mr. CATCHINGS] said we had six hundred and fifty millions. He, perhaps, included the bullion, but even then he has fifty millions too much.

We have in the United States gold coin, $520,273,567; gold bullion, $83,450,336; total, gold coin and gold bullion, $603,723,903, which gives us only about $9 per capita and 3½ per cent upon the total value of all annual products in the United States. Is it possible that our single gold standard friends mean to contract the currency to this extent? The total standard silver dollars and fractional silver coin in the United States is $495,896,328. Silver bullion, $119,277,735. Add this to the gold coin and gold bullion, and you have a per capita of $13 and about 6½ per cent upon the total value of all annual products. Therefore, with all gold coin and bullion, all silver coin and bullion, we have only $18 per capita and less than 7 per cent cash with which to meet the actual legitimate business trans-

actions for our country. The remainder must be met by credit; 93 per cent.

The gentleman from Mississippi [Mr. CATCHINGS] made an argument in favor of credit in lieu of silver. Did he remember when he made that argument that there is only one class of people in this country that have credit? A very large majority of our people have no credit; a very large proportion of the remainder obtain credit at a very high rate of interest. Is it his wish that farmers and wage-earners shall continue to farm and labor upon the credit of others at a ruinous rate of interest paid to those who have either credit or money and who will necessarily get the benefit of the business?

And yet my friend from Mississippi, a Southern man, from a great Southern State, stood here and contended that the poor people of that Southern country, white and black, who have no property, who are mere tenants, mere renters, could live and do their business upon credit!

[Here the hammer fell.]

By unanimous consent, Mr. LIVINGSTON'S time was extended indefinitely.

Mr. LIVINGSTON. I thank the House for its indulgence. I will try to come to a close in a few moments, for I know that it is not exactly proper to occupy the time of other speakers and I feel that every moment that I am on the floor some other gentleman may be entitled to it.

Now, there is not a banker in this House—and I believe I see one sitting on my left—who does not know that he can not do his business in that way. He knows that the Government requires him to keep on hand a reserve of 25 per cent. With their bonds in the Treasury vaults, discounted 10 per cent at the start, the Government will not trust the national banks, but requires them to keep a reserve of 25 per cent. No business man can undertake to do any kind of business with only 6 per cent of cash, because something may happen that will knock his credit from under him. For instance, suppose Russia and England should declare war against the United States to-day, and we should have adopted the gold standard, with only $603,723,903 of gold, including the bullion, what kind of a position would this country be in in case of a war between us and any European power?

If, under such circumstances, the President of the United States should call you here, there is not a Republican or a Democrat or a Populist who would not vote for a greenback issue by the million.

A MEMBER. The Populists would do it, surely.

Mr. LIVINGSTON. The Democrats and the Republicans would do it too. You would have to do it.

Why, Mr. Speaker, should we not have a monetary system that would carry at least 20 per cent of the total business of this country? We have now only 9 per cent and a little over. Here is a full statement. Of national bank-note currency we have $188,101,000; United States notes, $346,000,000; Treasury notes, $148,000,000; total, $682,101,000. This added to the gold coin and bullion, silver coin and bullion, would only give 9¼ per cent on total annual products. This is all the money we have, including every variety of gold, silver, and paper money which has been issued by the Government.

Mr. DINGLEY. I am very much interested in the discussion which the gentleman is pursuing. I understand he is endeavoring to show that the cause of the present financial difficulty in this country is the contraction of the currency. Now, I would like to hear from him some suggestion on this point: We now have one billion six hundred million dollars of currency in this country, the largest outstanding volume of currency ever known in the history of our country; yet we have a money famine. There would seem to be, not a lack of outstanding currency, but a lack of confidence. I would like the gentleman, while pursuing this discussion, to notice that matter.

Mr. LIVINGSTON. I think I touched that point sufficiently in the very beginning of my remarks.

Mr. DINGLEY. I was not here.

Mr. LIVINGSTON. Let me repeat. We are a borrowing people; the most extravagant people to-day under the heavens. The great bulk of the gold, the great bulk of the silver certificates, and the great bulk of the silver coin that has been issued, amounting, not as my friend suggests, to $1,600,000,000, but $1,900,998,966—the great bulk of that has gone out of this country; it is not here and can not be here.

Mr. DINGLEY. I am speaking of the amount that is actually outstanding, $1,600,000,000, the largest volume of currency per capita ever known in the history of our country. Now, in view of that fact, I would like to have my friend explain how it happens that we have a currency famine, and how a mere increase of currency without an increase of confidence will remedy the difficulty.

Mr. LIVINGSTON. I can give you in a moment several reasons why currency is scarce. The entire business of this country is done upon borrowed capital. That capital is borrowed from abroad. The commissions and interest on that borrowed capital go abroad annually. All the investments in railroads, express lines, telegraph lines, all the money invested in the great cotton manufactures in the southern and southwestern part of this country, in the iron mines, in the silver mines, in the gold mines, which are to-day being developed, is borrowed capital; and the great part of the product of these investments has gone to Europe.

Now, again, our people are extremely extravagant. If you will look into the quantity of imported goods coming to this country and the classes of those goods, you will see where a great deal of the money goes. Then, again, there is a great deal of it, in my opinion, between the bedticks and in the stockings of the people. I am candid with you about this matter, and I do not blame the people for this. When a man shouts "fire" in his own house I am not going there to sleep. That is just what the banks of this country did. They sounded the alarm. They brought on this panic—this "imaginary" panic—and the common people have common sense. They wish to get their money where they can put their fingers on it when it is wanted.

Mr. DINGLEY. Will my friend from Georgia pardon me at this point, because it is an important one in this discussion? As I understand he now adopts the theory that a "conspiracy" of the bankers has caused the present distrust; that they have gotten up a scare and produced the distrust which has caused what—which has caused individuals throughout the whole country to withdraw from the banks the deposits on which those banks were doing business. In other words, according to this theory, the bankers, who are supposed to be intelligent men, have gotten up a scare that has caused the distrust which has resulted in drawing from them the money on which they were conducting their business.

Mr. LIVINGSTON. I did not go so far as my friend is going; but he has made a very good speech and I am willing to let it go out with mine. I did not say the banks had entered into a conspiracy. I will say that in my opinion this false alarm came from beyond the waters, and that our banks are not blamable. The people understand that there is no protection to the depositors in any of those banks. Therefore no one can blame a depositor in a national bank, or State bank, for withdrawing his deposit at a time like this, when banks are suspending, and when no accommodation can be had on gilt-edge collaterals. The note-holder is protected, and amply so, by deposit of bonds, but a common depositor has none save as at common law—collect if you can. No bonds or collaterals are set one side for security to depositors. It is true that stockholders are assessable for double their amount of stock; but the poor depositor who puts his money in a national bank to-day, or in any other kind of a bank, is without any protection whatever other than a claim before the courts.

Mr. Speaker, I want to say in favor of the common people that they deserve credit for the unlimited confidence which they have shown in the banking system of this country, which has induced them to turn into the banks without protection as note-holders are protected all of their earnings resulting from their daily toil and the products of their farms and workshops. Especially are they deserving of thanks when real estate and all other species of property owned by them are excluded as collateral.

Mr. HOPKINS of Illinois. What is the liability of the stockholder of a national bank for, then?

Mr. LIVINGSTON. What liability?

Mr. HOPKINS of Illinois. The national-bank act provides that every stockholder shall be liable not only for the full amount of his stock, but double the amount of it. For instance, if a stockholder owns ten shares of stock worth a hundred dollars a share, he shall be held liable for twice that amount. What is it, then, that this act provides if it is not protection to the depositor?

Mr. LIVINGSTON. A stockholder can be assessed double his stock and to that extent creditors or depositors can recover, but a stockholder can transfer his stock to whom he pleases, and thus avoid that clause.

Mr HOPKINS of Illinois. But what is it intended for? Why is a stockholder made liable for such a sum as that in case of any failure or loss by the bank unless it be for the protection of the depositor?

Mr. LIVINGSTON. Of course, the stockholder of the bank would be liable to the depositors for anything that he has put in, and double his stock.

Mr. HOPKINS of Illinois. For twice the amount that he has put in.

Mr. LIVINGSTON. But I make this assertion, not to enhance or to increase the prevailing panic, that there is not a single bank in the United States to-day that can stand a legitimate run for twenty-four hours and save itself.

Mr. HOPKINS of Illinois. But the point is this: I think the gentleman has said that the depositors of banks have no security. Now, I agree that banks could be so established that depositors, say in national banks, could be better secured than they are at present. But I maintain that under the present law the depositors are protected not only to the amount of the capital stock, but that the stockholders are liable for the same amount again. In other words, you take a national bank with a capital stock of $100,000, and there are $200,000 to which the depositors can look for protection; $100,000 of the capital stock and $100,000 that can be collected from the stockholders in the event of a failure.

Mr. LIVINGSTON. Can you find that liability? Will small depositors and poor depositors go into the courts to collect small deposits; is that the security the people want?

Mr. HOPKINS of Illinois. It is in the law.

Mr. LIVINGSTON. That is not the question. Is it there when you want it? A new board of directors and every dollar's worth of stock can be changed in twenty-four hours.

Mr. HOPKINS of Illinois. Why certainly.

Mr. LIVINGSTON. The gentleman does not understand me. I do not mean is it in the law, but is the protection there? Are the funds on hand when the occasion arises? Can you mention a single instance now where the depositors have been paid in full?

Mr. HOPKINS of Illinois. I say to the gentleman in answer to his question, that he can not show a single instance where a stockholder has been assessed for his proportion under such circumstances where he has not been able to pay, and where he has not been compelled to pay.

Mr. LIVINGSTON. I do not know of a single instance where a stockholder has been assessed for such a purpose.

Mr. HOPKINS of Illinois. The gentleman can not point to a bank that has failed, in any part of this country, where the depositors have lost anything. And I go further and say that he can not show a bank in the last six years in this country that has gone into liquidation and a receiver has been appointed by the Comptroller of the Currency where the depositor has lost a cent. I mean a national bank.

Mr. McRAE. You might point to the national bank at Little Rock.

Mr. LIVINGSTON (to Mr. HOPKINS of Illinois). You are speaking of national banks?

Mr. HOPKINS of Illinois. Of course I am speaking of national banks. I will admit that depositors may lose in the State banks. There is where I claim that the national-bank system is far more secure not only for business purposes but to the depositor himself. But I repeat what I said before, that the gentleman can not show where a bank, a national bank, has failed in the last six years where the depositors have lost anything.

Mr. McRAE. Give him as an instance the First National Bank of Little Rock.

Mr. LIVINGSTON. The First National Bank of Little Rock has been suggested. I do not know the facts in this case. I do not remember a single national bank at this moment which is in the hands of a receiver that has been closed and where the business has been fully settled. Hence the question can not be answered. I see the Little Rock bank is closed and several others that I could mention, but whether the depositors are protected or not I can not tell until the statements are made from the banks.

Mr. HOPKINS of Illinois. But the gentleman has said that we have a national-bank system where the depositors are not protected. Now, as I stated before, I ask him to point out where, in any national bank that has failed, depositors have been losers up to this time.

Mr. HUDSON. I want to say we have a national bank in Kansas which failed and the depositors have not received a dollar and never will.

Mr. LIVINGSTON. The gentleman from Kansas furnishes an instance. I pass it over to my friend from Illinois.

Mr. KEM. If the gentleman will permit me, I will give him another instance.

Mr. LIVINGSTON. I can stand here and give a dozen instances where national banks have been closed up and not a dollar has been received by the depositors.

Mr. BOWER. I can give you three in North Carolina, one of my own knowledge and two on information received from my colleague [Mr. ALEXANDER].

A MEMBER. And two in Mississippi.

Mr. LIVINGSTON. Two in Kansas, two in North Carolina, and two in Mississippi. They are too numerous now to stop and follow them up. Are you satisfied?

Mr. HOPKINS of Illinois. When the gentleman answers my proposition by giving the names of the banks. General statements are cheap, but you ought to be specific and name the banks.

Mr. WILSON of Washington. I have it from the Comptroller's Office that during the entire time since the establishment of national banks in this country the net loss, in cases where there have been failures, has not been quite 8 per cent; that 92 per cent of all deposits held by banks that have failed have been paid to the depositors.

Mr. LIVINGSTON. The gentleman agrees with me, and I am glad to hear him say so, that the depositors are not sufficiently and amply protected under our banking system, whether national or otherwise; and I call on him and on every good man—and I believe you are all good men in this House—I call upon everyone of you to get down to work and substitute for the present system some system that will give the common people a place for deposit and a guarantee, when they put their deposits there, that they can recover them at will.

Mr. PICKLER. That is good advice.

Mr. LIVINGSTON. Now, let us do that. Let us lay down our Democracy and our Republicanism and our Third Partyism and all this political partisanship and come to the rescue of the people one time in the history of this great country.

Now, Mr. Speaker, I want to say what I think this country needs. It must have a currency system sufficient in volume, good and stable, and so distributed as to meet the demands of every section and of all the people of this country. Now, why not? Do you say it is impracticable?

Well, if you do, it is an admission that I am not going to join you in. I can suggest to you how it can be had, and have no wild-cat money and no wild-cat banking system. Supplement the gold and silver currency with paper. Let that paper consist of Government notes, Treasury notes issued by the General Government, and guaranteed by the Government to the States. Let the States become responsible to the General Government, and let the States issue these notes to corporations, requiring the corporations to give bonds and ample security that whenever one of these notes is presented at the counter of a bank it shall be redeemed in gold and silver; and what else do you want? What else does the General Government want?

The Government can ask nothing better than that. It promises in the note, on the face of it, to pay to the bearer a dollar, or ten dollars, in coin. Then let the General Government transfer it to the State for this purpose, because the State can better determine the amount of money needed in that particular locality than can private corporations. Then let the State issue these bills to private corporations, taking ample security that whenever one of these bills is passed over a bank counter for redemption it shall be redeemed. Then what about the losses to depositors? Then put a tax of 1 per cent upon that issue, and let that be collected and covered into the State vaults, and held as a sacred fund; and whenever a bank fails, let the examiner put it into the hands of a receiver and close it up, and whatever the deficit may be let the governor or the State treasurer put his hand into that security fund and take out the full amount to cover all the liabilities and losses by the bank.

Mr. PICKLER. Will you loan money on real estate?

Mr. LIVINGSTON. Then it can make no difference. The State can loan on pumpkins and geese if it wants to. That is the business of the State. That is one of the beauties of the system. The State law can regulate the security to suit itself. It is nothing to the General Government.

Mr. Speaker, the Constitution prohibits the States from making any money a legal tender except gold and silver. I want to lay down this proposition, and I want to ask some lawyer to answer it before this question is done with. If my State of Georgia, through her Legislature, makes silver a legal tender, as she has done, it is a legislative act; and has Congress, with the approval of the President, under the Constitution, the right to deny to the State of Georgia the use of silver as a legal tender under its constitution?

I say, as a legal proposition, Congress can not do it. Having given to my State the right to make silver a legal tender, a constitutional right, no legislation of this House or of the Senate, approved by the President, can declare silver not a legal tender in my State, under the Constitution of the country. The right to coin money exclusively by the General Government was incorporated in the Constitution of the country solely for one purpose, and that was to have a unformity in the coin. In 1776, July 9, article 9 of the Confederation was adopted, which reads thus:

> The United States in Congress assembled shall always have the sole and exclusive right and power to regulate the alloy and value of the coins struck by their authority and by that of the respective States, and to fix the standard of weights and measures throughout the United States.

Then take the Constitution under which we now live and operate. Article I, section 8, paragraph 5, reads:

> To coin money, regulate the value thereof, and of foreign coins and fix the standard of weights and measures.

The only purpose and the only reason why the General Government to-day does not allow Georgia, Carolina, Texas, Michigan, and Massachusetts to coin their own silver and gold is simply to keep a parity and a uniformity in the value of the coin. That is all. They never had any intention to take from the States the right to coin their silver and gold product. They always did understand that, and had that right, and the first act under this confederation and the first act of the present Constitution establishing a mint, gave every State the right to go to the mint of the Government and have coined every dollar of her product at a fixed ratio. The right has never been taken from the States at all, and all that has been done was for the purpose of having a uniformity of value.

Mr. Speaker, I want to make this appeal to gentlemen on the floor of this House. We can not afford to dally with this question while our people are suffering as they are suffering now.

Can the gentleman who sits here on my right [Mr. SIMPSON], and I regret that he is not in his seat to-day, who stated last night in his speech just there that he was opposed to compromise and that he would fight compromise, afford to do so. I want to say to you, gentlemen, that every act of this House, in my humble opinion, for a hundred years has been nothing but a compromise. I want to say that the world was made on a compromising principle. I want to say that, in my opinion, the next will be on a compromising principle. I want to say that our family relation is a relation of compromise; I want to say that our neighborhood relations are a compromise; our church relations are a compromise.

Who is it in this world who has absolute knowledge and absolute purity of principle, that he should stand on the floor of this House and say "I am the great I Am." I never make any mistakes; I never concede anything." As a Democrat I know that I have got to make compromises to get my wish through this House, and I know as Republicans you have to do it; and I know as honest men in this body we expect nothing else but compromise measures to go through either House.

Well, I will take from this House half a loaf of bread if I can not get a whole one for my people. I am ready to do anything for

relief that is reasonable and consistent. Let the relief given be ever so small, I will take it back to my people and say to them with all the scuffle, and in all the fight, that is all I could get for you. [Applause.]

Mr. Speaker, the substitute offered by Mr. BLAND provides that a vote shall be taken on the ratio of silver to gold, beginning at 16 to 1 and up to 20 to 1. The question for our consideration when the vote is to be taken is which of the several propositions should be adopted. I believe, Mr. Speaker, that 16 to 1 should be adopted, and the best reason that I can give for that opinion is that in 1873, when silver was demonetized, silver was at a premium over gold, and for nearly one hundred years silver had been on a parity with gold at 15½ and 16 to 1.

I admit, Mr. Speaker, that the tendency for 1800 years has been to increase the silver in a dollar as compared to gold. At and efore the Christian era the ratio of silver to gold was 9 to 1, which was the ratio with the Jews. The Romans increased it to 11 to 1, where it stood at the discovery of America. From 1500 to 1620 it rose to 12½ to 1. From 1620 to 1720 it rose to 15½ to 1. From 1720 to 1873 it only rose to 15.92 to 1; but from 1873 to 1878, while demonetized, it made the advance of two points, to 17.92 to 1, since which it has continued to advance under adverse legislation. Since the act of 1873 demonetizing silver the rise has been greater than for 2,000 years previous combined. There was no natural cause for this great rise, such as existed in the sixteenth century—1620 to 1720. The discovery and development of the vast silver deposits of America caused the rise at that period.

The unprecedented rise can only be accounted for by a feeling of universal panic started, no doubt, by a widespread attempt to increase the value of money securities, but kept alive and fanned into open flame by the strange and unprecedented methods resorted to by our Government to keep up the empty appearance of having a gold currency, and by constant proclamations which treat gold as the one precious and indispensable thing, to be had at all hazards and at any cost.

The coinage of gold in the United States from 1793 to 1892, total, eagles, double eagles, half eagles, three-dollar pieces, quarter eagles, and dollars has been $1,582,317,235.

Coinage of silver in the United States from 1793 to 1892, total, $657,368,387.10.

The production of gold in the United States, 1792 to 1892, $1,937,-881,769.

The production of silver in the United States, 1792 to 1892, $1,071,-422,000.

You see from these tables, Mr. Speaker, that the argument that a kind Providence is decidedly for bimetallism has some force.

The production of the two metals is about the same. According to Maurice L. Muhleman, Deputy Assistant Treasurer of the United States, "the total stock of gold and silver coined or held as bullion for coinage in the various countries of the world is about $7,800,000,000, of which about half is gold." In this country, in all the world, Providence has not discriminated against either metal; both in equal quantities, are found embedded side by side, and under His direction and inspiration both have been developed in about equal quantities since the days of Abraham. The only discrimination ever made against either metal has been brought about by the "money-changers" those who speculate upon money—the commercial life-blood of the world.

Gold used in arts in the United States, 1871–1891, $188,448,150.

Silver used in arts in the United States, 1871–1891, $119,640,404.

You will see that about 9½ per cent of the gold product of this country is used in the arts.

Now, Mr. Speaker, if you will take this supply and demand for silver as a money metal for two thousand years, or for any given period of twenty years during that time, you will see that there is no reason why 16 to 1 can not be maintained by this country.

The argument, however, that a change of ratio to a higher one, say even to 20 to 1, would injure those in debt and lessen prices of products is fallacious. There are only two things that producers and debtors need fear as to the currency, too small a volume and unstable money; contraction and depreciation are the hindrances to good prices of products and facilities for debt-paying to-day. Silver is, has been depreciated since 1873. The currency is being constantly and gradually contracted as compared with the population and business of this country.

No one save the Government can sustain loss by making the ratio 20 to 1. And the Government has accumulated about fifty millions of dollars in her vaults made by speculation on silver that could be used in the increase without loss to the Government. The miner would be benefited by an increased ratio. Such an increased ratio would create a demand for every ounce of silver possible to be mined annually. The demand for silver dollars abroad at the ratio of 20 to 1 would keep this country drained of silver, and gold would flow to us; and, indeed, if we want more gold and less silver this is the way to accomplish that end. One thing, however, would necessarily follow; there would be no premium upon gold and the "money-changers" and speculators in gold coin would lose their calling. Again, Mr. Speaker, I appeal to Democrats upon this floor to unite and do two things—give the country relief and sustain our platform and our pledges. [Applause].

The Present State of the Silver Question.

SPEECH
OF
HON. GEORGE W. COOPER,
OF INDIANA.

IN THE HOUSE OF REPRESENTATIVES,

Monday, August 21, 1893.

The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. COOPER of Indiana. Mr. Speaker, the President, exercising that discretionary power lodged in him by the Constitution of the United States, has convened the Congress in extraordinary session. The emergency which has impelled him is clearly and strongly set forth in the message which is before us. "The existence of an alarming and extraordinary business situation, involving the welfare and prosperity of all our people," to which he directs attention, is by him clearly traced to the operation of certain financial legislation, the evils and dangers growing out of which the executive department of the Government finds itself powerless to stay or avert.

This legislation is embodied in what is known as the Sherman law, passed July 14, 1890. The first section of the law directs "The Secretary of the Treasury to purchase, from time to time, silver bullion to the aggregate of 4,500,000 ounces, or so much as may be offered in each month, at the market price thereof," and to issue in payment therefor United States Treasury notes.

It is this provision of the law which it is now proposed shall be repealed. The repeal bill reads as follows:

Be it enacted, etc., That so much of the act approved July 14, 1890, entitled "An act directing the purchase of silver bullion and issue of Treasury notes thereon, and for other purposes," as directs the Secretary of the Treasury to purchase from time to time silver bullion to the aggregate amount of 4,500,000 ounces, or so much thereof as may be offered in each month at the market price thereof, not exceeding one dollar for 371.25 grains of pure silver, and to issue in payment for such purchases Treasury notes of the United States, be, and the same is hereby, repealed; but this repeal shall not impair or in any manner affect the legal-tender quality of the standard silver dollars heretofore coined; and the faith and credit of the United States are hereby pledged to maintain the parity of the standard gold and silver coins of the United States at the present legal ratio or such other ratio as may be established by law.

This bill, as will be observed, has two distinctive features:

First. It stops the purchase of silver bullion.

Second. It protects the silver which we now have from depreciation, and maintains its legal-tender quality.

Mr. Speaker, there ought to be no necessity for the discussion of either of these propositions. The purpose of the enforced purchase of silver bullion by the Government, as openly expressed at the time of the adoption of that policy, was to enhance its price—to bring if possible its commercial value back to that relative position with gold expressed in the legal ratio of 16 to 1. In this it has utterly failed. If this failure to realize our expectations as to the rise in the value of the silver bullion were the only unfortunate outcome of this legislation there would be no sufficient provocation for this extraordinary session.

But, sir, it is not because those who are interested in mining and marketing this precious metal have been disappointed that we are here, but because, in our effort to force into our circulation a vitiated current we have poisoned our whole financial system, brought dismay and distress to our business interests, and finally, idleness and want to our laboring people. If there has been any attempt at a defense of this measure I have not read or heard it, and if any yet remains to be made, I can not conceive upon what ground or along what line it can be done.

But, sir, by a kind of parliamentary jugglery this real vital issue upon which it appears we could all agree and to dispose of which we are here convened, this urgent, burning demand for relief is postponed, and while the country suffers and waits we are to make a test of the strength of each of an assortment of views upon kindred financial measures.

Six independent propositions offered as substitutes for the repeal bill are to be disposed of first.

First, the free and unlimited coinage of silver at the ratio of 16 to 1:

Second, the same at the ratio of 17 to 1;

Third, at the ratio of 18 to 1;

Fourth, at the ratio of 19 to 1;

Fifth, at the ratio of 20 to 1; and

Sixth, the substitution of the Bland-Allison law of 1878.

Mr. Speaker, what is meant by the term ratio as applied to the coinage of gold and silver, and whence comes the necessity for legislation upon that subject? By ratio in this connection we simply mean the relation which these metals sustain to each

other in point of value. When we speak of a given ratio as 16 to 1 we mean that 1 pound of gold is worth 16 pounds of silver, or *vice versa*. In a country where these metals are both coined into currency the necessity for establishing this ratio by law is easily understood. In our country the unit of value is the dollar. Now, when this dollar is to be made of different metals, as of gold and silver, the very first thing that would suggest itself would be how much metal shall each piece contain. By the act of April 2, 1792, our fathers adopted the Spanish milled dollar as the monetary unit. I quote the language of the law:

That there shall be, from time to time, struck and coined at the said mint, coins of gold, silver, and copper, of the following denominations, values, and descriptions, viz: * * * dollars or units, each to be of the value of a Spanish milled dollar, as the same is now current, and to contain 371¼ grains of pure or 416 grains of standard silver.

In 1837 the weight of this dollar was changed to 412½ grains, and that is the weight of the standard silver dollar to-day. How much gold now should be put into a gold dollar, which was to circulate by the side of this silver dollar, which was to perform the same functions, take the place of, or be exchanged therefor? Clearly it must be a dollar's worth of gold. It became, therefore, necessary to ascertain how much gold the dollar agreed upon would buy, and this amount, whatever it might be, should be contained in the dollar to be coined of gold. At this time—1792—Hamilton estimated that in the commercial world, 1 pound of gold was worth 15 pounds of silver, and therefore adopted the ratio of 15 to 1. Section 11 of the law of 1792 reads as follows:

SEC. 11. *And be it further enacted*, That the proportional value of gold to silver in all coins which shall by law be current as money within the United States shall be as 15 to 1, according to the quantity in weight of pure gold or pure silver; that is to say, every 15 pounds weight of pure silver shall be of equal value in all payments with 1 pound weight of pure gold, and so in proportion as to any greater or less quantities of the respective metals.

THE WAR OF RATIOS.

Mr. Speaker, at the time the ratio was established there was no strife over ratios; no powerful interests were arrayed against each other; no silver miners demanding a market for their product; no "friends of gold" and "friends of silver" struggling for the mastery. Hamilton was a bimetallist and desired to furnish the people with a sound and stable currency coined from both the precious metals. In this view Jefferson entirely agreed with Hamilton, and they labored together to that end. But why, I ask again, was it necessary that some ratio should be established and observed for the coinage of these metals, and why should the ratio fixed by law correspond with the ratio as it existed in fact in the commercial world. Why not say one pound of gold shall be equal to one pound of silver, a ratio of 1 to 1? Because, Mr. Speaker, they would not so circulate. Whoever might have a gold dollar as large as a silver dollar would not part with it for a silver dollar, nor for a silver dollar's worth of goods. The thing would be preposterous upon its face. It must also be remembered that both gold and silver have other uses than as money. They are used in many different ways and are quoted in the markets and bought and sold as merchandise, the prices depending, like that of any other commodity, upon supply and demand. If, therefore, the ratio fixed by law does not correspond with the commercial ratio, it is clear that the coin which is undervalued by the law will drop out of circulation.

To illustrate: Suppose that when Hamilton fixed the legal ratio of 15 to 1, 15 pounds of silver were not worth 1 pound of gold, what then would have happened? Why, the man who had a pound of gold would not coin it into dollars which would be exchangeable with silver at that ratio, but he would sell it wherever he could get the greatest number of pounds of silver for his pound of gold.

Now, Mr. Speaker, this is precisely what did happen. Hamilton made a mistake in fixing the ratio at 15 to 1. Gold was worth a little more than 15 to 1 in the market, the actual commercial ratio being at that time 15.17 to 1, which will appear from the table of ratios which I will append to my remarks. The consequence was that gold very soon disappeared from circulation, and from 1810 to 1834 there was not any gold seen or to be had in our country. Its absence was noted in the discussions here in Congress, and measures were discussed and plans proposed to recover our share and to maintain it in circulation. Manifestly, gold had gone where it could do better.

In France a pound of gold would exchange for 15½ pounds of silver, and in most other European countries a like ratio prevailed. To correct this inequality, in 1834, when Jackson was President, the ratio was changed by reducing the weight of the gold coins and thus bringing the metals into the relation of 15.98 to 1, or, as commonly expressed, 16 to 1, the present ratio. Here again an error was committed, for the commercial ratio was then—1834—15.73 to 1, instead of that agreed upon. This time silver was undervalued, and consequently silver at once disappeared. It is a fact that from that time down to 1873 the silver dollar did not circulate, but gold took its place.

GRESHAM'S LAW.

Mr. Speaker, inasmuch as the question of relative value or ratios is at the bottom of this whole controversy, I beg leave to call attention to, and explain the operation of, what is known as Gresham's law. As early as the sixteenth century, Sir Thomas Gresham, a wealthy English merchant and philanthropist, discovered and proclaimed this law of finance, viz, that if there is a depreciated coin circulating by the side of a full-weight coin in a country, the depreciated or bad money will drive the good money out of circulation. This law, based perhaps upon human selfishness, is universal and unvarying in its operation. Whoever has two coins, one of which only is clipped, mutilated, or debased, but either of which will pass, will always rid himself of the damaged coin and keep the other. It is for this same reason that cheap money drives out dear money.

Now, Mr. Speaker, I shall not subscribe to any particular dogma or set of views; neither do I wish to be classified as my able friend from Massachusetts [Mr. EVERETT] has said, as any kind of an "ist," but I do earnestly desire that we adhere to that policy and enact that legislation which will give us both gold and silver in circulation. It is true we have them both in circulation now, and it is also true that the legal or coinage ratio and the commercial ratio are wider apart than they have ever been at any time in history. But how is this accomplished, and how long could this be maintained? It is accomplished by the Government standing in the breach and offering to and actually making good the difference. It is true the silver dollar has a bullion value of only 58 cents, but the Government says she will take it for taxes, for customs, and for all public dues, and inasmuch as the Government has a great capacity for taxes, customs, and public dues, the silver dollar takes the place of the gold and performs the same function.

Again, the Government is pledged by law, in express terms, to the maintenance of the parity of the metals, and the Secretary of the Treasury, as I believe, honestly obeying the spirit of that law, is paying over the Government counter, on coin certificates issued under the Sherman law, either gold or silver at the option of the holder. I know the discretion is with him, but should he at any time refuse the gold, then, in my humble judgment, silver would at once be discredited, and the only thread which holds them together would be broken and the metals parted forever.

THE DECLINE IN THE PRICE OF SILVER.

But gentlemen say that the depreciation in silver is due to hostile legislation; that free coinage at the ratio to be fixed by law of 16 to 1 will "restore silver," will "rehabilitate" silver, whatever that may mean; that the opening of our mints to the free and unlimited coinage of silver will, *eo instanti* and *ipso facto*, spring the price and close the chasm.

Mr. Speaker, if I ever believed that—and I presume I did—I do not believe it now; if that were ever possible it is not possible now. There has been some legislative discrimination against silver both in this country and in Europe. It is true that the price of silver has declined almost simultaneously with this hostile legislation; but let us see whether this result can be attributed to that cause or whether what we observe is a mere coincidence. In other words, let us determine from the facts whether legislation beat down the price of silver, or whether increase in its production did not suggest the hostile legislation.

I wish to call the attention of the House to a table which I have before me, prepared under the direction of the Treasury Department, showing the production of gold and silver in the world for the last hundred years. By reference to this table it will be seen that, commencing in 1792 and continuing down to 1848, a period of fifty-seven years, the average annual product was about $30,000,000. Beginning in 1849 and continuing down to 1860, the average annual product was about $40,000,000. From 1860 to 1870 the average annual product was about $50,000,000. From 1870 to 1880 the product increased to $80,000,000 per annum; and from 1880 to the present time it has increased to an average of about $137,000,000 per annum.

The most marked increase, perhaps, was the increase from the year 1870 to the year 1871; and I call attention to the figures for those years. The amount of the product for 1870 was $51,575,000; in 1871 the amount of the product was $61,050,000, or an increase of nearly $10,000,000 in a single year. From that time the increase has been gradual but enormous, advancing at the rate of about $8,000,000 per annum. So that, beginning with 1792, when the annual product was about $25,000,000 or $30,000,000 per annum, we find that in 1892 the product of the world's mines amounted to $196,000,000.

The mines of the United States produced, in 1880, 1,700,000 ounces of gold and 30,000,000 of silver, or seventeen times as much silver as gold. In 1890 they produced 1,500,000 ounces of gold and 60,000,000 ounces of silver, or forty times as much silver as gold. The ratio in value of silver to gold was, in 1872, 15.63

to 1; in 1882, 18.19 to 1; in 1892 it is worth about 28.52 to 1 of gold.

Now, Mr. Speaker, we must distinguish between cause and coincidence. It is true that hostile legislation began about 1872, and it is true that about that time silver began to decline in the market. Was it the hostile legislation which caused it to decline, or was it the enormous increase in the output of the mines, to which I have called attention? I leave this question for thoughful men to determine; but to my humble judgment it seems perfectly clear that the increase in the output of the mines, rather than hostile legislation, caused the decline.

Again, we must not forget the cheapened cost of production as an element in the reduction of price. We have improved machinery and increased facilities for transportation, the mines are more accessible to the people, and capital has found rich rewards for its investment. Mining, especially silver mining, has become one of our industries. It is not therefore wonderful that the production of silver should increase and that the price should decline.

SILVER MONOMETALLISM.

Now, Mr. Speaker, we are face to face with the operation of the financial law to which I referred, and we must act like men commissioned to discharge a great responsibility in an emergency. We must act intelligently and without regard to our feelings. If we do this, it seems to me we shall be obliged to come to the conclusion that if we continue the purchase and coinage of silver at the present ratio, notwithstanding its great disparity to gold in commercial value, we shall ultimately and speedily drive the gold out of the country and shall find ourselves upon a silver monometallic basis.

We are asked to declare by law that 1 pound of gold is only worth 16 pounds of silver, when, in fact, it is worth 28.52 pounds in the world's markets. We may so declare, but we can not make it so. We may coin the silver, but we must part with the gold.

I have before me, Mr. Speaker, in tabulated form, a statement of the monetary systems of the several nations of the world, and I make this declaration here, without any fear of successful contradiction, that there is no nation at this time on the face of the earth maintaining the free and unlimited coinage of silver in which gold circulates by its side. If we are to judge by the experience of other nations, or by our own in the past, if the ordinary laws which are known to govern the financial world are to prevail here in our country, then what I say must be true, that if we continue in the path we are now pursuing we shall come, and inevitably, to a silver basis.

It is also true that there is no country on the face of the earth where gold does circulate that silver can not be also found in circulation. It helps to fill out the volume of the currency; it supplements the gold and aids in performing the functions of money. Wherever gold is found in circulation silver goes with it hand in hand.

This being true and being acknowledged on all hands, it seems to me that we ought to be able to find a path where we can maintain both metals in circulation, and in doing so keep, as I have always insisted we should, as large a volume of currency composed of both the precious metals as the people can use or need in their business affairs. It is not well to indulge in terms of denunciation. We can not arrive at correct conclusions by taking counsel either of our feelings or our fears. If we proceed in defiance of the operation of the Gresham law, and then sit down at last amid the wreck and ruin which will on every hand serve as monuments of our folly, we shall not then be able to excuse ourselves by harsh epithets and bitter reproaches heaped upon those who warned us of the coming danger. As well might we denounce the law of gravitation, and curse Newton for having discovered it, because we sometimes fall and suffer through its operation.

EFFECT OF UNLIMITED SILVER COINAGE.

Mr. Speaker, what will happen if we open our mints to the free and unlimited coinage of silver at the ratio of 16 to 1? Certainly, every person who may own any silver bullion may send it here and have it coined into American dollars. To-day in all the markets of the civilized world, silver is worth about 75 cents per fine ounce. The silver contained in our dollar is therefore worth just 58 cents. Suppose we permit the silver-miners and all the owners of the stock of bar silver to deposit in the mint 58 cents' worth of silver and to take away therefor a standard silver dollar. Who is benefited by that speculation? The Government? No; she has done the work and paid the cost; she has created out of 58 cents a coin which she herself must take in payment of taxes at its full face value of a dollar.

WILL IT AID THE DEBTOR?

Some one says: Yes, but it will relieve the debtor class; it will give him a cheap dollar with which to pay his debt. This, Mr. Speaker, I most earnestly deny. And first let me say that there are no more mischievous or misleading statements made in this entire discussion than those which declare this controversy to be between debtor and creditor.

Gentlemen have supposed that they could get aid and sympathy here by an appeal to prejudice; they have arrayed section against section and class against class, and have not left untouched any chord of human passion. This is not a contest between debtor and creditor; between rich and poor. The President of the United States and the Secretary of the Treasury, and all who cooperate with them are not deep-dyed conspirators in league with Shylocks, who have come to an agreement to drive struggling humanity to the wall. No: it is simply a question whether the Republic will calmly, dispassionately, and sensibly settle her financial policy and establish it upon sound business principles.

But, Mr. Speaker, how is the debtor to be benefited by the 58-cent dollar? How is he to obtain it? We must remember that these gentlemen tell us that as soon as we get their plan in operation the 58-cent dollar will become the equal of a gold dollar; that it will have the same intrinsic value and purchasing power of a gold dollar. Now, if this be true, will some gentleman please tell me wherein and how the man who must get this dollar has been benefited? If it is to be worth as much as a gold dollar, must we not work as long for it, or bring as much product for it, or make as great a sacrifice to obtain it, as we should for a gold dollar? But I do not believe that unlimited silver coinage at the ratio of 16 to 1 will bring it to a parity with gold. I believe that the instant that the law should go into effect gold would go to a premium; that banks and money changers would buy, and sell, and hoard gold; and that immediately our gold would disappear from circulation, the volume of currency be to that extent contracted, all values unsettled, all business suspended, credit withdrawn, and that in the readjustment which must at last be made the poor debtor himself would be the greatest sufferer. In the mean time we shall have become a silver country, just as Mexico and China, and the half-civilized countries of South America are to-day.

Mr. Speaker, I turn away from the contemplation of such a possible calamity as I would from the defeat of our national arms in battle.

THE CHANGE OF RATIOS.

We are next met with the proposition to change the ratio. Mr. Speaker, I shall not consider these several propositions separately, but together. What is to be gained at this time by a change of ratios? How can we know that we shall hit the happy medium to which the metals will finally gravitate and at which they will balance and remain in any kind of stable equilibrium. My own opinion is that this can be accomplished only by international agreement. No one, I believe, denies that international bimetallism is practicable.

But we can not reach international bimetallism through free coinage. We can suspend the purchase of silver bullion, we can repeal the Sherman law by which we are obliged to buy, whether we need it or not, 4½ tons of silver every day, and we can keep our silver now in circulation, coined as it is at a ratio of 16 to 1, and by pledging gold in exchange for it we can keep it at par with gold just as we do our nickels and coppers and subsidiary silver—we need not lose one dollar from the circulation. We can do this and then we can make some provision for the future. Besides, Mr. Speaker, there is another equally fatal objection to the proposed change of ratios, and that is the cost and danger of making the change. In answer to an inquiry made by me some days ago, the Secretary of the Treasury has kindly furnished me with a statement upon the subject, which I will read:

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., August 19, 1893.

SIR: In reply to your letter of the 17th instant, making inquiry as to what would be the probable loss incident to the change from the present coining ratio between gold and silver, 1 to 16, and that of 1 to 20, you are respectfully informed that the number of silver dollars already coined aggregates 419,332,450.

Without any allowance for abrasion, and loss incident to melting the same, the coining value of these dollars, at a ratio of 1 to 20, would be $333,222,162, or $86,110,228 less than their present face value.

To recoin these dollars at a ratio of 1 to 20 would require the addition of 81,375,760 ounces of new bullion, which, at the average price paid for silver under the act of July 14, 1890 ($0.93⅓), would cost $75,883,709.

In addition to this I estimate that there would be a loss from abrasion and in the melting of these dollars of at least $3,000,000 which amount together with the difference in the face value of the coins ($86,110,288) would have to be reimbursed to the Treasury by an appropriation for that purpose.

From the fact that the silver dollars are distributed throughout the country it would be necessary, as they are redeemed at the several sub-treasuries, to transport them to the mints, and the expense of transportation for $300,000,000, the amount outside of the stock on hand at the sub-treasuries, and mints at Philadelphia, San Francisco, and New Orleans, would average at least 1½ per cent, or $4,500,000.

I therefore estimate the cost of recoining the silver dollars already coined as follows:

New bullion to be added	$75,883,700
Loss by abrasion and melting	3,000,000
Cost of coinage (labor, materials, etc.)	6,290,000
Copper for alloy	68,200
Transportation of dollars to mints	4,500,000
Total	89,741,900

Very respectfully,

J. G. CARLISLE, *Secretary.*

HON. GEORGE W. COOPER,
House of Representatives.

Can we afford this experiment? Is it necessary?

No. If we are to have international bimetallism it would prove a serious hindrance. If we are not, it would be a useless cost. If we are to abandon what now is purely an arbitrary ratio, that of 16 to 1, in hopes of striking the commercial ratio, why take 20 to 1? It is not plausible, even. It can not be seriously considered.

DUTY OF REPRESENTATIVES.

Mr. Speaker, we are told that the people demand the free and unlimited coinage of silver and that they expect us at this time to make the experiment, regardless of consequences. In this connection much is said about platforms and pledges and party politics. Representatives who have heretofore been known to favor the free coinage of silver, but who are now convinced that under the existing conditions the experiment would prove disastrous, are taunted with the charge of inconsistency and threatened with retirement to private life.

Well, Mr. Speaker, I have gone over all that ground, and I have this to say in answer: Very many people, like their representatives, at one time believed that by the free coinage of silver we could obtain a larger amount of currency, and at the same time maintain its stability and that of the public credit. At that time it was hoped and believed that the depression in the price of silver was temporary merely and due to hostile legislation only. Let me call your attention to what was said on this subject by the senior Senator from Nevada [Mr. STEWART] at the time of the passage of this Sherman law. I read from the CONGRESSIONAL RECORD of July 8, 1890:

Mr. STEWART. Mr. President, if this bill becomes a law and is executed in good faith, as we are bound to assume that it will be, and four and one-half million ounces of silver are purchased each month it will give great relief, and I am confident it will be an object lesson that will lead to free coinage.

* * * * * * *

I believe that we shall purchase the full four and a half million ounces each month; that it will raise the price of silver and enhance the price of farm products, relieve the American people more than many now anticipate, and that ultimately we shall have the full use of silver.

Senator Plumb, who closed the debate in behalf of the bill, also said, on page 7104:

Mr. PLUMB. If this bill is passed my own belief is that during the next Congress, if not before, so easily and noiselessly will this work, so helpful will it be to all the people of the United States, so thoroughly will it commend itself to the good judgment of the people, that the next step will not only be free coinage, but it will be a short one and taken by the practically unanimous concurrence of the American people.

These were the conditions upon which men declared in favor of free coinage. They were led to believe, and did believe, that the parity of the metals could be and would be restored at the ratio of 16 to 1. I myself believed it, and so believing was glad to join with the gentlemen and use my utmost endeavor to make it so.

But, Mr. Speaker, their prophecies have failed. The times have changed. Instead of silver having gone up to 16 to 1, it has gone down to 28 to 1. Because I had hoped to follow these gentlemen up, is it true that I am to be considered inconsistent because I refuse to follow them down? Or is it true that a Representative charged with the grave responsibility of legislation, upon which depends the weal or woe of millions of his fellow-citizens, must blindly, yes, stubbornly, follow any certain dictum previously made, but which, when interpreted in the light of new surroundings, leads to consequences not contemplated, and which he afterwards learns would inevitably bring harm instead of good?

Representatives are commissioned to think as well as act. Look at the condition of our country. Confidence is destroyed, capital is unemployed, business is stagnant, labor is idle in the streets, yea, even in some places begging for bread, and winter is coming on.

It is believed that it is within our power to relieve the situation. The President has called us together that we may take some action, and now we are told that we must look out for ourselves; that we must settle this question with reference to our own political fortunes, so that we may hold our seats hereafter.

Mr. Speaker, the way to be consistent is to do right; and the only road to public honor is along the path of self-denial. Whoever acts out his own honest convictions will have his self-respect, and by and by the confidence of others. But he is to be pitied indeed who belies his own convictions to gain some temporary advantage, for sooner or later he will be known as a dishonest man.

THE PARTY PLATFORM ON SILVER.

Some gentlemen have assumed to speak for the Democratic party and say that if we do not provide for free coinage at 16 to 1 we shall not keep our platform pledges to the people.

Mr. Speaker, who are the people, and how are we to know when they have spoken, or what they have said when they have spoken. Sir, the district which I have the honor to represent is equal in intelligence and in patriotism to any in this Union. That district in its preliminary conventions, selected for its delegates to the Chicago convention two able and representative men, each of whom was unalterably pledged to the nomination of Grover Cleveland for the Presidency. At Chicago they met the duly accredited representatives of their Democratic constituencies from all the States and Territories, and there was practical unanimity in favor of the President's nomination. These delegates were the direct representatives of the people. It was remarked on all sides that the convention was free from the domination of the professional politician, and in this respect it contrasted sharply with the convention which was held at Minneapolis. If ever a man was nominated by the people, that man was Grover Cleveland. This convention also gave us a platform of principles upon which their candidate should stand, and to this platform I wish to call attention. That part which refers to this subject reads as follows:

We denounce the Republican legislation known as the Sherman act of 1890 as a cowardly makeshift, fraught with possibilities of danger in the future, which should make all of its supporters as well as its author anxious for its speedy repeal. We hold to the use of both gold and silver as the standard money of the country, and to the coinage of both gold and silver without discrimination against either metal or charge for mintage, but the dollar unit of coinage of both metals must be of equal intrinsic and exchangeable value, or be adjusted through international agreement, or by such safeguards of legislation as shall insure the maintenance of the parity of the two metals and the equal power of every dollar at all times in the markets and in the payment of debts; and we demand that all paper money currency shall be kept at par with and redeemable in such coin. We insist upon this policy as especially necessary for the protection of the farmers and laboring classes—the first and most defenseless victims of unstable money and a fluctuating currency.

That, Mr. Speaker, is the Democratic platform. The Democratic party is in favor of the free coinage of both metals without discrimination against either, "but," to use the very language of the platform, (1) "the dollar unit of coinage of both metals must be of equal intrinsic and exchangeable value," or (2) "be adjusted through international agreement," or (3) "by such safeguards of legislation as shall insure the maintenance of the parity of the two metals." Sir, I am willing to enact that platform into a law and I will vote for free coinage with any one or with all of the three conditions named.

Why, Mr. Speaker, I am a partisan. I do not wish to have it understood otherwise. I believe in partisan politics. I do not believe that the world has ever seen the triumph and consummation of any great reform without the intervention of partisanship. Whenever a great man has evolved an idea which he believed would help or bless mankind he has always endeavored to bring others to his side, that, by their united efforts, his hopes might be realized. I am a partisan Democrat. I do not say I should always follow my party where I knew it was clearly wrong, but it is with great pleasure that I follow it now, because I can see that its present course leads up to that high and solid ground which insures individual prosperity and national honor.

WHO LEAVES THE PLATFORM.

But now, when we are seeking to carry out that platform, endeavoring to enact its principles into laws, what do we find? We see that some gentlemen who have coöperated with us in the party have plunged into the trenches lately evacuated by the enemy, and having seized their deserted guns, they now fire into the ranks of the very party to which they claim allegiance.

Who now defends the Sherman law? Not the Republican party. Who now standing behind that law use it as a further menace to public weal and demand some kind of concession and compromise as a condition to its repeal? Not those who are responsible for its existence; not those who gave it birth. No; they have disowned and dishonored it. Shall any of us who are Democrats now defend it? We lately found great cause for congratulation that we as a party had at last become thoroughly united for a reformation of the tariff. Before this Congress adjourns we fondly hope that that good work will be fully entered upon. But suppose that when we begin to write the schedules some gentlemen, who happen to live where protected interests are located, shall plant themselves behind the McKinley law and fight until the Government subscribes for an in-

definite number of blankets, or steel-plated ships, or other product. Suppose we hear them say, You shall not strike down our industry; you shall not "lay the bloody hand of sacrifice" upon wool, nor woolen goods, nor upon steel; you shall not proceed until we are fully placated and provided for.

MONEY OR MINES.

Mr. Speaker, let it be understood that when men talk about striking down silver they mean the silver industry, not the silver money. And let it be known that when men wish this Government to put its shoulder under the burden of free coinage, unaided by other countries, they propose that we shall attempt to pay $1.29 per ounce for all the silver that may be offered, when to-day it is only worth 75 cents per ounce in the market. Let it be understood that every coined dollar which now bears the imprint of our mints is with difficulty made as good as gold, and that by the adoption of free coinage our entire stock must inevitably fall into depreciation and dishonor, then we can clearly see what the gentlemen mean. It is not the silver in the currency for which they fight; but the silver in the mines and the bullion which may be in stock.

No, Mr. Speaker, we are for the silver dollar. We propose to make and keep it good. We are not hostile to the silver miners of Colorado and Nevada; they are our fellow citizens; but we can not subscribe to the doctrine that because we have used silver as money in the past, and that, relying thereon, they have developed the mines and made heavy investments, that therefore we as a nation have incurred an implied obligation to continue to coin all the silver that comes, whether we need it or not. You will not find that in a Democratic platform. You will not be able to either drive or persuade us to enact it into a law.

BIMETALLIC FRANCE.

But gentlemen refer us to France, and say that she carries $700,000,000 of silver in her currency, while we have barely $600,000,000 in ours with nearly twice the population. They ask why, if France can use a per capita circulation of silver so large as that, why can not also we. This is a reasonable and natural question, and inasmuch as it has been often asked both here and elsewhere I have been at some pains to get the facts and the reasons for this condition.

There are very many points in the laws and monetary system of France which have been entirely overlooked or misunderstood by the gentlemen who so often hold her up as a model. France has not free silver coinage. France has not national bimetallism; she has not even international bimetallism in the sense in which gentlemen use that term. France has the largest stock of metal money of any nation on the globe. She has $800,000,000 of gold, $700,000,000 of silver. Her entire per capita circulation is $41.07, which is also greater than that of any other nation.

It is natural that gentlemen who desire a large increase in the coin money of the country should turn to France. I, too, Mr. Speaker, desire that we shall have more money—more coin money—as much, in fact, as the people need or will use. I am willing, therefore, to take lessons from France; to learn, if possible, how she circulates this unparalleled volume of currency and at the same time maintains the parity of her metals and the stability of her whole financial fabric as well. How does she do it, Mr. Speaker? In the first place, she does not do it alone. She has entered into covenant relations with Italy, Greece, Belgium, and Switzerland; this helps. I am willing to try that part.

In the second place, she has limited silver coinage. We must have some limit, too, if we follow France. In the third place, these nations which I have mentioned, and which constitute the Latin Union, have provided in their compact for the final redemption by each nation of its own silver coin and the payment of any differences after settlement in gold; in other words, for ultimate gold redemption. I hold in my hand a document prepared by the Director of the Mint which contains a synopsis of these laws, and I will read the provisions to which I have referred:

The convention of the 23d of December, 1865, expired on the 1st of January, 1880. A new convention of the 5th of November, 1878, prolonged the duration of the Latin Union for five years. The convention now in force is dated November 6, 1885. By its terms the suspension of the coinage of the 5-franc silver piece is maintained in the countries of the Union; but any of the contracting states may resume the free coinage of silver on condition of exchanging, during the entire duration of the convention, the 5-franc silver pieces bearing its stamp and circulating in the other states of the Union, for gold, on demand. The latter, however, would then be at liberty not to receive the 5-franc silver pieces of the state that resumed the free coinage of the white metal. It was likewise stipulated in the convention of 1885 that the coins of each of the signatory powers should be received by the treasuries of the others as well as by the banks of France and Belgium, and that the Union might be terminated any time after January 1, 1891, by giving one year's notice.

During the year following the termination of the convention, the several governments are to proceed to the exchange and return to the country that issued them of the 5-franc silver pieces. Any balance remaining after the exchange has to be settled in gold, or bills of exchange, on the debtor state.

Here, then, we have:

First. International agreement;

Second. Limited silver coinage; and,

Third. Ultimate gold redemption.

In addition to these, two other facts should be mentioned: First, France has no paper money in circulation of less denomination than 50-franc notes. Second, the French people really prefer their silver coin; and, perhaps because they have confidence in it, gladly accept it and miserly hoard it. Are the gentlemen willing to adopt the bimetallism of France or the Latin Union? No, Mr. Speaker; they would like to obtain the result, but they are unwilling to adopt the means by which alone it can be achieved.

CURRENCY AND PRICES.

One of the errors into which gentlemen here and elsewhere have fallen, is that the volume of money in existence regulates and fixes the value of property. This is not true. We need no better illustration of the inaccuracy of that proposition than the conditions which now confront us. There is more money in the United States to-day than ever before. I have before me a table prepared by the Treasury Department, showing the per capita circulation in this country for a series of years, and at no time, I repeat, has the volume been so great as now. In 1860 it was $13.65, and it has gradually increased to $24.44.

It is not the money in existence, but the money in circulation that affects prices. We are now witness to the fact that with a very large volume of money in existence we may have but little in actual circulation. Much more, therefore, depends upon the velocity of the current than upon the volume. Again, money not only multiplies itself by its activity, but it is supplemented by credit. By far the greater part of the world's exchanges are made without the intervention of actual money. What part now has credit in measuring values?

Mr. Speaker, the doctrine that the volume of actual currency controls prices, which has been quoted here, is entirely erroneous and should be discarded. It is the volume of actual money, supplemented by whatever is taken and used as money, which controls prices. It is cash and credit combined that forms the volume of our currency.

The philosophy which gentlemen have imbibed and teach is drawn from the experience and observation of that day when every man had his own "strong box," or carried his treasure in a leather belt; of the day of the camel and the caravan; of walled cities and fortified towns.

What might with some safety have been affirmed of a time or country in which every exchange was performed with actual cash, would be wholly unsatisfactory when applied to a country and conditions like ours.

WHAT CAUSES A FINANCIAL PANIC.

Mr. Speaker, if we would decide this question intelligently, we must look beneath the surface; we must not treat the symptoms, merely, but endeavor to get at the root of the evil and apply the remedy there. It is not a lack of money that causes a panic. It is the panic that causes the lack of money. The word currency is from the Latin *currere*, to run; the same from which our word courier is derived. It is the currency that runs which serves the people. Is it not plain that any legislation or policy which would cause any portion of the currency to cease to run would to that extent operate as a measure of contraction? We have more money, as I have already shown, than ever before, but it will not run.

My friend, the gentleman from Louisiana [Mr. BLANCHARD], likened the currency to the blood, which is the circulating medium of the body. The figure is not inapt, and I quite agree with him in his opposition to phlebotomy as applied either to the human body or to the body politic. To bleed either might be to debilitate or destroy.

But, Mr. Speaker, no one proposes to draw away from the currency any part of the vital fluid.

The trouble is that we are, by a most unnatural process, forcibly injecting about 4½ tons averdupois of white metal every day into the patient's veins, and it is this only which we propose to suspend. But I like the figure of the gentleman and will follow it a step further. We must not forget the important part which the heart plays in this matter of the circulation, for the blood will not run when the heart ceases to beat. If our currency shall run, there must be in the country some pulsating energy, some motive power, and this is and can be no other than the heart of hope, the spirit of trust and confidence. It is this that speeds and spreads the actual money through the channels of trade, and it is this that, with magic power, breathes life into new forms, with which it supplements and expands the volume of the actual currency to the limit of the country's need. Just as our volunteer soldiery has, when called upon, filled and swelled

the ranks of the regular Army, so does credit augment our actual money.

Mr. Speaker, it is in the effect produced upon credit that the panic contracts the currency more than in all other ways combined. As I have said, cash is supplemented by credit. Credit is one of the necessary concomitants of our civilization. One man's debt is another man's property, and, in a certain sense, in some forms, may even be his money.

The Comptroller of the Currency, in his last annual report, treating of this subject, says (I read from page 31, volume 1, of that report):

> The subject of the currency of the country, always one of interest and importance, is especially so at the present time, because of the differences which obtain in the minds of the people in regard to what the currency should be and under what authority it should be created.
>
> It will appear from the statistics given in this report to what extent the use of money is minimized by means of clearing-house organizations in our principal cities, and, for the purpose of showing to what a limited extent actual money enters into the business transactions of the country, I have followed the precedent set by my predecessors in office, in 1881 and 1890, and asked all the banks under the supervision of this Bureau to report all receipts for the 15th day of September, 1892, separately stated and classified.
>
> My object in this report has been to furnish reliable data from which the public could see and realize how small a percentage of business transactions are represented by actual money, and how impossible it is for the Government to furnish a volume of currency sufficient to meet the wants of the people at all times; that is, in times of general distrust or quasi panic.
>
> Over 90 per cent of all business transactions are done by means of credit. When the public lose confidence, and credit is impaired and refused, over 90 per cent of all business transactions are directly affected. It is easy to realize how impossible it is for the remaining 10 per cent of money to carry on the business of the country without monetary stringency and financial distress.

The following table, taken from that report, will convey some idea of the limited extent of the use of money as compared with the various forms of credit:

United States.	September 17, 1890.		September 15, 1892.	
	3,474 banks.		3,473 banks.	
		Per ct.		*Per ct.*
Gold coin	$3,702,772	1.13	$2,907,017	.88
Silver coin	1,399,991	.43	1,372,054	.41
Paper currency	24,210,463	7.40	26,815,621	8.10
Checks, drafts, etc	297,965,025	91.04	300,110,521	90.61
Total	327,278,251	100.00	331,205,213	100.00

Some gentlemen may ask, Why not have more money and less credit? My answer to that is that with credit you would not need the money and you would not want it, and without credit it would not circulate and you could not get it, however great the volume might be. Besides, the world is not moving in that direction. The time has come when "a good name is rather to be chosen," even in the commercial world, "than great riches." A good name will cause the transfer of more property to-day than all the camels of Job could have carried. A good name unlocks the vaults of the usurer, turns the wheels of industry, and sets the sails of commerce upon the seas. Cash is the law of the savage, confidence an inspiration and instrument of civilization.

Whatever, therefore, weakens or destroys confidence contracts the volume not only of the actual currency but all kinds of credit which take the form and fill the place of currency as well.

In my humble judgment the present deplorable condition of our financial affairs is due and attributable more largely and directly to the operation of our silver policy than to any other or to all other causes combined. The President has well said in his message that—

> The knowledge in business circles among our own people that our Government can not make its fiat equivalent to intrinsic value, nor keep inferior money on a parity with superior money by its own independent efforts, has resulted in such a lack of confidence at home in the stability of currency values that capital refuses its aid to new enterprises, while millions are actually withdrawn from the channels of trade and commerce to become idle and unproductive in the hands of timid owners. Foreign investors, equally alert, not only decline to purchase American securities, but make haste to sacrifice those which they already have.

Mr. Speaker, it is not often that a people is able so clearly to trace its misfortunes to the existence of bad laws. It is not often that the opportunity is given to legislative bodies to afford a specific and a speedy remedy for evils with which a nation is afflicted. That occasion is before us; that opportunity is ours. For that relief a great people pleads to-day. Shall we give it or shall we withhold it?

It is not necessary, in order to arrive at a correct conclusion of this momentous question, that we should appeal either to class or sectional prejudice, or invoke any feeling of hostility or hatred toward foreign nations. There is no blessing which could come from a correct solution of this problem that would not, like the dew of heaven, fall equally upon all, and there could come no evil out of it that would not, in time, like a foul contagion, spread from the humblest cot to the proudest palace.

Love of country, true patriotism, does not consist in self-vaunting; it is manifest in sacrifice and service; it is to be esteemed as much for the wisdom of its purpose as by the measure of its devotion.

Let us seek to do that which, in the calm, clear light of reason seems best, not for any special interest, not for any class or section, but for the welfare of our common country. Let us so act that the Republic shall not be hindered in her progress; so that she shall go forward and not backward; so that she shall not follow, but lead in that great procession of nations, which, though sometimes halting, still moves gradually and grandly on toward the high destiny of the human race. [Loud applause.]

Silver Coinage.

SPEECH

OF

HON. WILLIAM A. PEFFER,

OF KANSAS.

IN THE SENATE OF THE UNITED STATES,

Thursday, August 24, 1893.

The Senate having under consideration the bill (S. 570) discontinuing the purchase of silver bullion—

Mr. PEFFER said:

No member of this body, Mr. President, has a keener appreciation of the need for our acting promptly in response to the President's call than I have; and were it not that the people whom I have the honor in part to represent have commissioned me to present their views upon the pending question, I should not at this time ask the attention of the Senate, and I will thank Senators if they will give me their attention.

In what I am going to say to-day I wish Senators to understand that I represent at least a million and a half of voters who believe just as I do, and they have a right to be heard here through one who is authorized to speak for them. We are deliberating now, and the views of every member of this body are worth listening to, they are worth considering; for the conditions which are now presented for our consideration are new in the history of this country. They are coming upon us like a storm which has been gathering for many years, but the cloudbursts are just now opening, and we are beginning to look to see what is behind them. So I ask in advance that I may be heard attentively and patiently, as I have listened to every other Senator who has spoken upon this subject.

It would have been very gratifying to me, Mr. President, could I have found time in the midst of this hurried occasion to reduce my thoughts to writing, that I might express them more clearly, if not more forcibly; but that could not be done. This subject is not new to me, and that is one reason why I again appeal to the Senate. I have been thinking for years along the lines which have converged into what we now see. So, while my thoughts may be roughly expressed, they are not crude or new.

It was suggested the other day by the venerable Senator from Vermont [Mr. MORRILL], whose seat is just in front of where I am speaking, that those of us who venture to discuss this question before we have become warm in this Chamber should tarry at Jericho, as certain of our ancestors had been advised to do, until their beards had grown. If the newspaper and the magazine caricatures are to be taken in evidence, Mr. President, I have been at Jericho some time. [Laughter.]

At the outset I wish to say that I am not interested personally in mining, nor are the people of Kansas. Seventy-five per cent of the men whom I represent here are farmers. I had rather have one good Kansas farm to-day than an equal number of acres in the best mineral region in the world. Kansas farmers and the farmers of the entire country are always prepared with something to live upon.

A little while ago, passing through the mountains in the mining regions, I saw that upon the closing of the mines there were thousands and thousands of men clustering in the cities out of employment. A few days afterwards I saw that they were marching to Denver, and that the whole populace there were aroused. I stopped one night in July last in the city of Leadville, almost at the top of the Rocky Mountains. In the morning the sidewalks were covered with frost, so cold it was—in a drear, rocky, barren region—barren of everything except silver and gold and iron.

Those men, thrown out of employment, have no place to go, no place to rest their heads, no farming lands to occupy their time, no deep, rich soil, out of which to raise wheat and corn and

other articles of subsistence. They must go out upon the cold charities of a heartless world—no, not heartless, but they are thrown out upon the charity of a sympathizing world. That is a better word. The farmer is always at rest so far as something to eat is concerned.

While we in Kansas produce as much wheat, as much corn, and as many cattle and horses in a single year as will outweigh in value the output of all the mines in the country, while we have no special interest in mining, we have a great interest in the subject of money; and I am receiving letters every day from the people of that splendid agricultural region saying "Give us money! Give us money! Twenty-two and 25 cent wheat we can not live upon except to feed ourselves." It is money the people want.

In that respect, Mr. President, we are broad enough to understand that the people of the entire country are just as much interested in this matter as the men who live among the silver mines; just as much interested as those pioneers who have entered the fastnesses of the Rocky Mountains, and wrought out every year since they have been there, as the Senator from Idaho [Mr. DUBOIS] told us the other day, millions upon millions of gold, which our Eastern friends are clamoring for. One of the most astonishing feats of modern civilization is the course of progress in that stony and rugged region. The only wonder is that men and women have ever undertaken to live there. Were it not for the mining interest, were it not for the mineral stores which are there, nothing of the kind would ever have been accomplished.

While we, the people in the States contiguous to the mining regions, are interested indirectly because it makes a market for us, still we are broad enough to understand that the whole country is interested. I have never heard any Senator upon this floor, or any Representative of a mining region, whose people are directly interested in the mining of silver and gold, urge upon the attention of the Senate that it is their peculiar interest, and that, therefore, they ask the protection of the law. Much and vitally as those people are interested in the development of the mining regions, they are manly enough and patriotic enough, Mr. President, to appeal to the people upon broader grounds. They put it upon the ground of the public necessity, and not their local needs, and it is a principle that statesmen ought always to act upon that the public interests are greater than private interests, no matter how intensely they may be involved.

It was suggested by one Senator, a few days ago, that the wiping out of the mining industry would destroy much valuable property. That is true, but in the progress of civilization there must needs be wrecks left in the wake, and society can not afford to pay for all of the losses that are occasioned as the great army of the people moves forward. We could not with any degree of consistency, either in law or in morals, stop to pay our friends in the mining regions the value of their interests before we shall conclude to coin their silver and their gold into money. The people need money; the people want the gold, and they want the silver for public purposes—to make money out of; and for that reason, and that reason alone, do I insist upon the free and unlimited coinage of silver.

Mr. President, in the great war through which we passed some years ago, the physical courage and the prowess of the people were exhibited in such a marked degree that the whole world looked on in admiration. We have no question about that to-day; we are all Americans, all Anglo-Saxons. Now, I submit there is coming a war of greater importance, a war in which there shall be no South and no North, and I pray that there may be no East and no West, but that we shall have one undivided country, that all of us shall be actuated by patriotic principles, and that we shall consider these questions from a patriotic standpoint, and only that. It is a war of reason now, and not a war with engines of destruction in our hands.

I need not call the attention of the Senate to the importance of the subject. It was expressed in the message of the President very plainly and very succinctly; that it reaches out into all the avenues of trade and of commerce. I need only go back about twenty-five or twenty-six years to the time when the distinguished Senator from Ohio, who sits upon my left [Mr SHERMAN], stated in this Chamber the proposition still more distinctly, if possible, than the President has done.

He said then that in all of our legislation touching finance we are treating of matters which pertain to the vital interests of the people, that our laws upon finance reach to the homes of the poor, the humble, the lowly, and that when we are proposing to decrease the volume of our currency and appreciate the value of the basic metals, we are adding to the debts of the people, as was the case at that time; when we promised to pay 100 bushels of wheat, we shall have to pay 135 or 140; that where we promised to pay $100 we shall have to pay $140; so to-day the legislation which we enact will have its effect for good or evil in every dwelling in the land, for we are touching upon a subject which is of vital interest to every human being in this and in every other part of the world.

The President in calling Congress together gave us what, in his opinion, was the cause of the present troubles, and he puts it in this way on page 5 of the printed message, as we have it before the Senate;

> The knowledge in business circles among our own people that our Government can not make its fiat equivalent to intrinsic value——

I beg close attention to this language—

> The knowledge in business circles among our own people that our Government can not make its fiat equivalent to intrinsic value, nor keep inferior money on a parity with superior money by its own independent efforts, has resulted in such a lack of confidence at home in the stability of currency values that capital refuses its aid to new enterprises, while millions are actually withdrawn from the channels of trade and commerce to become idle and unproductive in the hands of timid owners.

The President gives Congress to understand that our own people have lost confidence in the ability of the Government, acting as the people's agent, to pay their debts.

I beg leave to place side by side with the President's statement the language of the Senator from Indiana [Mr. VOORHEES]. With his usual eloquence, powerful always in debate, clear and succinct in expression, the Senator gave us to understand in a speech day before yesterday that it was not want of confidence on the part of our people that has caused all this trouble and commotion. I have that Senator's speech before me, and I wish to call attention particularly to a paragraph on page 390 of the RECORD. The Senator says:

> The national credit of the American Republic, tried by every test which can be applied, is better and stronger to-day than the credit of any other government on the globe. Her bonds, her promissory notes to pay her debts, as they may be called, bearing a low rate of interest, stand at a premium in the money markets of the whole earth, and even the cold, cowardly instinct of hoarded, inactive, interest-hunting capital, in its cautious search for permanent investments, seizes upon them with swift greed wherever they can be found. The safety of the security appeases somewhat even the usurer's highly seasoned appetite for richer profits.

And, strange as it may appear, the Senator from Indiana is not only authorized to speak for the Administration and to explain the President's views, if they need any explanation, but the Senator kindly and deliberately says so to the Senate. In the first paragraph of his able and lucid speech he says:

> It is undoubtedly true that the calm, unbiased public opinion of the great body of the American people, irrespective of parties, justifies the action of the Executive in assembling the legislative branch of the Government at this time, and yet the causes which have made such action necessary are I think, widely and dangerously misunderstood and by certain classes purposely and persistently misrepresented.

Then the Senator proceeds to state what the causes are not; and the first one is that it is not that the people have lost confidence in the credit of the Government's paper.

> The people of this country are not afraid of the public credit; they never were afraid of it. In the time of the nation's need we were all pleased to receive and to use as money that which the Congress of the United States authorized and directed that we should receive as money; and so it is to-day. There is no clamor upon the part of any class except the usurers. They and they only are clamoring about the credit of the Government, and it is only because they desire to add to their already ill-gotten gains.
>
> If the people were afraid of the credit of their Government, and feared that we would dishonor our notes, they would not hoard them as they are doing now, and the national banks would not feel themselves compelled to issue clearing-house certificates and require that they shall be used as money, nor would they be paying a premium upon currency.

The first week of our meeting, Mr. President, the usual report of R. G. Dun & Co.'s Mercantile Agency was given to the world. On the first page there is a long recital of the business failures and embarrassments, the breaking of banking houses, the hoarding of currency, the closing of manufacturing establishments, the throwing out of thousands of working people upon the streets without employment. These things show that something else, everything else, if you please, except what the President urges upon the attention of Congress, has caused our present misfortunes.

Mr. President, far be it from me, and it ought to be far from every patriotic citizen, to even suggest that our own people are ashamed or afraid of their own currency. Let me read from this report of the Mercantile Agency:

> The long desired meeting of Congress, a President's message which fully answered expectations, and the arrival of $13,280,000 gold from Europe with $10,000,000 more on the way, have not brought the improvement many anticipated. Stocks are stronger, but failures continue, and the closing of industrial establishments; idle hands multiply and silent shops; and the disorganization of domestic exchanges is even greater than a week ago. Yet there is a more hopeful spirit, though the nation looks to Washington with some impatience when the Senate seems disposed to rival the mills in working short time. While statesmen consider, merchants and bankers and unemployed thousands anxiously wait, knowing that the wrecks of each passing week make the task of recovery more difficult. There has been no startling crash, but the formal failures of banks, including one in

this city and several in Nashville, number thirty-four, while refusals to pay except through a clearing house or with limitations are becoming more common. The commercial disasters, three hundred and ninety-four in number, include such names as R. H. Coleman, the "iron king;" J. H. Walker & Co., of Chicago, in dry goods, and H. L. Hotchkiss, in stocks. Whatever relief Congress has power to give may be less fruitful for good if long deferred.

The machinery of exchanges has almost stopped. When $30 per $1,000 is paid for New York exchanges at Chicago, and $15 or $20 at other Western cities, settlements between the East and the West, which ordinarily amount to $3,200,000,000 in a year, become extremely difficult. Even the New York Central could not get currency here on checks of the Boston and Albany, and was obliged to send to Boston for the money. The root of the trouble is that, according to reports of July 12 to the Comptroller, over $131,000,000 of deposits had been withdrawn in two months from part of the national banks, and probably $177,000,000 from all, besides unknown sums from savings, State, and private banks, and during the month, since July 12, the withdrawal and hoarding must have been relatively even greater. A premium of 1 to 2 per cent is paid for gold, and 3 to 4 per cent for currency. The Government is printing $1,250,000 bank notes daily. The clearing house has issued $5,000,000 more certificates, and the hope is that confidence may be revived and hoardings unlocked.

There are multitudinous other evidences besides those of the commercial reports. I have nearly an armful of newspaper clippings that I collected for the purpose of ascertaining what these troubles have come from. Evidently the President is mistaken. All the testimony is against him. I do not wish to be understood as criticising the President or his motives. I am discussing statements made in a public document, and that only.

I have great faith in the personal honor and in the patriotism of the President of the United States. I would honor any occupant of that office because of his high office; but I am calling the attention of the Senate and of the country to the actual facts as they exist, for the purpose of showing before I get through that it is not want of confidence on the part of the people, but it is because of practical treason upon the part of a few of our citizens, a class which I hope will some day be relieved from the responsibility of stealing from the people. I mean the usurers and the fortune wreckers at the great trade centers who fatten on the misfortunes of other men.

There are other alleged causes, and I will refer to two of them before going further. The speakers and the writers of both the great political parties have been telling us for years, upon the one side, that our protective policy was carrying the country to ruin, and, upon the other side, that the free-trade tendencies of the opposite party were doing exactly the same thing; and that now what ails us, one party says, is our protective tariff laws, and the other party says it is the fear of the people that our tariff legislation will be disturbed.

Let us think a moment about this matter. It can not be that our protective policy has injured us to this extent or that it would ever do it, for if I should cite no other argument one alone is sufficient. To-day more than one-half in value of the goods that we are receiving from foreign countries come in free of duty, and the duty we pay upon the rest amounts to only about $150,000,000 a year.

Then, on the other hand, I take issue with those friends who insist that it is the free-trade tendencies of the Democratic party that are causing all the trouble in the factories, in the mines, in the workshops, and other places. That can hardly be true. Carpenters and builders and that class of men who are to-day idle have no interest, either directly or indirectly, in tariff duties. What fear have the farm hands, the miners in the mountains, the sailors, the clerks in the mercantile establishments and in the business houses as to the prospective danger to manufacturing establishments by the course of the Administration now in power?

Mr. HAWLEY. May I make a suggestion to the Senator just there?

Mr. PEFFER. Yes, sir.

Mr. HAWLEY. Suppose a manufacturing town that has been thriving and growing is so afraid of alterations in the tariff that it concludes to suspend all building operations, pigeonholes the plans for a new factory or a new wing, what becomes of the carpenters who expect to work a year upon it, for example? It involves the prosperity of the whole village.

Mr. PEFFER. I remember once upon a time seeing a young man of a romantic turn of mind sitting down and resting himself beneath the shade of a towering rock. In the midst of his meditations I inquired what he was thinking about. He said he was thinking that if in the future he should bring his child there to look at the magnificent scenery surrounding him and the rock should fall and kill the boy how lonely he would be in his old age. Whenever manufacturing establishments do, as a matter of fact, close their establishments because they expect or because they fear any tampering with the tariff, I will then answer the Senator's question. I do not believe there is one such case in a thousand.

I have no doubt, Mr. President, that there are a good many cases where gentlemen do not proceed with projected enterprises, because they fear that possibly they will not receive the protection that the laws have afforded those who have been at work in the same line in past years. I can understand that very well. I know of some instances of that kind, and it is entirely logical. But I insist that the records of the failures to-day and for the last half-dozen years in the manufacturing establishments show that it is not fear of being closed by any prospective tariff policy, but it is for want of orders. The people in the country have not money to buy with. My own constituents are selling wheat at from 25 to 40 cents a bushel, corn at no more than the cost to produce it, horses at one-fourth of their value, and cattle at one-third less than their value. They are unable to prosecute their accustomed marches to the merchant for goods; the merchant fails to sell, and the manufacturers do not receive orders. That is the trouble.

Mr. President, I have often listened to this outcry with wonder and astonishment. I have no party prejudice in the matter. I have always been a protectionist and I am at this hour. But I do not believe in protecting one man against other men in matters of business. I do not believe in protecting one interest against other interests, and taxing the masses of the people to support a few men. I am utterly opposed to that, and so is the whole party to which I belong. But protection means protection to national industries as a national matter. That was the theory of the fathers. It was the theory of the old party that I loved so well, and never departed from until it abandoned the policy of its own early history.

Now, if the Senator from Connecticut [Mr. HAWLEY] will turn to the Democratic platform in the year 1884, he will see that while there is a proposition to revise the tariff, it is expressly stipulated that whatever revision is done shall be along the line of saving to the working people of the country whatever they have gained by reason of this protective policy. The President in his message in 1887, which was made the rallying cry of the party afterwards, took the same ground. He gave the people to understand that their industries should not be molested except upon a fair line which would save to the workingman whatever he is entitled to to make him equal with his competitor upon the other side of the ocean, with his cheaper labor and his cheaper clothing.

I see the Senator from Texas [Mr. MILLS] standing before me and honoring me with his attention. He, as chairman of the Committee on Ways and Means in the House of Representatives, presented a bill to that body for their action early in 1888, after the President's message had been given to the country. The bill was drawn upon the lines of the message, and was so stated by the distinguished chairman of that important committee; and the Senator from Connecticut will remember that the woolen mills which are established in his own State and all through New England and New York were left with a protection averaging about 40 per cent.

The same class of men who managed to get along in 1846, and from that to 1857, with a tariff duty averaging about 30 per cent or along there, and a still lower one in 1857, and did not then even ask for any increase for the purpose of protection, are not scared now at the tariff outlook. When Congress met in 1861, in view of the great war that was coming, called together for the purpose of raising armies and equipping them, and revised the tariff, it was done not for protection to manufacturers, but to raise revenue, and every increase that was made afterwards was made not for protection, but to save the manufacturers against the effect of a tax levy made upon them to support the armies.

In 1864 we authorized them to go abroad and employ labor and bring it here, under contract and a year's mortgage on their income; and not until nearly a dozen years afterwards were the masses of the people aware that such an act had ever been passed. We are now reaping its fruits in Pennsylvania, where men are marched to the polls and vote by number, instead of by name.

Somebody in the city of New York is sending to me regularly the weekly publication known as American Industries. It is in the Democratic party the same as the American Economist is in the Republican party. The editor sent out a very intelligent and capable reporter among the manufacturers to ask their opinions about the revision of the tariff, and in not a single instance that has come under my observation did those men recommend a duty below 40 per cent, the average of the Mills bill, on the lower grades of woolen cloth. The Democratic party dare not, if it wanted at this hour, to establish free trade in this country. The very men who are controlling both the great parties to-day are the men who are standing behind the great manufacturing interests, and all the money power in Christendom, if need be, will be brought to bear to prevent the consummation of a plan of that kind.

There is no danger of free trade unless this fight is forced upon us to the end, and then every custom-house will be closed and the trade of the world from that time on will be free. That is where we are drifting; and the men who are behind the throne to-day are the men whom I blame for hastening that

consummation when it comes. All that we ask is, to use the language of the old Virginia slave, that "you tote fair." If we upon our farms are compelled to compete with what you call the pauper labor of other countries, you can do it, and we say you must do it before this fight ends. Be fair with us and we will be fair with you.

But if the tariff was what ailed us the President would have been careful to say so. The very fact that it is omitted from his message is evidence to the country that the interests of the people are not going to be disturbed by any proposed legislation of any party. There is as much patriotism among the Democracy as there is among the Republicans. Thank God, the great war of the sections is over. A little while ago I read a speech delivered by the distinguished Senator from Georgia [Mr. GORDON], who thirty-odd years ago was at the head of an army in gray uniform. He was talking to the old veterans of the rebellion, and he said to them, "The time has come when this Union and this whole country is ours.

"We have but one flag, we have but one destiny. Our hearts and our hands are united as citizens of a common country, and woe be to the enemy that strikes at our vitals." I have heard no more patriotic utterances in this body than have fallen from the lips of men whom we went down to visit in 1861, 1862, 1863, 1864, and 1865.

I did not expect to be drawn off in this sort of a discussion, Mr. President, but the well-meant interruption of the Senator from Connecticut, kindly disposed as he always is, for the time being stimulated a thought upon that line.

The President of the United States was not well advised. Who were his advisers? They were the same to whom his predecessors since 1873 have gone for counsel. And who were they? By reference to the current newspaper chronicles of September, 1890, we find that the Secretary of the Treasury then paid a visit to New York City, and the cause of his visit was an alleged "stringency in the money market." Out in Kansas, in Nebraska, in Iowa, in all of that splendid region down in the Carolinas and in the Virginias and through to Texas, in all the country west of the Alleghany Mountains, there was the same stringency in the money market.

On the 31st day of March, 1890, the average market price of corn in Kansas was 15 cents a bushel, when it cost 21 cents to raise it. We made known our wants. Our farmers and those from every agricultural State in the Union poured in letters by the thousand to the Secretary of Agriculture and to all the officers of the Government who had any connection with the business of farming. The Secretary, in response to their appeal, wrote a long letter in small print, occupying four pages of foolscap, in which he conceded the justice of their complaint. He spoke kindly about their condition, and the only encouragement the Secretary could offer them was that Congress was at that time discussing the currency question, and he thought in due time the same body would increase the duties upon wheat and corn and other agricultural products brought in from foreign countries. Then, he thought, the farmers would have more money and they would have more protection. That was the condition of the farming population at that time.

The Secretary of the Treasury made a visit to New York to confer—not with the people; he paid no attention to the people in the West or the South; he paid no attention to the masses of the people anywhere; but this is what he did: He sent out cards of invitation to a few bankers and other capitalists to meet him at the subtreasury building, and they met and discussed the situation.

Now, if Senators will turn to page 29 of the report of the Secretary of the Treasury for that year they will find a clear, succinct statement of why he called upon those bankers and other capitalists and what the result of his call was.

The result is put down in a table on page 30 of the report of the Secretary of the Treasury for 1890. It shows that he purchased bonds from those bankers and other capitalists at a premium of 25 to 26 per cent; that he advanced nine months' interest on a large number of bonds that were not yet due, the total amount of the disbursements being $98,276,682.10. The amount of the advanced interest was $12,009,951.50. These several transactions are fully set out in the Secretary's report, on pages 28, 29, and 30, as follows:

Accordingly, on July 19, 1890, a circular was published rescinding that under which purchases had been made since April 17, 1888, and inviting new proposals, to be considered July 24, for the sale of the two classes of bonds before mentioned. Under this circular there were offered on the day prescribed $6,408,350 4 per cents and $594,550 4½ per cents, at prices varying from 121.763 to 128.263 for 4s, and from 103½ to 104.40 for 4½s, of which there were purchased all the 4 per cents offered at 124 or less, amounting to $6,381,350, and all the 4½s offered at 103¾ or less, amounting to $584,550. As the amount obtained on this day was less than the Government desired to purchase, the provisions of the circular were extended, with the result that further purchases were made, amounting in the aggregate to $9,652,500 4s and $706,450 4½ per cents.

It was soon apparent that these purchases were inadequate to meet existing conditions; therefore, on August 19 the Department gave notice that 4½ per cent bonds would be redeemed with interest to and including May 31, 1891; and two days later the circular of August 21 was published, inviting the surrender for redemption of twenty millions of those bonds, upon condition of the prepayment after September 1, 1890, of all the interest to and including August 31, 1891, on the bonds so surrendered. Under this circular there were redeemed $20,060,700 4½ per cents.

Notwithstanding the disbursements resulting from purchases and redemptions of bonds under the circulars of July 19 and August 21, the industrial and commercial interests of the country required that large additional amounts should be at once returned to the channels of trade. Accordingly, a circular was published August 30, 1890, inviting the surrender of an additional twenty millions of 4½ per cents upon the same terms as before. This was followed by another, dated September 6, inviting holders of the 4 per cent bonds to accept prepayment of interest on those bonds to July 1, 1891, a privilege which was subsequently extended to the holders of currency 6s. Under this circular of August 30 there were redeemed $18,678,100 4½ per cent bonds, and under that of September 6 there was prepaid on the 4 per cent bonds and currency 6s interest amounting to $12,009,951.50.

These prepayments of interest are expressly authorized by section 3699 of the Revised Statutes. They were deemed expedient because of the disposition of the holders of bonds to demand exorbitant prices for them.

The amount of public money set free within seventy-five days by these several disbursements was nearly $76,660,000, and the net gain to circulation was not less than $45,000,000, yet the financial conditions made further prompt disbursements imperatively necessary. A circular was, therefore, published September 13, 1890, inviting proposals, to be considered on the 17th, for the sale, to the Government, of $16,000,000 4 per cent bonds. The offerings under this circular amounted to $35,514,900, of which $17,071,150 were offered at 126¾, or less, and were accepted.

The total disbursements since June 30, 1890, by the means above set forth, are recapitulated as follows:

	Bonds redeemed.	Disbursement.
Under circular of Apr. 17, 1888	$2,133,350	$2,358,884.00
Under circular of July 19, 1890	17,324,850	21,225,989.46
Under circular of Aug. 19, 1890	560,650	581,138.12
Under circular of Aug. 21, 1890	20,060,700	20,964,868.42
Under circular of Aug. 30, 1890	18,678,100	19,518,176.83
Under circular of Sept. 6, 1890	(*)	12,009,951.50
Under circular of Sept. 13, 1890	17,071,150	21,617,673.77
Total	75,828,200	98,276,682.10

*Prepayment of interest.

The people who needed money in the transaction of their business were not heard. The back of the Government was turned upon them. The face of our officers was toward Wall street and the bankers and capitalists there. The Secretary of the Treasury could pay money into their pockets by the purchasing of bonds, the premium on which amounted to $17,000,000. He could advance them nine months' interest upon bonds not yet due, amounting to $12,000,000 more, making in all over $27,000,000 of the public money paid to the bankers and other capitalists of Wall street, without adequate consideration, while the people were left to dig a little deeper and to raise a little more 15-cent corn.

I remarked that the present Chief Executive consulted with that class of men, the men whom his predecessors consulted since 1873. I will not go back beyond 1890; it would take too much time. Now, who were the President's advisers in this case? Coming a little closer home we will see how like the proceedings of 1890 were those of 1893. It was currently reported in the newspaper dispatches along about the 21st, 22d, and 23d of April last that the Secretary of the Treasury thought, speaking for himself, that the Treasury notes which had been issued in payment for silver bullion might properly be paid in silver. He carelessly dropped the remark somewhere in company, as it was alleged, "There is plenty of silver in the Treasury; there is no danger of a collapse there."

No sooner did the wires carry the news of this suggestion than a gentleman from New York City, whose name was given at the time and need not now be repeated, started for Washington. The next day the newspapers came out with this heading: "The President speaks," and the President gave to the country in his own language his determination concerning the payment of those notes. The New York World, in commenting upon the President's statement that all the obligations of the Government will be paid in gold, used this language:

President Cleveland evidently feared that Secretary Carlisle's statement, given to the public on Thursday, was misunderstood, or at least that it did not afford a very clear explanation of the present financial situation and the adopted policy of the Administration, and so for the second time within three days he has taken the management of the Treasury into his own hands. The complaint can not be made that he has not spoken plainly or that he has kept the public in doubt as to just what he thinks should be done and what he intends to do.

The President gave the country to understand that every one of the Treasury notes would be paid in gold.

On the 26th of April the newspapers gave us some knowledge of the gentleman who was moving backward and forward between New York and Washington. His name is given as Jordan. The reporter says:

Assistant Treasurer Jordan did not give up yesterday to a series of conferences on the subject of gold. The bankers are less disposed to talk with Jor-

dan. They are not convinced that he represents anybody above him, and they prefer to await the arrival of Secretary Carlisle, that they may talk directly to him.

Then the Secretary kindly went over, as the newspapers informed us, and in a little while he and the bankers agreed to disagree. After the trouble came, when there was a deficit in the Treasury so far as the $100,000,000 mark was concerned, the bankers of Chicago, the bankers of Denver, and the bankers of Kansas City offered gold to the Government, and some of the little banks way in the back woods tendered a few thousand dollars—if that was all they had—in gold to help the Treasury out; but the bankers of Wall street could not agree with the Secretary and they advanced not a dollar, yet they were the President's advisers.

Now, Mr. President, it is very important that we should know who is dictating our financial policy; and in saying that I do not wish to be understood as saying that the Chief Magistrate of the American Republic is being dwarfed by anybody's influence. What I do mean to say is that the President of the United States, honestly believing that the policy dictated by the bankers and the "Napoleons of finance" was the proper policy of the country, so says boldly to the people. He has never gone into the background to say this thing. It has not been said in a corner.

Mr. Cleveland (and I honor him for his courage) is willing to say before the whole world what he believes. He has done it from the beginning. He is doing it now. No, no; the President is great among strong men; but he believes in a wrong philosophy that was taught to him in his childhood. Instead of learning his law at the feet of Gamaliel he learned his law at the feet of the Rothschilds, Baring & Co., Clews, Drexel, and that class of men—the men who received their teaching from the economists that built up the Bank of England and all the great banks of antiquity except only one.

Now, I wish to inquire a little into the character of those men in order that we may see and that the country may see who it is that is talking to us. Away back about thirty-four or thirty-five years ago a young man in the city of New York, having a speculative turn of mind, was anxious to become a member of a body of gentlemen who then met in the basement of a building in that city to transact their business. They refused admission to the young man. He came to the conclusion that he would follow a system of tactics that would force somebody to terms, just as our traders in grain force people to terms sometimes. He says:

After numerous efforts to gain admission to the exchange without success—

I am talking about the stock exchange of New York—

I finally made up my mind to force it. I at once inserted an advertisement in the newspapers, and proposed to buy and sell stocks at a sixteenth of 1 per cent each way. This was such a bombshell in the camp of these old fogies that they were almost paralyzed. What rendered it more distasteful to them still was the fact that, while they lost customers, I steadily gained them. The result was that they felt compelled to admit me to their ranks, so that I could be kept amenable to their rules, and do business only in their own conventional fashion. My membership cost me in all, initiation fee and other trifling expenses in connection therewith, $500. This—

Says the gentleman—

presents a striking contrast to the recent price of a seat, $35,000; but though this difference seems very large, yet the changes in every other respect connected with Wall street affairs have been in similar proportions.

Then he goes on in the next page and says:

Youthful speculators—

Like himself—

Had not then learned the "crooked"—

In quotation marks—

methods of the young idea of modern times. It was there also that Daniel Drew began to accumulate those millions that afterwards were subject to such a rude scattering. It was there that the celebrated "corners" in Rock Island, Prarie du Chien, and Harlem were concocted. It was there that the wealth was accumulated which built 20,000 miles of Western railroads, causing many millions of acres, that would otherwise have been a wilderness, to blossom like the rose, in spite of Mr. Powderly's opinion that no material good can come out of speculation, and thus adding immense wealth in real estate to the country, besides conferring incalculable benefits on trade and commerce, and preparing comfortable homes not only for the pioneers and surplus population of the Eastern States, but a teeming soil that has attracted the downtrodden of every nation to come and partake of the blessings of freedom and prosperity.

I have read from pages 9 and 10 of "Twenty-eight Years in Wall Street," by Henry Clews.

Now, Mr. President, going along a little further to pages 19 or 20, I will simply call attention to what is said there, without reading more than a portion of it. My object in this is to show the character—moral, financial, and political—that the advisers of our public men put before the world. I am doing it in their own words. Henry Clews is the young man I was speaking of, a recognized banker and stock-broker, a man standing high not only in his profession, but standing high in social and religious circles in the city of New York and everywhere, notwithstanding he goes before the world exposing himself and his coworkers as the most extensive gamblers in the world. Those are harsh words, I understand; but wait, Mr. President. It is time that the people have these things exposed to them in all their nakedness and deformity. On page 16 Mr. Clews says:

Wall street has furnished the money that has set the wheels of industry in motion over the vast continent, and in one century has brought us abreast, in the industrial arts, of countries that had from one to two thousand years the start of us.

Claiming the progress of our American civilization, grand as it is, to be the output and the legitimate offspring of this gambling institution in the very heart of our country.

It must be galling to some of these people that we are now the most available candidates—

Speaking of the people of other countries—

for the commercial and industrial supremacy of the world, and we have obtained this position, in a great measure, through the instrumentality of Wall street as a civilizer.

Then I refer, without reading it, to the portion of chapter 3, beginning on page 16, which I have marked in red, to show the methods by which those men accumulated their vast fortunes; and he speaks of them as having grown gray in their business. He says that they will come down from their comfortable homes in the time of panic, and these panics occur with reasonable certainty three or four times every year. They wait until they see a cloud no larger than a man's hand presaging the coming of a storm in the financial world. Then, he says, they go out of their homes like spiders in advance of a storm. They go down to their offices and rake in a few million dollars that somebody else has lost and then retire again to the bosom of their happy families.

These men are fortune-wreckers. They think no more of throwing a mortgage of fifteen, twenty, or one hundred million dollars over a railroad, or county, or State, or a nation than they do of eating an oyster for breakfast; and these are the class of men from whom we seek advice. This is what Mr. Clews says of them:

But few gain sufficient experience in Wall street to command success until they reach that period of life in which they have one foot in the grave. When this time comes these old veterans of the street usually spend long intervals of repose at their comfortable homes, and in times of panic, which recur sometimes oftener than once a year, these old fellows will be seen in Wall street hobbling down on their canes to their brokers' offices.

Then they always buy good stocks to the extent of their bank balances, which have been permitted to accumulate for just such an emergency. The panic usually rages until enough of these cash purchases of stock is made to afford a big "rake-in." When the panic has spent its force, these old fellows, who have been resting judiciously on their oars in expectation of the inevitable event, which usually returns with the regularity of the seasons, quickly realize, deposit their profits with their bankers, or the overplus thereof, after purchasing more real estate that is on the up grade, for permanent investment, and retire for another season to the quietude of their splendid homes and the bosoms of their happy families.

If young men had only the patience to watch the speculative signs of the times, as manifested in the periodical egress of these old prophetic speculators from their shells of security, they would make more money at these intervals than by following up the slippery "tips" of the professional "pointers" of the stock exchange all the year round, and they would feel no necessity for hanging at the coat tails, around the hotels, of those specious frauds who pretend to be deep in the councils of the big operators and of all the new "pools" in process of formation. I say to the young speculators, therefore, watch the ominous visits to the street of these old men. They are as certain to be seen on the eve of a panic as spiders creeping stealthily and noiselessly from their cobwebs just before rain.

If you only wait to see them purchase, then put up a fair margin for yourselves, keep out of the "bucket shops" as well as the "sample rooms," and only visit Delmonico's for light lunch in business hours, you can hardly fail to realize handsome profits on your ventures.

What else is there about this? We read the other day, all of us, that in the city of New York there is a club known as the Millionaire Club. Seven hundred of the wealthiest men in the city belong to the club, of which J. Pierpont Morgan is president. The club has already issued $2,000,000 in 6 per cent bonds, with the proceeds of which the site for their club building was purchased. Then they invested a large amount in the erection of the building, and now this dispatch tells us that they have put on an additional mortgage of $2,000,000 for the purpose of furnishing it, putting up finishings of marble and the most costly woods in the world. In the same paper, on the same day, I saw a description of the balls, the costly revelries that that class of men in New York City indulge in. These are the men, I repeat, with whom our executive officers confer—half a dozen speculators who rule the country with an iron hand.

It is time, Mr. President, that we dissolve partnership with Wall street. Since the dawn of history the money-changers have been against the people, always against the people and for themselves. It has been reserved for a Christian civilization in the closing years of the nineteenth century to throw a garb of respectability about the business of the usurer. It may seem a little harsh to characterize those people as I have done. Let me quote the language of the distinguished Senator from Indiana [Mr. VOORHEES] delivered in this body the day before yesterday upon the same subject. The Senator says in the second paragraph of his speech:

For the last five months and a little more, the cry of the pessimist—

And as he used that word and paused a moment to breathe I straightened myself, while sitting near him, expecting a thunderbolt at my devoted head and at the people for whom I am speaking, that we were to be termed the pessimists, although I had taken advantage of many occasions to deny that there was

any truth in such a charge so far as we were concerned. But the Senator proceeds, and says:

For the last five months and a little more, the cry of the pessimist, the voice of the prophet of financial evil, and the wail of the apostle of national bankruptcy have all been heard in the land. These sounds of warning and menace against the authorities of this Government have gone up from all those financial centers where money, its gains and its power, consitute the chief objects of human worship, and from those—

Not from our poor fellows who dig in the soil and among the rocks, but—

from those centers have also emanated the cruel edicts of great financial corporations, commanding a stern contraction of the currency, a sudden and harsh shrinkage in its circulation, and the consequent inauguration of a panic, a distress period in the public mind.

And not satisfied with that presentation of the case, not satisfied with that arraignment, harsh as it was, after again calling attention to the good quality of our public credit, the Senator in the third paragraph following, says:

Not only do the traffickers in money and the permanent investors of capital hunger and thirst after all the Government bonds now in existence, but their chief complaint against the present Administration is that the President and his very able Secretary of the Treasury have refused their demand to issue at least there hundred millions more. This additional block of national indebtedness, increasing in a time of profound peace the interest-eating burdens of American labor, would be hailed with the keenest delight and swept with miser enjoyment and avidity into unpatriotic vaults by the very parties who have most loudly and continuously declared, ever since the present Administration came into power, that the credit of the Government was in deadly peril and its Treasury practically bankrupt.

I think, Mr. President, with the views of the Senator from Indiana added to mine, we can let Wall street rest a few minutes at least.

And now what kind of advice do they give us? Their advice to the President was, "repeal the Sherman law," and the bill to which I am speaking was presented in due course of proceedings. I have here a letter which I have no doubt was sent by copy to every other member of this body. It is from the same gentleman whose named is appended to this book as its author, Mr. Henry Clews. It is dated New York, August 16, 1893. He says:

To insure the repeal of the Sherman silver law it may not unlikely be necessary from present appearances—

Yes, I should think so—

to offer as a compromise some measure that will continue the recognition of silver as a money metal, in which event why not reënact the Bland silver law with the necessary amendments, changing the parity of the dollar to either 22 to 1, or 24 to 1?

Why not reënact the Bland silver law that was repealed two years ago in order to give us what we now have?

In that case—

Here is the reason, Mr. President. He answers it himself—

In that case the monthly purchases of silver would be at the discretion of the Secretary.

That is it precisely; it would be "at the discretion of the Secretary." You remember, Mr. President, and so do the Senators who are honoring me with their attention, how the Bland law was executed. It was on the statute books a little over twelve years, and during that entire period the law was never executed to its maximum nor beyond a few dollars in advance of the minimum. As Mr. Clews recites very properly, the Secretary was directed to purchase at least $2,000,000 worth of silver bullion, and he was directed to purchase not more than $4,000,000 worth. Not less than two nor more than four.

As a matter of fact, while the Secretary did have the discretion which Mr. Clews wants to clothe him with again, to coin $4,000,000 worth a month, he gave us but $2,000,060 a month instead of $4,000,000, as he ought to have done, and by that means kept away from the people during the period of the operation of that law about 375,000,000 silver dollars that they were entitled to. They would have secured that much more than they did secure if the law had been executed.

The total amount of silver bullion purchased under the Bland act (act of February 28, 1878) to August 12, 1890, when the Sherman law took effect, was 323,635,576 standard ounces, costing $308,199,261, an average of $1.05 per fine ounce. The number of silver dollars coined out of that bullion was 378,166,793. If the maximum amount of $4,000,000 worth of bullion had been purchased and coined every month during the time the law was in force instead of $2,000,000, the total number of dollars coined would have been about 753,000,000, or an increase of about $375,000,000 above what was actually coined.

Mr. Clews, one of the class who advise our public officers, asks us, inasmuch as they can not get rid of silver, to go back to the Bland law and let the Secretary of the Treasury coin just as many dollars as he pleases, and send out silver certificates upon them, and then, as was so well said by my distinguished friend from Iowa [Mr. ALLISON] yesterday, they are not lawful money; you do not pay any taxes upon them; you can not pay your debts with silver certificates unless your creditor is willing to receive them; and if he is a money lender he sticks gold into the note. That is the kind of advice we get!

Mr. President, this kind of treatment of a vital matter is breeding bad blood in some parts of the country and insolence in others. The people at Denver, wild with excitement and under the influence of a temporary invasion of unemployed workmen, fearing the worst, voiced in the language of their governor, patriotic as any man in the country now or in past years, let loose some wild expressions which were thrown out upon the wires, and the people were led to believe that the citizens of Colorado, always a loyal and law-abiding people, were upon the verge of revolution. The metaphors of language at such times must be passed over. If we can smother the conduct of a Government agency to-day in the form of United States banking institutions, surely we can forgive a little looseness of expression among the miners, whose thoughts may be crudely expressed. After all, they are like the jewels that they dig from the mountain. Take away the dross and you have the pure metal left. Let our country get into war, nobody would come quicker than those boys who work in the mines from day to day and feed their little families upon the proceeds.

There is another sentiment sometimes expressed that is equally to be deprecated and to be discouraged. It is the attempt—I do not know that it is an attempt, but it has the effect of arraying one section of the country against another. I heard the other day a gentleman not connected with the party to which I belong, either, say that the two great parties of the country will soon divide upon the Rocky Mountains. I heard another man say that Mason and Dixon's line will be turned half way round, so that, instead of lying between the North and the South, it will lie between the East and the West. Mr. President, let us all here in this Chamber, and wherever our influence can extend, discourage all such language as that.

I would not array one section against another. I would heal all the wounds between different parts of the country. You could not blot out the little State of Massachusetts without expunging a part, and a very important part, of American history. You could not blot out of our history the city of New York without taking away a large part of our most valuable history; nor could you sink the old Keystone, the home of my childhood, without sinking to a very great extent the wealth of this country, and its enterprises, and its important historic recollections. Let us be for the whole country; and whenever we find a custom, no matter whether it be in the West, or the East, or the North, or where it may be, that is wrong, let us expose it; let us fight against it; let us undermine it and destroy its influence.

How ably and eloquently my distinguished friend from Minnesota [Mr. WASHBURN] fought here against the great gamblers in Chicago last fall, and how eloquently the able Senator from Louisiana [Mr. WHITE] defended them! It is a condition, not a section, that confronts us. I have not yet said a word against the East. There are customs and practices in the East that are destroying this country, and it is those customs, those practices that I am contending against. It is that that I would expose in all its deformity before the American people and before the world so that we may understand what ails us.

As was expressed a few days ago by the Senator from Massachusetts [Mr. HOAR], we in the West are not alone to blame in this matter of sectional discussion. I have here something which is but a repetition of many similar expressions that I have found in the metropolitan press of the East. It is from the New York World:

The strength of this organized opposition—

Speaking of the opposition to the repeal of the Sherman law—

and its inspiration come primarily from the States of Nevada, Colorado, Montana, Idaho, Wyoming, and the two Dakotas.

The writer omits Kansas and Nebraska, who are of the same family with the hardy mountaineers; and I say to them here now, speaking for the people of Kansas without regard to party affiliations, we are their neighbors and their friends. Their God is our God and we worship in the same tabernacle with them. We will defend them in their mountain gorges to the last, and when we get through with this fight and their mines are open we will send them our wheat and our corn and our cabbage and our potatoes and we will be their friends forever. The writer goes on to say that:

These seven States have a total population, according to the Eleventh Census, of only 1,146,735. Yet they have fourteen Senatorial votes against two for New York, with its 6,000,000 inhabitants.

And that writer was then about a hundred miles from the home of my friend from Rhode Island [Mr. DIXON], whose splendid little State, with all its romantic history, is about as large as two of our Western counties.

These seven States, with less than a million and a quarter population all told, counterbalance in the Senate New York, Pennsylvania, Massachusetts, Ohio, Illinois, Michigan, and New Jersey, with their population of 24,385,760.

Then he goes on in the concluding paragraph and asks:

Why should those pocket boroughs have such preponderence of power, a power so wholly out of proportion to their numbers or their importance in any other way?

The same day I picked up the New York Herald and I find a

complimentary reference to the Senator from Idaho [Mr. DUBOIS]. If he will give me his attention a moment it may be interesting to him to hear what the Herald had to say about him in connection with the same sort of criticism that I read from the World:

What rubbish—

The writer says—

for Mr. DUBOIS to talk of "battling for the rights of his own people!" Does he suppose the scattered population of Idaho could prosper if the teeming millions of the East, whose capital, brains, and labor make the country what it is, were to be immersed in irretrievable ruin?

When I read that I was moved to take up the statistical record of Idaho, Kansas, Montana, Nebraska, Nevada, Colorado, North Dakota, South Dakota, Washington, and Wyoming. I find that the population of those ten States amounts to 4,000,000 and over, made up in large part, as the Senator from Idaho said the other day in choice language, of the best brain and muscle of the Eastern States. They are not foreigners, such as we find to-day in many of the large business establishments and hotels in the cities of Boston, New York, and Philadelphia.

Go out upon the magnificent prairies of Kansas and of Nebraska and you will find the very best form of American manhood and womanhood there. So it is all through that splendid region. We are Americans all. There may be some, and there are a few, who were born in other lands, but they came here to be a part of this thriving and prosperous people; they have assimilated themselves with our population; they are citizens of the States and of the Republic; they vote with us; we elect them to office; they are honored and respected citizens.

In addition to the four million population, I find that their aggregate valuation in 1890 of taxable property—not the estimated, but the actual valuation of their property for taxable purposes—was nearly a thousand and a quarter million dollars—$1,187,156,990. I find that the six New England States—Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut—have a population of 4,700,745, just a little more than the population of the ten States to which I have called attention. The value of their property is $3,558,215,480, just about three times as much as that of the people in the ten States whose names I have mentioned; and yet Kansas was admitted into the Union in 1861, Nebraska several years later, Colorado in 1876, and Idaho, the Dakotas, and the other new States only a few years ago.

Those people have accumulated vast amounts of wealth in the ten census years that have just passed, amounting in all to $753,709,711. Their progress, their industry, their loyalty, their energy, their sobriety calls for commendation rather than for condemnation. They are yet in their swaddling clothes, while New England is two hundred and fifty years old.

As to the representation in the House of Representatives, those ten States have 24 members and they have 20 Senators, while the six New England States, with about the same population, have 27 Members and 12 Senators—a total representation of 44 for the ten new States against 39 for the six old ones. The area of the ten States is 921,500 square miles, while that of the six is a little over 66,000 square miles—a proportion of 14 to 1.

I hope we shall hear no more invidious distinctions here or elsewhere concerning the pocket boroughs of the West.

In order that there may be no question about the correctness of the figures which I have given, I will insert as part of my remarks, Census Bulletin No. 104, under date of August 22, 1891, being a preliminary statement showing the assessed valuation of real and personal property of the several States and Territories for 1880 and 1890.

[Census Bulletin No. 104, August 22, 1891.]

Preliminary statement showing the assessed valuation of real and personal property of the several States and Territories for 1880 and 1890.

States and Territories.	Total assessed valuation.		Increase of assessed valuation.	Population.		Assessed valuation per capita.		Increase per cent of assessed valuation.	Increase per cent of population.
	1880.	1890.		1880.	1890.	1880.	1890.		
Total	$16,902,993,543	$24,249,589,804	$7,346,596,261	50,155,783	62,622,250	$337.01	a$387.62	43.46	24.86
Alabama	122,867,228	197,060,441	74,213,213	1,262,505	1,513,017	97.32	130.26	60.40	19.84
Arizona	9,270,214	21,434,767	12,164,553	40,440	59,620	229.23	359.52	131.22	47.43
Arkansas	86,409,364	b172,408,497	86,399,133	802,525	1,128,179	107.67	152.82	99.53	40.58
California	584,578,036	b1,071,102,327	486,524,291	864,694	1,208,130	676.05	886.58	83.23	39.72
Colorado	74,471,693	188,911,325	114,439,632	194,327	412,198	383.23	458.30	153.67	112.12
Connecticut	327,177,385	358,913,906	31,736,521	622,700	746,258	525.42	480.95	9.70	19.84
Delaware	59,951,643	b74,134,401	14,182,758	146,608	168,493	408.92	439.99	23.66	14.93
District of Columbia	99,491,787	153,307,541	53,905,754	177,624	230,392	559.62	665.42	54.23	29.71
Florida	20,938,309	76,926,938	45,988,629	269,493	391,422	114.80	196.53	148.65	45.24
Georgia	239,472,599	377,366,784	137,894,185	1,542,180	1,837,353	155.28	205.39	57.58	19.14
Idaho	6,440,876	25,581,305	19,140,429	32,610	84,385	197.51	303.15	297.17	158.77
Illinois	c786,616,394	c727,416,252	d59,200,142	3,077,871	3,826,351	255.57	190.11	d7.53	24.32
Indiana	727,815,131	782,872,126	55,056,995	1,978,301	2,192,404	367.90	357.08	7.56	10.82
Iowa	398,671,251	b478,318,248	79,646,997	1,624,615	1,911,896	245.39	250.18	19.98	17.68
Kansas	160,891,689	290,593,711	129,702,022	996,096	1,427,096	161.52	203.63	80.61	43.27
Kentucky	350,563,971	512,615,506	162,051,535	1,648,690	1,858,635	212.63	275.80	46.23	12.73
Louisiana	160,162,430	234,320,780	74,158,341	939,946	1,118,587	170.40	209.48	46.30	19.01
Maine	235,978,716	309,129,101	73,150,385	648,936	661,086	363.64	467.61	31.00	1.87
Maryland	e497,307,675	f482,184,824	d15,122,851	934,943	1,042,390	531.91	462.58	d3.04	11.49
Massachusetts	1,584,756,802	2,154,134,626	569,377,824	1,783,085	2,238,943	888.77	962.12	35.93	25.57
Michigan	517,666,359	g945,450,000	427,783,641	1,636,937	2,093,889	316.24	451.53	82.64	27.92
Minnesota	258,028,687	588,531,743	330,503,056	780,773	1,301,826	330.48	452.08	128.00	66.74
Mississippi	110,628,129	b157,518,906	46,890,777	1,131,597	1,289,600	97.76	122.15	42.39	13.96
Missouri	532,795,801	786,343,753	253,547,952	2,168,380	2,679,184	245.71	293.50	47.59	23.56
Montana	18,600,802	106,392,892	87,783,090	39,159	132,159	475.24	805.04	471.70	237.49
Nebraska	90,585,782	184,770,305	94,184,523	452,402	1,058,910	200.23	174.49	103.97	134.06
Nevada	29,291,459	24,663,385	d4,628,074	62,266	45,761	470.42	538.96	d15.80	d26.51
New Hampshire	164,755,181	252,722,016	87,966,835	346,991	376,530	474.81	671.19	53.39	8.51
New Jersey	572,518,361	688,309,187	115,790,826	1,131,116	1,444,933	506.15	476.36	20.22	27.74
New Mexico	11,363,406	b46,041,010	34,677,604	119,565	153,593	95.04	299.76	305.17	28.46
New York	2,651,940,006	3,775,325,938	1,123,385,932	5,082,871	5,997,853	521.74	629.45	42.36	18.00
North Carolina	156,100,202	212,697,287	56,597,085	1,399,750	1,617,947	111.52	131.46	36.26	15.59
North Dakota	8,786,572	h78,394,536	69,607,964	36,909	182,719	238.06	429.04	792.21	395.05
Ohio	1,534,360,508	1,778,138,457	243,777,949	3,198,062	3,672,316	479.78	484.20	15.89	14.83
Oklahoma					61,834				
Oregon	52,592,084	166,025,731	113,503,647	174,768	313,767	300.52	529.14	216.11	79.53
Pennsylvania	1,683,459,016	2,592,841,032	909,382,016	4,282,891	5,258,014	393.07	493.12	54.02	22.77
Rhode Island	252,536,673	321,764,503	69,227,830	276,531	345,506	913.23	931.28	27.41	24.94
South Carolina	133,560,135	132,182,638	d1,377,497	995,577	1,151,149	134.15	114.83	d1.03	15.63
South Dakota	11,534,958	131,592,587	120,057,629	98,268	328,808	117.38	400.21	1,040.82	234.60
Tennessee	211,778,538	447,510,103	135,731,565	1,542,359	1,767,518	137.31	196.61	64.09	14.60
Texas	320,364,515	h695,842,320	375,477,805	1,591,749	2,235,523	201.27	311.27	117.20	40.44
Utah	24,775,279	104,758,750	79,783,471	143,963	207,905	172.09	503.88	322.84	44.42
Vermont	86,806,775	161,551,328	74,744,553	332,286	332,422	261.24	485.98	86.10	.04
Virginia	308,455,135	382,422,741	53,967,606	1,512,565	1,656,980	203.93	218.86	17.50	9.48
Washington	23,810,693	b124,735,449	100,924,756	75,116	349,390	316.99	357.18	424.12	365.13
West Virginia	139,622,705	160,927,587	30,304,882	618,457	762,794	225.76	222.77	21.70	23.34
Wisconsin	538,971,751	592,890,719	153,918,968	1,315,497	1,686,880	333.69	351.47	35.06	28.23
Wyoming	13,621,829	b31,431,495	17,809,666	20,789	60,705	655.24	517.77	130.74	192.01

a The assessed valuation of Oklahoma not being given, the population of that Territory is omitted in calculating the assessed valuation per capita for 1890 of the United States.
b Annual report of 1889.
c The State board of equalization declares that in 1880 the assessed value was 50 per cent and in 1890 only 25 per cent of the true value; hence the reduction.
d Decrease.
e Valuation for local purposes; amount for State purposes, $459,187,408.
f Valuation for State purposes; amount for local purposes not reported.
g Assessment of 1886; assessment made every five years.
h Not including unorganized counties.

Under the protection of our laws, Mr. President, an aristocracy of wealth has grown up among us, and upon that subject I wish to quote a passage in a speech which I had the honor of delivering in this body on the 12th day of May, 1892. It describes the nature and effect of this wealth of aristocracy of which I have spoken.

We have fostered and fed and fattened men at the expense of the people until they have become a standing menace to popular liberty. Fabulous fortunes have been gathered in the course of a few years. We have many men whose checks are good for a million dollars each at any bank where that amount of money is on deposit. The interests of all these people are virtually the same. Their combined influence is often greater than that of the Government itself, and it grows greater every year.

So powerful has this great moneyed interest become that we find it operating in the business affairs of the country everywhere; in the hovels of the poor, the little stores of the country merchant, on the farm, in the shop, as well as in the great manufacturing establishments, banks, and clearing-houses. It amounts to an all-pervading force, reaching out through every avenue of trade, through every channel of commerce, into every department of business, into the details of every vocation, into every phase and condition of life. It owns every railroad and steamboat line, every telegraph and cable, every packing house, elevator and merchant mill, every bank and stock exchange, all the great newspapers of the country, and the important agencies for news; it has local attorneys at every county seat, trained lawyers at every court, skilled lobbyists at every capital; it dictates party platforms, controls important nominations, and laughs at the popular will; it levies tribute on toil, collects revenue from trade, has an interest in every State, and a lien on every town.

It "moves the money that controls the affairs of the world," says a distinguished banker—Mr. Henry Clews. It wields a "mighty power," he says, a power greater than that of monarchies. That is the power which demands gold in payment of debts payable in lawful money; the power that will not accept the bonds of a people whose mountains are rich in gold and silver, unless they are made payable, principal and interest, in gold.

That is the power that demanded 12 per cent annual interest on loans of bank paper to the Government at a time when farmers and mechanics, merchants and clerks, and field and shopmen all over the country volunteered their bodies for use in war; the power that depreciated our currency that it might purchase our bonds at a discount, then demand payment in gold; the power that banks on nontaxable bonds and charges 1 per cent a month on its paper loans; the power that has grown rich on the losses and misfortunes of the people; the power that has usurped the functions of government; that has wrested the prerogatives of voters from their grasp; that nineteen years ago demonetized silver, and has three times since prevented its restoration to its ancient place as one of the money metals; that kept from the people $375,000,000 of silver coin that they were entitled to under the Bland law; that withdrew $240,000,000 of national-bank notes at a time when the people needed a large and steady increase of currency.

Then in this hour of need to whom shall we look for counsel? I have been criticising the class of persons with whom our public officers had conferred. Shall we look to them still further for our counsel? To the men that fatten upon the people who toil, or shall we look to the people that produce the wealth of the country and pay the taxes? Shall we look to the bankers who expand and contract the currency at their pleasure and kindly transact the people's business for them at 1 to 4 per cent per month, or shall we turn to the people who have commissioned us, take them into our confidence, and listen to their complaints and act on their demands?

Do you tell me, Mr. President, that only professional financiers shall be heard, and that the demands of boards of trade, stock exchanges, and other commercial bodies shall be taken as the voice of the people? I do not believe that it is too much to say that 75 per cent of the bankers of this country to-day, take them all as a body, have never given twenty-four hours' solid study to the subject of finance. They understand how to shave notes, how to collect interest and rents, but they know nothing about the foundation principles upon which monetary systems are reared.

Judging by our past legislation, these advisers have not been safe ones. Immediately after the great war they insisted upon a contraction of the currency, which cost our people in the end more than the great war cost us, notwithstanding that that in dollars and cents amounted to at least $10,000,000,000 when Lee surrendered or was captured in 1865. Since that time we have paid about $2,000,000,000 in principal of our debt. We have paid a good deal more than that in the way of interest. We have paid about $70,000,000 in premiums and advance interest, and to-day we have a pension roll of over a million persons, requiring a yearly expenditure of from $150,000,000 to $160,000,000. Yet, I say, following the advice that was given us by the financiers, cost us twice as much as the whole war in its active operation cost us. I mean that it has cost us that much in the depreciation of property.

There has been a constant effort on the part of the Treasury Department of late years to conceal from the people the true facts in relation to the contraction of our currency.

Our debts were all contracted with the understanding that they were to be paid with paper. The people had no money but paper. Our contracts were made with reference to the paper standard, and so we continued until what was called "the resumption of specie payment," under the act of 1875, which was to take effect on the 1st of January, 1879. Notwithstanding all our business was done with paper, and our promises to pay were promises to pay in paper, still, at the conclusion of the war, Wall street demanded payment in coin. During the fiscal year 1866 something near $400,000,000 of our currency was withdrawn from circulation and most of it put into interest-bearing bonds. During the next three years, some $900,000,000 more currency was withdrawn and put into bonds, so that at the beginning of the fiscal year 1870, about thirteen hundred millions of our paper money had been withdrawn from circulation and the currency volume contracted to that extent.

At the beginning of the fiscal year 1866 (July 1, 1865) the amount of paper money in circulation in the United States was $2,122,437,841.02. During the year, as appears from the report of the Secretary of the Treasury for 1866, on page 164, $211,239,515.41 was "retired, counted, and destroyed," as follows:

Old issue demand notes	$230,440.75
New issue legal-tender notes	6,764,370.65
One-year 5 per cent notes	6,316,104.50
Two-year 5 per cent notes	2,508,427.50
Two-year 5 per cent coupon notes	33,393,977.50
Six per cent compound interest notes	81,246,829.00
Gold certificates	64,913,800.00
First issue fractional currency	2,897,397.88
Second issue fractional currency	7,598,479.78
Third issue fractional currency	5,414,814.49
Discounted on above for mutilations	17,813.36
	211,239,515.41

During the year $181,096,804 was retired from circulation, but not destroyed, as appears from page 168 of the same report, as follows:

Demand notes redeemable in coin	$388,121
One-year 5 per cent notes	2,151,287
Two-year 5 per cent notes	5,209,335
Two-year 5 per cent coupon notes	1,078,550
Three-year compound-interest notes	172,369,511
	181,096,804

On the 30th day of June, 1866, as appears on pages 25 and 26 of the report, the amount of Government paper money out was $1,550,506,311.61, as follows:

Compound-interest notes due 1867-'68	$150,012,140.00
Treasury notes, seven-thirties, due 1867-'68	806,251,550.00
Temporary loan, ten days' notice	120,176,196.05
Certificates of indebtedness past due	26,391,000.00
United States notes	400,891,308.00
Fractional currency	27,070,876.96
Gold certificates of deposit	10,713,180.00
	1,550,506,311.61

At the beginning of the year the amount of national-bank notes out, as appears from the Treasurer's report, was $179,595,210. Adding these several amounts together we have a total of paper money out on the 1st day of July, 1865, of $2,122,437,841.02, as above stated.

The total amount of money in the country June 30, 1870, was $700,645,668. The currency contraction to this extent, in five years, while population and business were rapidly increasing, cost the people fully one-half the value of their property and doubled the burden of their debts.

But what was lost by the people was gained by a class, and they are the class of which I have spoken—the gold speculators.

Let us not deceive ourselves, Mr. President. We are face to face with the gravest problem of the century. No amount of partisan discussion as to where the responsibility for this condition lies will relieve the situation, nor remove from our path the plain duty that we owe to the people in this supreme hour of their need. The situation is full of peril. Dangers beset us on all sides. Involuntary idleness soon brings want, and want brings desperation. Nothing but food satisfies hunger. In this great crisis the country has no use for the partisan. Against him who would strengthen his party at the expense of his country, the verdict of his fellow-citizens will be, "Away with him; crucify him."

But what shall we do? First, let us do what the people ask us to do; give them money. That is what they are asking for. The farmers want money; the manufacturers want money; the laborers want employment in order that they may get money; the bankers themselves want money, and that is all the people are asking for. Let us pass a bill giving them money. I had the honor a few days ago to introduce a bill here for the purpose of issuing $250,000,000 of money. It has not yet been reported, and I dare say it will not be. That is the quickest way out, and that is my advice.

Then, second, let us have free coinage of silver. What does free coinage mean? A banker asked me the other day, apologizing at the same time, what free coinage meant. When I explained to him that it was simply taking silver bullion in proper condition for mintage to the mints and having it formed into

coins for him and taking his coin away, "Why," said he, "that is just like taking wheat to the mill and having it ground into flour." Precisely so, and that is what we are asking. But we are told that we can not have free coinage of silver. No, not now. They will see us later.

Mr. President, my position has been taken upon this subject. It is free and unlimited coinage of silver at the present ratio of 16 to 1—that or nothing. It is a matter of principle upon my part, and upon principle I have no compromise to offer, and will accept none. I have heard since this discussion has come up men of distinction say that they prefer a ratio of 15½ to 1; I have even heard it put down as low as 11 to 1. I can not understand, in view of our past history, why we shall measure silver with gold, rather than measure gold with silver.

In 1831 a committee of this body, composed of distinguished men, was made up, charged with an investigation of the history of our coinage, with a view of enacting some new and important legislation upon the subject. That committee reported that our coinage was gold and silver, and that the object of the committee had been to conform the gold currency to the silver standard, and I assert in this presence that we have been measuring gold by silver continually from the beginning of our Government until 1873, and that at this hour the law of the land is that 371¼ grains of pure silver is the standard of our dollar, notwithstanding its representative is to be made out of 25⅞ grains of standard gold.

The act of 1792, in section 9, prescribed the standard of our money to be a dollar, not silver or gold, but a dollar; that the dollar piece should contain 371 4/16 grains of pure silver, and that the value of the dollar should be the value of the Spanish milled dollar. The value of the Spanish milled dollar was ascertained by melting up a thousand of them and dividing the product by a thousand. The quotient was 371¼ grains. That was the value of the dollar authorized and coined by the fathers of the Republic. It means that either 371¼ grains of silver—that and that only—shall be the value of the dollar, or else it means the value of the products of the country which that much silver would buy. In either case we have the advantage in this argument.

Mr. MITCHELL of Oregon. May I ask the Senator a question?

Mr. PEFFER. Yes, sir.

Mr. MITCHELL of Oregon. I wish to know if it is not a fact that the prices of wheat and flour and cotton, as well as of most agricultural products for the last twenty years, commencing before the demonetization of silver and following along down to the present time, have not been regulated and controlled with an accuracy which is remarkable by the price of silver bullion and not by the price of gold?

Mr. PEFFER. Yes, Mr. President, that is true, and there is something more in the same connection that is true; I thank the Senator for calling my attention to it at this particular place in the discussion.

A table of a large number of articles has been compiled by the eminent statistican, Mr. A. Sauerbeck, who finally settled upon forty-five of them. I can not now enumerate all of them, but I am expecting before my remarks go to print that I shall have a list of all of the articles, so that they can be inserted as part of my remarks. Forty-five of them are articles in daily use among the people of the country. Taking them and getting the greatest common divisor of their value as people use them, as the starting point, as the unit, and beginning back in 1874 and coming on down to the present time, the prices of that unit have dropped from year to year, and silver has kept pace in uniform ratio substantially from that time until the present.

The following table gives in parallel columns, for the years 1874–'92, (1) the index numbers for the 45 commodities, and (2) the index numbers of silver for the same years:

Mr. Sauerbeck's index numbers.

Year.	Index numbers of 45 principal commodities.	Index number of silver.
1874	102	95.8
1875	96	93.3
1876	95	86.7
1877	94	90.2
1878	87	86.4
1879	83	84.2
1880	88	85.9
1881	85	85.0
1882	84	84.9
1883	82	83.1
1884	76	83.3
1885	72	79.9
1886	69	74.6
1887	68	73.3

Mr. Sauerbeck's index numbers—Continued.

Year.	Index numbers of 45 principal commodities.	Index number of silver.
1888	70	70.4
1889	72	70.2
1890	72	73.4
1891	72	74.1
1892	68	65.4
1893*		

*Lowest price of wheat on record. Lowest prices of stocks since 1884. June and July lowest price of wool in its history. Fall in price of opium 17 per cent in one week. Lowest price of silver on record.

Between 1850 and 1870 there was a slight rise in the value of commodities, and during the same period silver was at a slight premium compared with gold.

You talk to us about a dishonest dollar. I ask you whether a 70-cent dollar is any more dishonest than a 140-cent dollar or a 150-cent dollar? If you will lay down your 140-cent dollar beside our 70-cent dollar, and strike an average between them, and call that the dollar, then you may talk about an honest dollar, but until that time, I believe it would be better if we would follow the dollar that follows our products, and not the one that follows the banker's receipts. We only ask to have the old coinage law restored, as it existed before the act of 1873.

In this connection, I desire, without going into a history in detail of our coinage, to include in my remarks a sketch which I prepared some time ago, giving a history from the beginning, in 1782, when the Continental Congress appointed a committee to look after the subject, and a final report was made in 1791 to the National Congress, with the concurrence of Jefferson and Madison, establishing our bimetallic system.

HISTORY OF OUR MONETARY UNIT.

As early as 1782 the Continental Congress instituted an investigation into the condition of the coins of the country. At that time every one of the separate States had its own particular coins and values. The money of account was written in pounds, shillings and pence, the British style of counting, though the Spanish dollar was generally current. Mr. Robert Morris made an elaborate report to Congress on the subject, but nothing further was done about it until two years afterwards, when the matter was taken up and referred to a committee of which Thomas Jefferson was a member. Mr. Jefferson was not satisfied with the report of the financier, Mr. Morris, because, he said, while the principle was sound and was ingenious, yet the unit which he proposed was too minute for ordinary use, too laborious for computation either by the head or by figures. As Mr. Jefferson put it, "The price of a loaf of bread would be one-twentieth of a dollar, or 72 units, and a pound of butter would be one-fifth of a dollar, or 288 units."

Some written correspondence passed between Messrs. Morris and Jefferson on the subject, and finally Mr. Jefferson wrote out his views in what he called "Notes on the Establishment of a Mint." They were submitted to members of the Continental Congress, and finally reported to that body, and were in the end adopted as the rule of our coinage. The notes of Mr. Jefferson, to which reference is made here, may be found on page 162 of volume 1 of his works.

In fixing the unit of money Mr. Jefferson laid down three rules: First, that it be of convenient size to be applied as a measure to the common money transactions of life; second, that its parts and multiples be in an easy proportion to each other so as to facilitate the money arithmetic; and, third, that the unit and its parts or divisions be so nearly of the value of some of the known coins as that they may be of easy adoption for the people; and, he added, "the Spanish dollar seems to fulfill all these conditions."

Mr. Jefferson gave the following as his reasons for selecting the dollar for the unit:

The unit or dollar is a known coin and the most familiar of all to the minds of the people. It is already adopted from South to North, has identified our currency, and therefore happily offers itself as a unit already introduced. Our public debt, our requisitions and their appointments, has given it actual and long position of the place of the unit. The course of our commerce, too, will bring us more of this than of any other foreign coin, and therefore renders it more worthy of attention. I know of no unit which can be proposed in competition with the dollar but the pound. But what is the pound? 1,547 grains of fine silver in Georgia, 1,289 grains in Virginia, Connecticut, Rhode Island, Massachusetts, and New Hampshire, 1,031½ grains in Maryland, Delaware, Pennsylvania, and New Jersey, 966¾ grains in North Carolina and New York. Which of these shall we adopt? To which State is that preëminence of which all are so jealous, and on which impose the difficulties of a new estimate on their corn, their cattle, and other commodities? Or shall we hang

the pound sterling as a common badge upon all their necks? This contains 1,718 grains of pure silver. It is difficult to familiarize a new coin to the people. It is more difficult to familiarize them to a new coin with a new name. Happily the dollar is familiar to them all, and is already as much referred to as a measure of value as their respective provincial pound.

On the 15th day of April, 1790, the House of Representatives passed a resolution asking the then Secretary of the Treasury, Alexander Hamilton, to prepare a report concerning the establishment of a mint and the coinage of money, and in response to that resolution the Secretary prepared a report and presented it to the House on the 28th day of January, 1791. He sets out by saying that a plan for an establishment of this nature, that is to say, a mint, involves a great variety of considerations, intricate, nice, and important. The general state of debtor and creditor, all the relations and consequences of price, the essential interests of trade and industry, the value of all property, the whole income of both the state and individuals, are liable to be extensively influenced, beneficially or otherwise, by the judicious or injudicious regulation of this interesting institution.

After discussing the importance of the subject and the interests involved he divides the subjects into six different heads, the first two of which are these: First, what ought to be the nature of the money unit of the United States; and, second, what the proportion between gold and silver, if coins of both metals are to be established.

As to the first of these two divisions, the Secretary, after an elaborate discussion, came to the conclusion that the dollar ought to be established and maintained as the money unit for the currency of the United States, and he used the word "national," as a "national" coin; and he was of opinion that the dollar then generally current, namely, the Spanish milled dollar, ought to be used as the money unit, and it was made of silver. So we have the opinion of Secretary Hamilton that the unit of value for the United States ought to be a silver dollar—a national coin.

As to the second proposition, whether the standard of money ought to be a single one or a double one, the Secretary was of opinion that we ought to establish and maintain the double standard, namely, gold and silver. He was aware, and called attention to the fact, that in the discussion of the subject by public men generally, our American statesmen largely leaned to the opinion that the standard ought to be single, and that silver. But the Secretary came to the conclusion that the double standard was better, and among the reasons he assigned the following:

> But, upon the whole, it seems to be the most advisable, as has been observed, not to attach the unit exclusively to either of the metals, because this can not be done effectually without destroying the office and character of one of them as money, and reducing it to the situation of mere merchandise, which, accordingly, at different times, has been proposed from different and very respectable quarters; but which would probably be a greater evil than occasional variations in the unit from the fluctuations in the relative value of the metals, especially if care be taken to regulate the proportion between them, with an eye to their average commercial value. To annul the use of either of the metals as money is to abridge the quantity of circulating medium and is liable to all of the objections which arise by a comparison of the benefits of a full with the evils of a scanty circulation.

After discussing at some length the probable results of a single standard, the Secretary concluded that the chief if not the sole effect of such a regulation would be to diminish the utility of one of the metals. He then proceeded to discuss the proportion in which the metals ought to be used; that is to say, what amount of silver in pounds or in ounces of weight should be equal to 1 pound or 1 ounce of gold by weight, and he came to the same conclusion that Sir Isaac Newton had arrived at in his report to the treasury of Great Britain in 1717, the proportion of about 1 to 15. One unit of weight in gold to 15 of the same units of weight in silver; and such, in fact, was the proportion established in our coinage law the next year.

This report of Mr. Hamilton was by him submitted to Thomas Jefferson, who was then Secretary of State, for his inspection and consideration. After a very careful review and study of Mr. Hamilton's report, Mr. Jefferson made a few suggestions which were in the main accepted by Mr. Hamilton, and the report as it was finally presented to Congress was a substantial agreement between Mr. Hamilton and Mr. Jefferson. If there was any difference between them in respect to the subject it was upon the matter of a single or a double standard. Mr. Jefferson inclined to the single standard and that silver, while Mr. Hamilton preferred the double standard, that of silver and gold. The report of Mr. Hamilton is found in volume 3 of his works, beginning at page 149.

Having adopted the silver dollar as the unit, then Mr. Jefferson suggested that we ought to have at least four coins—one a golden piece equal in value to $10; second, the unit or dollar itself, of silver; third, the tenth of a dollar, of silver also; and, fourth, the hundredth part of a dollar, this to be made of copper. And he suggested that perhaps it would not be amiss to coin three more pieces of silver, one of the value of half a dollar, the other 20 cents, and the other 5 cents. He concludes his notes in these words:

> My proposition, then, is that our notation of money shall be decimal, descending at the liberty of the person noting; that the unit of this notation shall be a dollar; that coins shall be accommodated to it from $10 to the hundredth of a dollar.

As to the weight of a dollar, it was finally agreed that it should be 371¼ grains of pure silver, with some alloy of copper. This was incorporated in the first coinage law, passed April 2, 1792. Mr. Jefferson's suggestions throughout were adopted.

Having provided the details for establishing a mint, section 9 of the act provides as follows:

> SEC 9. *And be it further enacted*, That there shall be from time to time, struck and coined at the said mint, coins of gold, silver, and copper, of the following denominations, values, and descriptions, namely: Eagles—each to be of the value of ten dollars or units, and to contain two hundred and forty-seven grains and four-eighths of a grain of pure, or two hundred and seventy grains of standard gold. Half eagles—each to be of the value of $5, and to contain one hundred and twenty-three grains and six-eighths of a grain of pure, or one hundred and thirty-five grains of standard gold. Quarter eagles—each to be of the value of two dollars and a half dollar, and to contain sixty-one grains and seven-eighths of a grain of pure, or sixty-seven grains and four-eighths of a grain of standard gold. Dollars or units—each to be of the value of a Spanish milled dollar as the same is now current, and to contain three hundred and seventy-one grains and four-sixteenth parts of a grain of pure, or four hundred and sixteen grains of standard silver. Half dollars—each to be of half the value of the dollar or unit, and to contain one hundred and eighty-five grains and ten-sixteenth parts of a grain, or two hundred and eight grains of standard silver. Quarter dollars—each to be of one-fourth the value of a dollar or unit, and to contain ninety-two grains and thirteen-sixteenth parts of a grain of pure, or one hundred and four grains of standard silver. Dimes—each to be of the value of one-tenth of a dollar or unit, and to contain thirty-seven grains and two-sixteenth parts of a grain of pure, or forty-one grains and three-fifth parts of a grain of standard silver. Half dimes—each to be of the value of one-twentieth of a dollar, and to contain eighteen grains and nine sixteenth parts of a grain of pure, or twenty grains and four-fifth parts of a grain of standard silver. Cents—each to be of the value of the one-hundredth part of a dollar, and to contain eleven pennyweights of copper. Half cents—each to be of the value of half a cent, and to contain five pennyweights and a half a pennyweight of copper.

Thomas Jefferson may be justly regarded as the author of our monetary system. If he was not the author of the first coinage law, his views, at least, are embodied in it. He originated the decimal system of coinage—that it should go by tens; he suggested and advocated the adoption of a similar system as to weights and measures, and made an elaborate report upon the subject in connection with his report on coinage.

The Constitution, in prohibiting the States from coining money, contains a provision that no State shall make anything except gold and silver coin a legal tender in payment of debts. All of our public men when referring to our standard of money invariably used the words "gold and silver." Thomas H. Benton in his Thirty Years in Congress refers to this matter repeatedly, using the words "gold and silver" as if they meant one and the same thing, using them in the singular number. And that was the rule before 1873.

In favoring free and unlimited coinage upon the old system, I do but repeat the demands of the people in their local State and national party platforms. I have here a long list of platforms in 1890—Arkansas, California, Colorado, Florida, and going on with a number of others, giving the platforms of the different parties, and coming down to Kansas where we are particularly sensitive upon this point—all parties without distinction favoring the free and unlimited coinage of silver.

That has been the doctrine of Democrats from the time of their party's birth to the present, and in this they but followed the teachings of their great leader and the author of our monetary system. As far back as 1836 Democrats, as a party, declared that "Gold and silver is the only safe and constitutional currency." In 1880, in their national platform, they declared in favor of "Honest money, consisting of gold and silver, and paper convertable into coin on demand." This declaration was repeated in their national platform in 1884. Democrats in twenty-three of the States which held State conventions in 1890 declared, in one form or another, in favor of free coinage of silver. Here is what they said:

DEMOCRATIC PARTY PLATFORMS IN 1890.

Arkansas.—We denounce as iniquitous the silver bill as passed by the present Republican House of Representatives as an attempt to demoralize silver and to build up the fortunes of the favored few, and we favor the free and unrestricted coinage of silver and an increased volume of currency, restricted alone to the necessary demands of the country, which shall be a legal tender for all debts, public and private. We believe the power to issue and control the volume of the currency belongs alone to the Government, and that this power should not be delegated to or controlled by any other authority.

California.—We favor the free coinage of silver, and demand that it be made an unlimited legal tender for all purposes, public and private.

Colorado.—We condemn the present Administration for reckless and unnecessary waste of public treasure, by means of which the surplus fund accumulated under the wise and economical Administration of Grover Cleveland

has practically disappeared, in place of which the country is threatened with a deficiency arising from the increase of expenditures over receipts for the present fiscal year. We demand the free and unlimited coinage of silver.

Florida.—We persistently and continuously oppose the pernicious system of contracting the circulating medium of the country, as now conducted by the National Government. The consideration of the subtreasury bill in Congress indicates a desire upon the part of the whole people for an increase of a circulating medium, and that it is the duty of our members in Congress to secure the passage of some law that will give the required relief.

Idaho.—We tender our gratitude to the Democrats in Congress for their almost unanimous votes in both Houses for the free and unlimited coinage of silver, and congratulate the people of our new State that there is one great political organization in the country committed by its votes in Congress to a measure so essential to the prosperity of Idaho. The silver bill as enacted by the Republican Congress is a compromise in the interests of Wall street, clothes the Secretary of the Treasury with power to refuse to purchase bullion on the pretext that bullion is not offered at the market price, and enables him to bear the silver market by refusing to purchase except at his discretion and at such prices as he may determine.

Illinois.—We demand that all unnecessary restrictions be removed from the coinage of silver.

Indiana.—We denounce the silver bill, so called, recently enacted, as an ignominious surrender to the money power. It perpetuates the demonetization of silver and the single gold standard, whereas the interests of the people require the complete remonetization of silver and its restoration to perfect equality with gold in our coinage. We demand the free and unrestricted coinage of silver upon the basis existing prior to 1873.

Iowa.—We demand the free coinage of silver, and that it may be made a legal tender for all debts, public and private, and denounce as unjust and dishonest the provision of the law recently enacted allowing parties to stipulate against payment in silver and silver certificates, thus setting one standard of value for the creditor and one for the debtor, one for the poor man, and the other for the rich man.

Kansas.—We favor the free coinage of silver. We favor such change in our fiscal laws as will leave the control of our circulating medium of the country wholly in the hands of the Government.

Massachusetts.—We recall with pride the financial policy of the Federal Government when the Treasury was under control of the Democratic party, when confidence was felt in the prudence and sagacity of its methods, and we ask the business men of this State to contrast that Administration with the short-sighted and dangerous policy that has prevailed lately, a policy which has several times threatened and may at any time lead to a financial panic.

Michigan.—We believe in the free and unlimited coinage of gold and silver, unhampered by conditions as to the legal-tender qualities of either and unhampered by the proviso suspending coinage of silver after July 1, 1891. We condemn the Republican policy because it demonetized silver and still refuses the demand of the people for the restoration of silver to a complete equality with gold.

Missouri.—We are in favor of the free and unrestricted coinage of silver and the increase of currency to meet the legitimate demands of trade, and we believe that the power to issue and control the volume of such currency should be assumed by the Government.

Nebraska.—We favor the placing of the silver dollar on its former footing with gold coin in our coinage law, with equal legal-tender qualities, and we denounce as unjust and dishonest the law recently enacted as a discrimination in favor of the gold coin for the benefit of the money power, and we further declare ourselves in favor of the free coinage of silver.

Nevada.—We declare for the free and unlimited coinage of standard silver dollars of the present weight and fineness, to be legal tender for all debts, public and private, equally with gold.

North Carolina.—The Democrats of North Carolina favor the free coinage of silver and an increase of the currency and the repeal of the internal-revenue system. * * * We demand the abolition of national banks and the substitution of legal-tender Treasury notes in lieu of national bank notes, issued in sufficient volume to do the business of the country on a cash system, regulating the amount needed on a per capita basis, as the business interests of the country expand, and that all money issued by the Government shall be legal tender in payment of all debts, both public and private.

Ohio.—We favor the free coinage of silver with its present ratio with gold.

Oregon.—We reaffirm the position which has ever been maintained by the Democratic party, that gold and silver are equally the people's money; we are opposed to all measures of discrimination against silver, and demand free coinage to supply the needs of business; and that all money issued by the Government be made legal tender for all debts, both public and private.

South Carolina.—We demand the abolition of national banks, and that legal-tender Treasury notes be issued in sufficient volume to do the business of the country on a cash system, and that all money issued by the Government shall be legal tender in payment of all debts, both public and private. * * * (We favor) the free and unlimited coinage of silver, the increase of currency, and the repeal of the internal-revenue system.

South Dakota.—That we are in favor of the full remonetization of silver, the free and unlimited coinage thereof, and the issuance of coin certificates based thereon, which shall be a full legal tender.

Tennessee.—We demand a currency of gold and silver, and also of paper convertible into coin at the option of the holder, and we demand the free coinage of silver on the basis originally fixed by law, and that it and the gold dollar shall be equally a unit of value.

Texas.—We are opposed to the continuance of the national banking system and demand the abolishment thereof as soon as by law the same can be done. * * * We are in favor of the free and unlimited coinage of silver, and indorse the action of our Senators and Representatives therefor.

West Virginia.—That the Democrats of West Virginia * * * declare that they are unalterably in favor of the free and unlimited coinage of silver.

Wyoming.—We demand the free coinage of silver, and we denounce the Republican party for the enactment of a law which makes it discretionary with the Secretary of the Treasury to demonetize silver.

The same year Prohibitionists in Arkansas, Colorado, Kansas, Michigan, Minnesota, Missouri, and Ohio adopted free-coinage resolutions, and independent voters in Iowa, Kansas, Minnesota, Nebraska, North Dakota, and South Dakota declared in favor of unlimited silver coinage.

Republicans in their national platforms in 1884 and 1888 adopted the following resolutions:

1884.—We have always recommended the best money known to the civilized world, and we urge that an effort be made to unite all commercial nations in the establishment of an international standard which shall be for all the relative value of gold and silver coinage.

1888.—The Republican party is in favor of the use of both gold and silver as money, and condemns the policy of the Democratic Administration in its efforts to demonetize silver.

That language was properly interpreted to mean free coinage of silver equally with gold. Republican writers and speakers so construed it. No other construction could fairly be put upon the words. Bimetallism means the use of two metals alike as a money standard—gold and silver as one. Republican voters so understood it, and they appealed to the country on that construction. The junior Senator from Colorado [Mr. WOLCOTT], in a speech delivered here on the 17th day of June, 1890, stated the case thus:

> The open and avowed views of ex-President Cleveland, while they convinced nobody apparently, either in the Democracy or out of it, were yet sufficient to paralyze the efforts of the friends of silver in both political parties to secure its full recognition. The day star of hope did not rise for us until the national convention of 1888. Then the Republican convention declared for silver. It seems droll now to recall the enthusiasm created in the far West in the last campaign. The Republican candidate for the Presidency had been in public life, but his utterances had not been many or particularly important. * * * But we hunted up the CONGRESSIONAL RECORD, and being ardent and sanguine, and our hearts being illumined with hope, many of us found here and there a phrase or a sentence which indicated a friendly feeling for silver. And we labored among the farmers in the valleys and on the plains and with the toilers in the mining camps in the mountain gulches and cañons with these as texts.

When it was proposed in 1890 to fasten upon the country the Sherman silver law, which I then predicted would disrupt the Republican party, and it will do so yet, our Republican friends in Kansas met in solemn convention and declared quite as solemnly that while the Sherman law was a step in the right direction, "we, the Republicans of Kansas, favor free and unlimited coinage of silver." So said my distinguished predecessor in this Chamber just a few days before his successor was elected.

You say we can not maintain the ratio of 16 to 1. Why not? Did we not do that thing about eighty years, and had anybody complained? Have we ever been compelled to call to our aid the assistance of our brethren on the other side of the Atlantic? We do not ask them to help us in our tariff affairs; we do not ask them to assist us in reference to any of our local matters. Now, when a great cry comes up from the people to restore to them the old law which was taken away from them without their knowledge and without their consent, some influence comes in between us and our lawmakers and says, "You shall not do this thing:" and we do not.

The proper thing for us to do was well stated a few days ago by the Senator from Idaho now in the chair [Mr. DUBOIS]: Place gold and silver upon the same plane; either restore the protection of the law to silver, or remove the protection of the law from gold, and the people do not care which you do.

So far as I am concerned, I had rather see all of our coinage laws wiped out, place gold and silver on the markets the same as we do wheat, and corn, and cotton; let the Government purchase every dollar's worth of both metals which is offered, and as long as the people want silver and gold to rest their paper upon, lay it away and let it rest as a basis without abrasion, and without counterfeiting, and without any sort of change whatever.

The time is not very far distant when the people will discover that they do not need any gold or any silver to base their paper upon; but so long as they want it, let them have it, and let them have all that the miners can dig out of the mountains, and base our paper upon that. I do not believe in the Government supplying individual persons with gold or silver, except that they may buy it the same as they would buy corn or wheat.

Oh, but you ask me, "How are you going to get along with your foreign trade; how are you going to supply the necessary gold to meet balances with foreign nations?" etc. I would do it just the same as I would do in relation to wheat and cotton and corn; I would let the hoarders go and buy it when they want it.

The other day an old friend came to me and said: "I have learned something; I have learned that there is no such thing as a money of the world. I have just sent my boy away on a trip to Europe. He is going to ride among those people there on his bicycle, and take a little exercise. I found, in order to procure money with which the boy could travel, I had to pay a discount. I had to run around from place to place, and finally I succeeded in obtaining what he could use when he got to a foreign country."

From the time when money was invented we have had money-changers and bankers, who have made it a business to supply the citizens of one nation with currency which will pass among the citizens of another nation. That is one of the legitimate functions of banking. Let these speculators procure their gold just the same as I procure my flour, or as my friend from Oregon [Mr. MITCHELL] procures his lumber. We go into the flour market and into the lumber market and pay for it in the money

of the country. If I am dealing with a citizen of Great Britain, I can easily procure the money which passes current in Great Britain when I get there.

I come now to a very interesting part of the subject, passing over some points which I intended to make, and that is the matter of fiat money. I regret that the distinguished Senator from Massachusetts [Mr. HOAR] is not present. Perhaps some Senator who takes the same view of monetary philosophy as he does will represent him. I hold in my hand a small bar of gold about 2 inches in length and one-third of an inch in width. It is standard gold, Mr. President, 22 carats fine, such as we put into our coins. It is pure, with the 10 per cent alloy, ready for mintage. It weighs exactly 258 grains. It is equal in weight with a gold eagle. Now, I ask any Senator upon this floor—and I am sorry, I repeat, that the Senator from Massachusetts is not here, for I wanted to submit the proposition to him, and I wanted to ask him to take this gold bar in his hand, and, being an honest man and a profound lawyer, to answer me the question:

If I owe to the Senator from Illinois [Mr. CULLOM] $10, can I compel him in law to accept this gold bar in payment of the debt? Can I compel any citizen to accept it in the payment of a debt? Is there any Senator upon the floor who is willing to risk an answer to that question? We all know what the law is, and we all knew yesterday, when we were discussing the bill concerning the national banks, what the law was, but nobody seemed willing to have it enforced. We all understand very well that this bar is not money in any sense of the word; yet Senators who insist upon the intrinsic value of money, and who quarrel over the word "fiat," say that the gold which is in our coin, not the coin itself, but the gold which is in it before it is stamped, is worth as much as the coined metal.

Now, I put the question before them in the presence of the American Senate, and I ask again, is there any Senator upon the floor who will say as a Senator that a piece of standard gold, thoroughly tested, weighing as much as the eagle, can be forced upon any creditor against his consent? Everyone will answer no, of course.

I place before you now a gold eagle, coined according to the law, of precisely the same weight and fineness of the bar I have shown to you. I ask you whether that coin can be forced upon any creditor? "Why," you say, "it does not need any forcing. The law of the land makes that legal tender, and no one would think of refusing it." Now, I ask the Senators why is it that the coin is money, and the gold bar is not?

I put the question so plainly that the wayfaring man, though a fool, can not err in the answer: What makes the coin money and the bar a commodity? The law, and only the law. The law alone makes money value.

This bar was made for me by a firm of jewelers in the city of Chicago. I sent the order through a jeweler of Washington. When it was returned I saw it weighed upon scales, so that I know the exact weight of the two pieces. There is a trifling difference—a hair or two only—between them, yet one is money, a full legal tender, and the other is not money, though of precisely the same weight, the same metal, and the same quality.

What, then, becomes of this theory of fiat money? The Senator from Massachusetts spoke about maintaining a fifty-cent dollar at a parity, insisting that 50 cents of the dollar was clear fiat; yet we are maintaining it at a parity, and we are forcing a fraud upon the people according to this argument.

I have here some of the old Continental notes [exhibiting] that there is so much talk about, which helped the boys out of their troubles during the war of the Revolution.

Under the authority of the Continental Congress not a legal dollar could go out, no taxes could be levied, no revenues could be collected, and yet this paper passed among the soldiers of the Revolution as money. It was different when we came to the war of the Rebellion. We then had a Government established, authorized to coin money and to regulate the value thereof, and we made our own money. I think a little more of the same medicine would be very acceptable to the people at this time.

Mr. COCKRELL. Does the Senator intend to have the form of those notes printed?

Mr. PEFFER. No, I had not thought about that.

Mr. COCKRELL. Why not let the form of them be printed in the RECORD?

Mr. PEFFER. The peculiar designs and the borders can not be reproduced without a good deal of trouble and expense; but I will state the form and dimensions of the several pieces and give the reading matter on their faces.

Number 1 is a rectangle, 2½ inches by 3¼ inches, and reads: "One-third of a dollar, according to a resolution of Congress passed at Philadelphia February 17, 1776."

Number 2 is 3 by 3½ inches, with bordering, and reads: "This bill entitles the bearer to receive six Spanish milled dollars, or the value thereof in gold or silver, according to a resolution of Congress passed at Philadelphia May 9, 1776."

Number 3 is in similar form and reading. It was issued from Baltimore, Feburuary 26, 1777, and is for $7.

Number 4 is for $8, issued from Philadelphia, September 26, 1778.

Number 5 is for $4. No place of issue is stated, but the date is January 14, 1779.

The reading of the several bills is nearly alike—"The bearer is entitled to receive * * * Spanish milled dollars, or the value thereof in gold or silver."

Number 5 reads: "* * * Spanish milled dollars, or an equal sum in gold or silver."

Mr. GALLINGER. I am extremely interested in the discussion on the part of the Senator from Kansas, and, if it will not interrupt him, I should like to propound one question for information.

Mr. PEFFER. Very good.

Mr. GALLINGER. I should like to ask the Senator what is the value of the gold bar which he has exhibited to the Senate?

Mr. PEFFER. I thank the Senator for the question. I had intended mentioning it, but forgot to do so. Among the jewelers this gold bar would bring $8.80.

Mr. GALLINGER. What is the value of the coin which the Senator exhibited?

Mr. PEFFER. It is $10.

Mr. GALLINGER. So that, after all, the Government stamp or the Government authority does not give the entire value to the coin?

Mr. PEFFER. Oh, no.

Mr. GALLINGER. And the gold bar is not fiat money?

Mr. PEFFER. The gold bar is not money at all, fiat or any other kind; but the coin is money, and it is fiat money. It says upon its face "$10." That is all. That is what the law says its value shall be, and there is no other way of gauging its value, Mr. President, but by the terms of the law. The law says it shall be of the value of $10.

Mr. BUTLER. May I make an inquiry of the Senator for information, for I was very much interested in the question of the Senator from New Hampshire?

Mr. PEFFER. Certainly.

Mr. BUTLER. I understood the Senator to say that the value of the bar is only $8.80. So the stamp of the Government increases its value $1.20.

Mr. PEFFER. Yes, sir. In connection with that, I do not wish to be understood as saying that the value of $8.80 is intrinsically in the metal, because that is not the truth. A large part of the measure of the value for commercial purposes is given to it by reason of the Government using such a large quantity of gold for money. More than 50 per cent of the gold product of the world is used for monetary purposes.

Take away the protection of the law, throw it upon the open market the same as you do silver, and it will go down like silver has gone down to the level of other property, and then we shall have justice done, and not until then.

Mr. MITCHELL of Oregon. There is 10 per cent of alloy in the bar?

Mr. PEFFER. There is—the same as in the coin.

Mr. MITCHELL of Oregon. There is 10 per cent of alloy?

Mr. PEFFER. It is nine-tenths fine.

Mr. MITCHELL of Oregon. Suppose there was no alloy at all in the bar, leaving the alloy in the coin, what would be the difference between the bar and the coin in value?

Mr. PEFFER. The jeweler gave me a statement showing how jewelers measure the value of their gold. It is done by carats per pennyweight. Pure gold is 24 carats fine, dividing the weight into pennyweights of 24 grains each. For every pennyweight of 8-carat gold, the worth would be 32 cents. For a pennyweight of 10-carat gold the value would be 40 cents; of 14 carats the value would be 56 cents; of 18 carats, 72 cents; of 22 carats (the coin standard), 88 cents; and of 24 carats, pure gold, the value would be 96 cents. I asked him, "When I bring this bar back to sell to the jeweler, what can I get for it?" and he replied, $8.80. Then he gave me a card showing how gold is valued by the jewelers.

Just one word, Mr. President, about bimetallism. It is a very indefinite term. I may be a bimetallist and yet believe in using silver for only the minor coins. I may be a bimetallist and be willing that silver shall be a legal tender to the extent of only $5. Upon the same principle I will be a trimetallist, because we use nickel as money—gold, silver, and nickel. By the same phi-

losophy I might be a quadrometallist, because we use gold, silver, nickel, and copper—four different metals. But the test of a bimetallist, from my standpoint, is, do you believe in the free and unlimited coinage of silver at the old ratio of 16 to 1?

In this bill there is a platform utterance at the end of the statutory provision which declares that it is the policy of this country to maintain a parity between the metals. That same platform utterance was enunciated in the Sherman law, that we propose to maintain a parity between the metals. Mr. President, we do not do anything of the kind. When we enacted the coinage law of 1873 we dropped the silver dollar utterly out of the list of coins. In 1878, when an attempt was made to restore the old law, we were put off with a compromise of $2,000,000 a month—not to exceed $4,000,000 a month—and the Treasury Department, with the advice, consent, and direction of the Chief Executive under both parties, gave us one-half the law and kept the other half away from us. Now, gentlemen may say what they please, this is an attempt to drive away from the people every vestige of legislation in favor of silver.

Ah, but you say, "We intend to keep the silver coin that we have at a parity." I do not know whether you do or not. I only know what you have done, and if you succeed in carrying through this legislation your next step will be utterly to demonetize silver. But if I be mistaken about that, if we can maintain a parity at one ratio we can do it at another.

I will now pass on very hurriedly, omitting a good many things I had intended to say, for the purpose of giving way for other matters. It is said that this will drive us to a silver standard. Suppose it does, who will be injured? Who will be benefited? I would much prefer that our business, if it has to be transacted upon a monometallic basis, be upon the basis of silver; and I think I can give very good reasons for it.

The nations of Europe, with whom a large part of our trade is conducted, are as to a great many articles compelled to pay a large tribute before they are permitted to land them upon our shores. We tax them upon their manufactured goods; we tax them upon their cloth, their wool and their cotton; we tax them upon their cutlery; we tax them upon their coal and upon their salt, and upon a great many other articles which our people are constantly using.

Instead of throwing open our doors wide for the trade of the world, we tax the trade of that portion of the world that to-day is most largely interested in the things we have to sell, and those are gold-using countries. We can get along without the trade of those countries, if we have to do it, so far as our manufactured goods are concerned. Here we have upon our southern border twelve States in South America; we have six States in Central America, and we have Mexico. There is a field for our manufactures, while on the other side of the Atlantic is a field for our farm products. I have been surprised at the character and drift of our legislation the last four or five years in that respect.

Our farmers are to trade in Europe, where we levy taxes upon their products, while our manufacturers are permitted or asked to trade in the South American states, where the people raise their own wheat, and their own corn, and their own cattle, and their own sheep, and their own wool. If we need tea or coffee that we can not produce in our own country, both are grown extensively in Brazil. If there are spices that we need, we can get them in the islands of the sea. If there is anything that we need, that our people do not produce, we can find it somewhere without landing a ship upon British, or German, or French soil.

All of the countries to which I have referred are silver-using countries. They would be ready at any time to unite with us upon an international monetary standard, while, if Mr. Gladstone speaks the truth—and we all think he does—we need never expect any international agreement with Great Britain upon any other basis than gold.

I would be willing to have an international conference for the purpose of agreeing upon a unit of value, that value to be based upon the common divisor of a large number of articles in general use among the people. Give to that unit of value a name, whatever it is, I care not what. Give it a name. Then let it be represented by a sign on paper which shall be an obligation of the government whose stamp it bears, and have no other kind of international agreement except one between the nations as nations. Let individuals settle their own balances in their own way and accommodate their trade to that condition of things; but as to a metallic basis or a local monetary system, I believe in having an American standard, an American system, just as we have in all the rest of our administration.

Mr. President, we are looking in the wrong direction for the primary cause of our trouble.

We are but infants at the beginning of the alphabet. "Standing as we do in the evening of the most fruitful century of human progress, looking backward over achievements grand in their scope, astounding in their numbers, and bewildering in their effects—discovery, invention, development in all departments of effort, change and improvement everywhere; and looking forward toward the dawn of a higher and broader civilization, with fresh discoveries of genius, and nobler reaches of mind, when we shall have happier conditions, with larger liberty, purer pleasures, and the enjoyment of more abundant leisure, strange it is that we are just beginning to study one of the most subtle and cunning agencies of human activity, operating in men's affairs as the alchemy of spring sets the forces of nature at work to bring forth verdure and flowers and move vegetation on toward the harvest time.

How strange that this should be true. That while we have changed our methods in all departments of industry and are now searching for new and better ways along every avenue of growth, we hold with an almost desperate grip to a money system that descended to us from the barbarism of the past. The time is at hand when we need improvement in our methods of providing and distributing this most convenient repository of values. The things which are bound up in the one word "money" are an innumerable host that no man can number, involving endless development of mind and thought and energy, perpetual progress and growth. As healthy blood imparts vigor and strength to the human body, so money in active circulation quickens the pulses of trade, encourages the toiling poor, gives employment to willing hands, and brings prosperity and peace to the people.

The great trouble with us arises from the simple fact (and I speak the words with emphasis) that we permit a few men to control our finances. Am I to be censured for suggesting this thought? Was Cyrus H. McCormick an outlaw because he invented a machine that laid the old grain cradle and the sickle in the shade? Was Watts to be excommunicated because he invented the eccentric wheel in the steam engine, or Stevens for inventing the elevator to carry wheat and flour from the lower floor to the upper one? Are the Cramps to be censured because they have brought down the cost of shipbuilding to a level with the mechanics on the Clyde? Are the men who propose changes by way of improvement to be ostracized because they ask that something new be tried? We have tested our financial system and find it wanting. Now, let us look about us and see if there is not something better. We are at the mercy of the usurers to-day, and the usurer is he whose bounty is toil, whose blessing is want, whose rule is poverty. His breath is pestilence, his presence is a perpetual menace to liberty and to every interest which men hold dear.

I have spoken about the repeal of the Sherman law. As that is not responsible for our misfortunes its repeal will add nothing by way of relief to the people, and, so far as I am concerned, it shall never be repealed unless in connection with the act repealing it we have the old coinage law of our fathers restored to the statute books.

In this time of trouble to whom shall we turn? Let us ask the people. What do they want? They ask bread and we offer them a stone. They ask for more money and we propose to give them less. They ask the loan of money and we close the banks. They ask for the use of their own funds now in bank and they are compelled to pay a premium. They ask for means to carry on their daily business and we permit the usurers to corner the currency, and we tell the banks to hoard all the lawful money they can get hold of and give out their own certificates to be used as money.

Who asks for the repeal of the Sherman law? Let the distinguished Senator from Indiana [Mr. VOORHEES] answer. The repeal of the Sherman law means, as was so well stated by the Senator from Missouri [Mr. VEST] a few days ago, a gold standard. It is said on the other side that they propose to maintain the present silver coins as money. I understand that very well; but you propose to measure them by a gold standard, and that is what we object to. Take away the protection of the law from gold and we are ready to meet you halfway; but until you do that we are on this side of the line with our faces to the front.

I wondered, when I heard the Senator from Indiana the other day, how it will appear in print when the historian comes to speak of the political apostacy of that distinguished Senator. He labored hard and eloquently to show that he has abandoned none of the views that the people understood him to entertain in the years gone by. I have quoted that distinguished man frequently upon the public platform. "Here is what Senator VOORHEES, of Indiana, said upon the floor of the American Senate," I said to the people. "We have one great apostle of liberty

in our ranks battling for the rights of the common people, that they may have their money restored to them." The Senator still insists that he is a bimetallist, but he is following in the lead of one who says all our obligations shall be paid in gold. He is following in the lead of one who says that silver coinage ought to be discontinued and not another silver dollar coined. He is following in the lead of men who are headed the other way; and, while grasping the hand of Wall street in one hand, they slap the people in the face with the other.

There can be but one construction put upon this whole proceeding. You are attempting to drive the country to the standard of the gamblers. That is what it means, Mr. President, nothing more or nothing less, stripped of all verbiage. I ask no better description of that class of men whom I have denominated gamblers than that used by the distinguished Senator from Indiana, for whom I have the highest personal regard.

Mr. President, when listening to that speech, and after reading it again in print that I might not be mistaken, it seemed to me that I could read the old story of Isaac and his boys. The old man's eyes had become dimmed and they played a trick on him. There was a skin of fur put upon his son's hands, and the old man heard his voice, and he said, "Come near, that I may feel whether this is all right. The voice," he says, "is Jacob's voice, but the hands are the hands of Esau." (See Genesis, 27, to verse 29.) The Senator is talking for the people, but he is voting with their enemies.

The next proposition is to increase the national bank circulation; and yet when I introduced a little innocent resolution in this body yesterday asking for information from the Treasury Department whether the banks were doing business in violation of law, immediately a storm in this Chamber arose which has spread its effect all over the country. It will reach out into every hamlet, into every lodge of the Knights of Labor, and into every assembly of the Farmers' Alliance; it will be discussed at the firesides of the people, by the threshing machines, by the forges, and in the mills. The people will wonder why that resolution was not adopted, in view of the fact that a bill was pending which proposed to give to the banks an additional $20,000,000 of notes to lend to the people. I have here the resolution which I submitted. It is as follows:

First. Whether, and in what respect, the national banks, or any of them, in the cities of Boston, New York, and Philadelphia are being now conducted in violation of law.
Second. Whether said banks are paying depositors' checks promptly in lawful money.
Third. Whether said banks, or any of them, are demanding rates of interest higher than those provided by law for the loan of money or in discounting notes and bills.

Now, Mr. President, I wish to say in this connection, lest I may not have the opportunity to do it again, that I made no charge against the Secretary of the Treasury nor the Comptroller of the Currency nor against anyone. It was common rumor that the banks of the country were violating the law; that they were refusing to honor the checks of their depositors; that they were issuing clearing-house certificates and compelling the people to use them as currency in their daily transactions. I simply wanted to have this matter officially contradicted, or I wanted to have the country know that there was some reason why it was permitted: that was all. I did not want to censure anybody. I believe that under the present condition of things the New York banks did just what they had to do to save themselves, under the circumstances. I believe the whole system is wrong.

Mr. McPHERSON rose.

Mr. PEFFER. The Senator will please pardon me until I get through on this point. I believe the whole system is wrong; but having brought us to this trouble, having the country and its business upon their backs, there was nothing left for them to do but to send out their clearing-house certificates, just as I have known merchants in the time of a currency famine to issue their own orders or checks to pass as currency among the people until the storm is over.

Mr. McPHERSON. Will it interfere with the Senator if I should ask him a question?

Mr. PEFFER. No, sir; it does not interfere with me.

Mr. McPHERSON. The Senator stated that it was common rumor that the banks were acting illegally. I should like to know if he expects the Comptroller of the Currency to dispute every common rumor that may appear in the newspapers or in the open air? Unless complaints should be made to the Comptroller of the Currency in a formal manner how is he to take cognizance of the matter and proceed as against common rumor?

Mr. PEFFER. In the discussion that we had here yesterday abundant reasons were shown——

Mr. ALLEN. Will the Senator yield to me for a question?

Mr. PEFFER. Certainly.

Mr. ALLEN. Is it not true that the assistant treasurer at New York is a member of the Clearing House Association at New York, and therefore the Treasury Department is charged with a knowledge of the violation of the law?

Mr. PEFFER. I have no doubt that there are members of this body and members of the other House who are members of the Clearing House Association in New York or some other city. I have no doubt that members of the Administration are bankers and members of clearing-house associations. But, Mr. President, this was not a charge against any of the officers. It was a simple request for information, and upon that point a quibble was raised yesterday as to the legal status of it.

The Comptroller of the Currency is placed in charge of the national banking law. It is his business to know when the law is violated. It is his business to understand the working of the banking system, just as a jeweller understands the working of a clock. During the great war, a part of the time at Fort Donelson, I was placed in charge of the stores belonging to the commissary department, and it was part of my business to sell supplies to the officers. There were many times that we could not effect the proper change, and in order to supply the want of a currency I simply wrote a little check with my name signed, as "Good for 10 cents—PEFFER"; and those checks circulated throughout all the camp month after month as money.

So in this case, all I wanted to know, all that the resolution asked for, was to know what is being done by the banks. Then we could determine what else ought to be done, if anything. I wanted the country to understand officially whether the banks of the great cities are using anything else than lawful money as currency. I wanted to know whether they are paying their depositors. I wanted to know whether they are charging unlawful rates of interest. I was satisfied that with the honor, the intelligence, and the capacity of the Secretary of the Treasury and his able assistant, the Comptroller of the Currency, they would understand just what the Senate wanted and would give us the actual facts.

Then it was my purpose, I will state very frankly to the Senate, that if it should be shown upon official evidence what was conceded upon this floor to be the truth, I would have an additional argument to urge upon the Senate for the destruction of that system, and after we have adjourned, having discharged our duty here, I might go before the people and show to them the defects of this system that has grown up under our fostering care; that was all. I did not expect to court-martial anybody or ask that any man be sent to prison. I wanted the facts, that the Senate might first have them, and that the country might have them next.

I have a table here showing the stock of money in the country on the 1st day of July, 1893:

Statement showing the amounts of gold and silver coins and certificates, United States notes and national-bank notes in circulation July 1, 1893.

	General stock, coined or issued.	In Treasury.	Amount in circulation July 1, 1893.	Amount in circulation July 1, 1892.
Gold coin	$513,743,623	$110,109,923	$403,633,700	$408,767,740
Standard silver dollars	419,332,450	362,302,707	57,029,743	56,799,484
Subsidiary silver	77,256,212	11,855,944	65,400,268	62,386,518
Gold certificates	91,041,189	1,071,170	92,970,019	141,238,339
Silver certificates	330,957,504	4,468,339	326,489,165	326,880,803
Treasury notes, act July 14, 1890	147,190,227	6,528,533	140,661,694	98,051,657
United States notes	346,681,016	25,805,333	320,875,683	311,814,840
Currency certificates, act June 8, 1872	12,365,000	430,000	11,935,000	29,830,000
National-bank notes	178,713,872	3,982,733	174,731,139	167,306,957
Total	2,139,281,093	526,554,682	1,593,726,411	1,603,073,328

Let us turn our faces to the people and give them, say, at least $250,000,000 now, and then after having done that we can talk about ratio a little while again.

We must have more money. There is not enough gold in the world to make money plenty at present rates of value. We must have silver in addition, and particularly for payments of comparatively small amounts. But there is not enough of gold and silver combined for use as money. We must have paper also, and there is not enough of gold and silver and paper money, all as one, now in use to supply the common need. As we can not suddenly increase our coinage to any great extent, we must resort to paper to supply immediate and pressing demands.

Here is an interesting table taken from Rothwell's "Universal Bimetallism:"

Monetary systems and approximate stocks of money in the principal countries of the world, 1891.

Countries and money systems.	Ratio of silver to 1 of gold.		Population in millions.	Stock of gold.	Stock of silver. 1=$1,000,000.			Uncovered paper.	Gross total.	Percentages.				Per capita.			
	Full tender.	Limited tender.			Full tender.	Limited tender.	Total.			Gold.	Silver.	Uncovered paper.	Total.	Gold.	Silver.	Paper.	Total.
United States, gold and silver	15.98	14.96	65	$654,000,000	498	77	575	$405,790,000	$1,634,790,000	40.00	35.18	24.82	15.93	$10.06	$8.85	$6.24	$25.15
United Kingdom, gold	.....	14.28	38	550,000,000	.....	100	100	50,000,000	700,000,000	78.57	14.28	7.15	6.82	14.47	2.63	1.32	18.48
France, gold and silver	15½	14.38	39	800,000,000	650	50	700	81,400,000	1,581,400,000	50.58	44.27	5.15	15.40	20.52	17.95	2.09	40.56
Germany, gold	15½	13.95	49.5	600,000,000	103	108	211	107,000,000	918,000,000	65.36	22.99	11.65	8.95	12.12	4.26	2.16	18.54
Belgium, gold and silver	15½	14.38	6.1	65,000,000	48.4	6.6	55	54,000,000	174,000,000	37.35	31.60	31.05	1.70	10.66	9.02	8.85	28.53
Italy, gold and silver	15½	14.38	31	93,800,000	16	34.2	50.2	163,470,000	307,270,000	30.46	16.33	53.21	2.99	3.02	1.62	5.27	9.91
Switzerland, gold and silver	15½	14.38	3	15,000,000	11.4	3.6	15	14,000,000	44,000,000	34.09	34.09	31.82	.43	5.00	5.00	4.67	14.67
Greece, gold and silver	15½	14.38	2.2	2,000,000	1.8	2.2	4	14,000,000	30,000,000	10.00	20.00	70.00	.19	.91	1.82	6.36	9.09
Spain, gold and silver	15½	14.38	18	40,000,000	120	38.6	158	100,000,000	298,000,000	13.42	53.02	33.56	2.89	2.22	8.78	5.56	16.56
Portugal, gold	15½	14.06	5	40,000,000	.....	10	10	45,000,000	95,000,000	42.10	10.50	47.40	.93	8.00	2.00	9.00	19.00
Austria-Hungary, gold	15½	13.69	40	40,000,000	90	.....	90	260,000,000	390,000,000	10.26	23.08	66.66	3.81	1.00	2.25	6.50	9.75
Netherlands, gold and silver	15½	15	4.5	25,000,000	61.8	3.2	65	40,000,000	130,000,000	19.23	50.00	30.77	1.26	5.55	14.44	8.89	28.88
Scandinavian Union, gold	15½	14.88	8.6	32,000,000	.....	10	10	27,000,000	69,000,000	46.38	14.49	39.13	.68	3.72	1.16	3.14	8.02
Russia, silver	15½	15	113	250,000,000	22	38	60	500,000,000	95,000,000	30.86	7.41	61.73	7.89	2.21	.53	4.42	7.16
Turkey, gold and silver	15½	15	33	50,000,000	.....	45	45	.....	107,000,000	52.62	47.37	.....	.93	1.52	1.36	.....	2.88
Australia, gold	15½	14.28	4	100,000,000	.....	7	7	.....	115,000,000	93.46	6.54	.....	1.03	25.00	1.75	.....	26.75
Egypt, gold	15½	15.68	7	100,000,000	.....	15	15	.....	57,000,000	86.95	13.05	.....	1.13	14.29	2.14	.....	16.43
Mexico, silver	16½	.....	11.6	5,000,000	50	.....	50	2,000,000	2,500,000	8.77	87.72	3.51	.57	.43	4.31	.17	4.91
Central America, silver	15½	.....	3	.....	.5	.....	.5	2,000,000	670,000,000	.....	20.00	80.00	.02	.....	.17	.67	.84
South America, silver	15½	.....	35	45,000,000	25	.....	25	600,000,000	190,000,000	6.72	3.72	89.55	6.53	1.29	.71	17.14	19.14
Japan, gold and silver	16.18	.....	40	90,000,000	50	.....	50	56,000,000	928,000,000	45.92	28.57	35.51	1.91	2.25	1.25	1.40	4.90
India, silver	15	.....	255	.....	900	.....	900	28,000,000	700,000,000	.....	96.98	3.02	9.03	.....	3.53	.11	3.64
China, silver	15	.....	400	.....	700	.....	700	.....	.....	.....	100.00	.....	6.82	.....	1.75	.....	1.75
The Straits	15	.....	.....	.....	100	.....	100	.....	100,000,000	.....	100.00	.....	.97	.....	.....	.....	.....
Canada, gold	15	14.95	4.5	16,000,000	.....	5	5	40,000,000	5,000,000	26.23	8.20	65.57	.59	3.56	1.11	8.89	13.56
Cuba, Haiti, gold	15½	.....	2	20,000,000	1.2	.8	2	40,000,000	2,000,000	32.26	3.23	64.51	.60	10.00	1.00	20.00	31.00
Total	.....	.....	.....	3,632,600,000	3,499.1	553.6	4,002.7	2,629,660,000	10,284,960,000	.....	.....	.....	100.00	.....	.....	.....	.....

Mr. President, the people are going on guard to-day. Their posts are in the farmhouses and in the dwellings of the poor, in the workshops, in the mines, in the forests, on the lakes and rivers, and along the highways of commerce. Their countersign is "loyalty to the Republic;" the Stars and Stripes is their flag; equal rights is their motto; Anglo-Saxon blood is their inheritance; freedom is their birthright, and to be rulers in their own country is their destiny.

Silver.

SPEECH
OF
HON. LEWIS SPERRY,
OF CONNECTICUT.

IN THE HOUSE OF REPRESENTATIVES,

Monday, August 21, 1893.

The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. SPERRY said:

Mr. SPEAKER, We have been called here in extraordinary session for the purpose of repealing a law the provisions of which have brought the country to-day into a panic the like of which we have not seen for twenty years.

For one, and speaking for the constituency which I represent I am in favor of the unconditional repeal of the purchasing clause of that law; and in making this statement I will not qualify it by saying that I am a free-silver man or that I am a bimetallist. Yet I believe I could say I come nearer to being a bimetallist than that wing of the Democratic party who stand here proclaiming that they are bimetallists and demanding the free coinage of silver upon a ratio which will not permit anything but silver to circulate in this country.

If we are to choose, Mr. Speaker, between the two standards, gold or silver (which seems to be really about the issue presented to-day), I announce that as between those two metals I am a gold man. I believe that this country can not undertake to carry a standard differing from that of the other great commercial countries of the world; that it can not undertake to maintain the free coinage of silver upon a ratio different from the commercial ratio in this country and in the markets of the world.

We have heard much, Mr. Speaker, about the demonetization of silver, which it is said was brought about in 1873 by stealth. We are told that members of both branches of Congress did not know what they were voting for when they voted for that act. I have read the history of that legislation; and, in my judgment, Mr. Speaker, it was a premeditated act. The proposition had been brought before Congress by several Secretaries of the Treasury during several previous years, and had been considered by two or three or four different Congresses before the bill was finally passed.

On this subject I desire to read briefly from the remarks of Hon. Mr. Kelley of Pennsylvania, then a member of this House, who stated the reasons why he favored a reminting law which should drop the silver dollar out of our coinage; and the reasons he then gave for that measure are precisely the reasons now urged by gentlemen here for restoring the silver dollar to wit, because existing conditions are supposed to operate favorably to Wall street, or the "money power." He urged as a reason for that legislation the fact that the bullion brokers of New York were making money out of the Government by the coinage of a silver dollar the intrinsic value of which was in excess of its coinage value. Mr. Kelley said:

It is a bill prepared at the suggestion and under the supervision of the Treasury Department, and now comes to us revised with much care by the Committee on Coinage, Weights, and Measures, exclusive of the chairman, his absence being accounted for by the reasons I have given.

Let me, Mr. Speaker, hastily point out some of the interests that are on this floor seeking to protect themselves by preventing the passage of this bill. One silver bullion dealer of New York, during the last Congress, admitted to the gentleman who is now acting as chairman of the committee in charge of the bill that under one defect in existing laws he was making at the cost of the Government from seventy-five thousand to one hundred thousand dollars a year. * * * His profits—and he is but one of those who are growing fat and greedy upon the defects in our mint laws—arise in this way: Our country, like every other civilized Government, should procure its own metal out of which to make subsidiary coinage.

Now, sir, every coin of ours that is not gold is subsidiary. Our silver dollar, half dollar, and every other coin that is not gold is subsidiary. As gentlemen seem to express surprise at this proposition I repeat that silver coin is subsidiary. The half dollar is not worth 50 cents. All other governments pay the expense of minting by the difference between the intrinsic value of subsidiary coins and the value at which they circulate and at which the government redeems them.

And such was the law of this country until, by a ruling of Mr. Guthrie, when he was Secretary of the Treasury, the Mint was ordered to receive silver from private individuals and coin it. Now, it so happens that a constituent of the gentleman from New York has been taking advantage of that ruling and deposited silver to be made into half dollars and other silver coins; and for every $2 worth of silver deposited by him he gets four half dollars and one 10-cent piece, or the equivalent thereof. He has, as he stated to my colleague [Mr. Hooper of Massachusetts] and myself, been doing a business of from eighteen hundred thousand to two million dollars per annum, giving him as profit an annual income equal to the salary of the President for the Presidential term. * * *

Again, sir, by a mistake in our law it has become impossible to retain an American silver dollar in this country except in collections of curiosities. They would, if coined in considerable numbers, be a source of enormous profit to the silver-bullion dealer of New York. Let me show you. The silver dollar required by our laws is worth 3¼ cents more than our gold dollar, and is worth 7 cents more than two half dollars. Now, sir, let us get back, as the gentleman desires, to specie payment before we legislate upon the mint laws, and you will have an interest of from one million to many million dollars a year here, with its lobby in and around the House to prevent the Government from the possibility of losing a few dollars by substituting copper-nickel for copper and copper-bronze coinage.

Every dollar we will then coin in silver will put from 3¼ to 7 cents in the pocket of the individual broker. Every half dollar for which he may deposit in silver and have it coined will yield him a profit of 2¼ cents.

Now, sir, is the Government of the United States to be made the prey of the people of the world in order to give large profits to a few silver bullion brokers in New York? For there is the whole question.—*Congressional Globe*, second session Forty-second Congress, page 2311.

Now, Mr. Speaker, that speech was made on this floor April 9, 1872—a year before the bill demonetizing silver was passed. We had no silver in circulation at that time because of the well-established law that unless the coinage ratio corresponds to the market ratio of the bullion, and with great nicety, it is impossible to circulate the two metals together.

Without pursuing further the history of the act of 1873, which has been so much referred to by gentlemen in this debate as having been passed by stealth, I will, as my time is limited, attach to my remarks in the shape of an appendix a historical account of the demonetization of 1873, as placed before the House in a speech by Hon. Abram S. Hewitt, when that charge was first made. I borrow this appendix from the Hon. JOHN SHERMAN, as appears in a speech made by him in the United States Senate June 5, 1890.

Mr. PENCE. Will the gentleman allow me a question?

Mr. SPERRY. Yes, sir.

Mr. PENCE. As the gentleman says he intends to incorporate as an appendix to his speech something which he is not going to present before the House, I ask him whether Judge Kelley of Pennsylvania, after the demonetization of silver, did not say, upon this floor, as reported in volume 7 of the CONGRESSIONAL RECORD, page 605, these words:

In connection with the charge that I advocated the bill which demonetized the standard silver dollar, I say that, though chairman of the Committee on Coinage, I was as ignorant of the fact that it would demonetize the silver dollar, or of its dropping the silver dollar from our system of coins, as were those distinguished Senators, Messrs. Blaine and VOORHEES. I do not think that there were three members of this House that knew it. * * * The Committee on Coinage, who reported the original bill, were able and faithful and scanned its provisions closely. As their organ I reported it; it contained provision for both the standard gold and silver dollar, and the trade dollar.

Never having heard till long after its enactment of the substitution in this Senate of the section which dropped the standard dollar, I profess to know nothing of its history; but I am prepared to say that in all the legislation of this country there is no mystery equal to the demonetization of the standard dollar of the United States. I have never found a man who could tell how it came about, or why. * * * I wish gentlemen to know what the bill was; it was a bill to reorganize the mints, and it was passed without allusion in debate to the question of the retention or abandonment of the standard silver dollar. * * * I was the chairman of the committee that reported the original bill, and I aver upon my honor that I did not know that it proposed to drop the standard dollar, and I did not learn that it had done so for eighteen months after the passage of the substitute offered by Mr. Hooper.

I simply ask the gentleman if Judge Kelley did not make that statement; and I ask him if it was not made just as I read it after the demonetization act of 1873 was passed?

Mr. SPERRY. Mr. Speaker, whether Judge Kelley made that statement or not, I am not advised. I understand that he afterwards was a prosilver man. I have read the words of Judge Kelley as they appear in the Congressional Globe. I hope the gentleman has read the words of Judge Kelley, to which he re- correctly, if he has fers, pretended to have read them at all.

But his question reminds me of a remark of Thomas H. Benton, when there was a resolution presented which was undertaken to be injected into one of the platforms about to be framed. It was refused in one shape and was afterwards sought to be put in in the shape of a resolution. Mr. Benton remarked that the resolution seemed to him to carry a stump speech in its belly. [Laughter.] It will, however, go into the RECORD as a part of my remarks; and I do not think it will do harm to the facts of the discussion, either as claimed by him or by me.

But, Mr. Speaker, however that may be, what I have quoted as the language of Judge Kelley is unquestionably true, that the silver dollar was worth a premium, and because of that fact it was not circulating in this country, and because it would not circulate it was dropped out of our coinage for the reason that the Government was a loser on every dollar that it issued. Now, if it be true, as Judge Kelley said, that a single broker made seventy-five to one hundred thousand dollars a year under a free-coinage system which showed him a margin of profit of 5 cents on the dollar, will the gentleman tell me how much the bullion brokers of New York and the bullion producers of Colorado will make when they are allowed to bring their products to the mints in silver bullion and take out dollars, worth only 55 cents on the dollar, as bullion? [Applause.]

But what I want to emphasize in that connection, and all I wish to emphasize, is this: That it is the history of every people and the history of all time that free coinage with unlimited tender must be accompanied in its ratio with an exact correspondence in value to the commercial ratio of the metal out of which the coinage is made. And I refer gentlemen to the debates which took place in Congress in 1834, when we rearranged the ratio between gold and silver and raised it from 15 to 16.

I suggest to our free-coinage friends in that connection the fact, as related by Thomas H. Benton in his Thirty Years' View—and, Mr. Speaker, I wish to present to my free-coinage friends the fact as he presented it in his work—that they, the parties, were divided here before the House as to whether the ratio should be 15½ or 16. With so great an exactness must you bring your statutory ratio to the market value of the bullion that the two parties divided in 1834 as to whether that ratio should be 15½ to 1 or 16 to 1.

And yet gentlemen on this floor bring forward their propositions of free coinage on ratios running all the way from 16 to 1 up to 20 to 1, and everyone is invited to take his choice, as though it would not make the slightest difference what he chose, provided only he chose something that was agreeable to his district. [Laughter and applause.] It reminds me, sir, of the country schoolmarm—and I think she belonged to Missouri [laughter]—who presented herself for examination before a committee as a candidate to teach a school, and the committee asked her if the world was round or flat? Her reply was that upon so great a question as that, of course, she should not be expected to have an opinion of her own. [Laughter.] She said, "In different districts in which I have taught I have found a great diversity of opinion among the people on that subject, and I have always made it my practice to teach it either way, just as the parents prefer." [Laughter and applause.]

So, Mr. Speaker, with our friend from Missouri who leads the free-coinage debate in this House: He brings to this body an assortment of ratios and he invites members on the floor to look over his assortment and pick out the one that in their judgment will be most acceptable in their district. But there is one wide difference to be made between the Missouri schoolmarm and the Missouri Congressman in that the schoolmarm was right half the time, and there is not a single one of these ratios brought forward by the Missouri Congressman that is right any time. Laughter and applause.] The highest ratio is 20 to 1, which makes the silver dollar worth about 80 cents.

I have from the Director of the Mint a statement as to the amount of bullion bought by the Government under the two acts of 1878 and 1890, and it appears from that statement that the Government has already lost, or that there is a depreciation in value of the metal, and the people have lost, or somebody has lost, by this depreciation between the price at which the Government bought and its bullion price, which I think two or three days ago was 75 cents an ounce, the sum of $119,274,583.

Is it any wonder, sir, that this great country running upon a financial system which shows such loss as that, with no gold reserve provided under either the statute of 1878 or 1890, compelled to go into the market and purchase silver, and powerless to stop the downward tendency of silver, is it any wonder that the country should be alarmed at the great exportation of gold going on since January 1, and begin to suspect not only their currency system, but even the solvency of the Government itself?

Now, it has been suggested, and that is one of the great arguments that has been offered, sir, that we need more money. I will submit a statement prepared by the Secretary of the Treasury, showing the amount of money in circulation from 1860 to 1892, inclusive:

Statement showing the amounts of money in the United States, in the Treasury and in circulation, on the dates specified.

Year.	Amount of money in United States.	Amount in circulation.	Population.	Money per capita.	Circulation per capita.
1860	$442,102,477	$435,407,252	31,443,321	$14.06	$13.85
1861	452,005,767	448,405,767	32,064,000	14.09	13.98
1862	358,452,079	334,607,744	32,704,000	10.96	10.23
1863	674,867,283	595,394,038	33,365,000	20.23	17.84
1864	705,588,067	669,641,478	34,046,000	20.72	19.67
1865	770,129,755	714,702,995	34,748,000	22.16	20.57
1866	754,327,254	673,488,244	35,469,000	21.27	18.99
1867	728,200,612	661,902,069	36,211,000	20.11	18.28
1868	716,553,578	680,103,661	36,973,000	19.38	18.39
1869	715,351,180	664,452,891	37,756,000	18.95	17.60
1870	722,868,461	675,212,794	38,588,371	18.73	17.50
1871	741,812,174	715,889,006	39,555,000	18.75	18.10
1872	762,721,565	738,309,549	40,596,000	18.79	18.19
1873	774,445,610	751,881,809	41,667,000	18.58	18.04
1874	806,024,781	776,083,031	42,796,000	18.83	18.13
1875	798,273,509	754,101,947	43,951,000	18.16	17.16
1876	790,683,284	727,609,388	45,137,000	17.52	16.12
1877	763,053,847	722,314,883	46,353,000	16.46	15.58
1878	791,253,576	729,132,634	47,598,000	16.62	15.32
1879	1,051,521,541	818,631,793	48,866,000	21.52	16.75
1880	1,265,929,197	973,382,228	50,155,783	24.04	19.42
1881	1,403,541,823	1,114,238,119	51,316,000	27.41	21.71
1882	1,480,531,719	1,174,290,419	52,495,000	28.20	22.37
1883	1,643,489,816	1,230,305,086	53,693,000	30.60	22.91
1884	1,705,454,189	1,243,925,969	54,911,000	31.06	22.65
1885	1,817,658,336	1,292,568,615	56,148,000	32.37	23.02
1886	1,808,559,694	1,252,700,525	57,404,000	31.50	21.82
1887	1,900,442,672	1,317,539,143	58,680,000	32.39	22.45
1888	2,062,955,949	1,372,170,870	59,974,000	34.39	22.88
1889	2,075,350,711	1,380,361,649	61,289,000	33.86	22.52
1890	2,144,226,159	1,429,251,270	62,622,250	34.24	22.82
1891	2,100,130,092	1,500,067,555	63,975,000	32.83	23.45
1892	2,219,719,198	1,603,073,338	65,320,000	33.88	24.47

NOTE.—The difference between the amount of money in the country and the amount in circulation represents the money in the Treasury.

As a matter of fact we never had so much money in circulation as we have now. In 1873 we had $751,881,809. In 1892 we had $1,603,073,338, or, stated per capita, in 1873 we had $18.04 per capita and in 1892 we had over $24.47 per capita. Now, if it be true, as has been argued by different men upon this floor, that abundance of money makes high prices, I beg that some of these gentlemen who hold to that view will tell us, if abundant money makes high prices, why it is that prices have been continually falling, while our money, per capita and in total, has been constantly rising since 1873.

As a matter of fact it is impossible to prove that because the gold dollar buys more of certain commodities to-day than it did formerly, that therefore the gold dollar has appreciated. There are other considerations to be taken into account. There is the fact that prices have declined in silver-using countries and in gold-using countries alike. If the argument were true that silver would make good prices, then it ought to be true that in silver-using countries prices have not fallen.

Upon the other hand, it is true that all over the world in the last twenty years, and perhaps longer, most of the commodities which a person needs have fallen. Wheat, cotton, and all the products of machinery, by reason of the improvements in machinery, by the reduction in the cost of transportation, by the reduction in interest charged, have fallen, not only in this country, but in every country. Prices have fallen in accordance with the law of supply and demand, and not because, as gentlemen have suggested, that we have not sufficient money.

Upon that point I will read briefly from the work of the Hon. David A. Wells upon Recent Economic Changes, page 115. Speaking of the fall of prices he says:

A further fact of the highest importance, and one that is not disputed, is that no peculiarity of currency, banking, or standard of value, or form of government, or incidence and degree of taxation, or military system, or condition of land tenure, or legislation respecting trade, tariffs, and bounties, or differences in the relations between capital and labor in different countries, have been sufficient to guard and save any nation from the economic disturbances or trade depression which has been incident to such changes in prices.

But, Mr. Speaker, there is one item in the account which has not fallen in the last twenty years, and that is the wage of the daily workman. I will submit as a part of my remarks the report from the Finance Committee of the Senate to the last Congress as to prices and wages, which are stated, not in dollars and cents, but in percentages.

Relative wages and prices in gold in all occupations, 1840-'91.

[Simple average of all the returns, taking the wages of 1860 as 100. From report of Senate Committee on Finance on wholesale prices, wages and transportation. Report 1394, part 1, Fifty-second Congress, second session, pages 9 and 14.]

Year.	Prices.	Wages.	Year.	Prices.	Wages.
1840	116.8	87.7	1866	136.3	108.8
1841	115.8	88.0	1867	127.9	117.1
1842	107.8	87.1	1868	115.9	114.9
1843	101.5	86.6	1869	113.2	119.5
1844	101.9	86.5	1870	117.3	133.7
1845	102.8	86.8	1871	122.9	147.8
1846	106.4	89.3	1872	127.2	152.2
1847	106.5	90.8	1873	122.0	148.3
1848	101.4	91.4	1874	119.4	145.0
1849	98.7	92.5	1875	113.0	140.8
1850	102.3	92.7	1876	104.8	135.2
1851	105.9	93.4	1877	104.4	136.4
1852	102.7	90.8	1878	99.9	140.5
1853	109.1	91.8	1879	96.6	139.9
1854	112.9	95.8	1880	106.9	141.5
1855	113.1	98.0	1881	105.7	146.5
1856	113.2	99.2	1882	108.5	149.9
1857	112.5	99.9	1883	106.0	152.7
1858	101.8	98.5	1884	99.4	152.7
1859	100.2	99.1	1885	93.0	150.7
1860	100.0	100.0	1886	91.9	150.9
1861	100.6	100.8	1887	92.6	153.7
1862	114.9	100.4	1888	94.2	155.4
1863	102.4	76.2	1889	94.2	156.7
1864	122.5	80.8	1890	92.3	158.9
1865	100.3	66.2	1891	92.2	160.7

From that report, made up with the greatest care, it appears that the daily wage of the laborer has increased since 1840, and the monetary system of the country has not, except temporarily and in a small way, affected the continual rise in daily wages.

Now let me suggest to some of my friends on the other side of this question, if it be true that gold has appreciated in respect of certain commodities, it is also true that gold has depreciated in respect of the amount of labor which it will buy; because you can not to-day buy as much labor for a gold dollar as you could in 1873, when silver was demonetized. Therefore, I say that those who favor the gold standard can just as well and with as great propriety, or even greater, claim to this House and to the country that gold has depreciated, as that gold has appreciated. The change has been in favor of the man who labors.

Mr. COX. Will the gentleman allow me to ask him a question?

Mr. SPERRY. With the greatest of pleasure.

Mr. COX. You are speaking there of the average day laborer and his compensation for a day's work. Will you be kind enough to state to the House what is the average that you have there, for a laboring man, for a day's work.

Mr. SPERRY. I have stated that the committee did not report it in dollars and cents. It is reported as a matter of percentage.

Mr. COX. Will you state to the House the average amount of compensation that the laborer gets in your State per day?

Mr. SPERRY. I have not seen any authentic statement that I can now call to mind, and I would not undertake to state it precisely. Skilled labor, perhaps, $2.50 per day, and unskilled, perhaps, $1.25—sometimes as low as a dollar.

Mr. COX. That is in your State?

Mr. SPERRY. The labor in my State is almost exclusively white labor.

Mr. COX. I do not suppose the gentleman would make a difference in labor on account of color.

Mr. SPERRY. There might be a difference in the price. I have understood that in the South labor was very much cheaper than that; and it was testified before the Ways and Means Committee of the Fifty-first Congress that they could hire abundant labor in the South at 65 cents per day. My impression is you can not hire labor in my State at that price.

Mr. BAILEY. According to skill, and not color.

Mr. COX. Certainly, according to skill, and not color.

Mr. SPERRY. In 1860, upon the percentage as presented in the report, labor stood at 100. In 1891, the wages stood at 160 and applying the line of reasoning which even my friend from Tennessee [Mr. Cox], will apply it to himself, it may be, upon that item at least, gold has depreciated since 1873; yes, even since 1860, because gold to-day will not buy as much labor at it did twenty years ago; it is better for the laboring man, and I will say hereafter, more emphatically than I do now, that the standard which the laboring man ought to have is the gold standard.

Thomas H. Benton, in debate on this subject in 1834, speaking of gold, says that "he fully concurred with the Senator from South Carolina [Mr. Calhoun] that gold, in the United States, ought to be the preferred metal: not that silver should be expelled, but both retained; the mistake, if any, to be in favor of gold instead of being against it."

Mr. Benton's best efforts were directed to giving to American yeomanry the best dollar that could be made, and he recognized the fact that a false mint ratio undervaluing gold had driven it from the country. He counseled, therefore, that the friends of gold should set to "work at the right place to effect the recovery of that precious metal which their fathers once possessed—which the subjects of European kings now possess—which the citizens of the young republics to the South all possess—which even the free negroes of San Domingo possess—but which the yeomanry of this America have been deprived of for more than twenty years, and will be deprived of forever, unless they discover the cause of the evil and apply the remedy to its root."

Mr. SIMPSON. I understand the gentleman to say that returning to the gold standard will not decrease the wages of labor, because the laborer will be able to purchase more with that dollar, and therefore get more for his labor?

Mr. SPERRY. I did not say so, but I think that is the fact.

Mr. SIMPSON. Now, is it not a fact that a man who is engaged in farming is a laborer; and if it is a fact, and I think it has been clearly proven, that a decrease in the amount of the circulating medium decreases the value of the products of the farm, does it not decrease the wages the farmer receives for his labor? I would like the gentleman to explain that.

Mr. SPERRY. I understand by laborer, not a man only who labors with his hands, for we all labor, even the gentleman from Kansas labors at times on the floor of this House, for I have seen him here when I thought he was laboring hard. [Laughter.] But the laborer under the common acceptation of that term is the man who sells his labor for hire as distinguished from the employer. The farmer is a man who is supposed to own his own farm and is the master of his own time. A laborer is not the master of his own time, and too often is not the master of his own wages. [Applause.]

Mr. SIMPSON. I want to ask the gentleman to explain the farmer's interest as a laborer and not according to his capital. I want to ask you if it is not a fact that a farmer who labors on his farm does have his wages greatly reduced if the price of the products of his farm is reduced by a decrease in the circulating medium, and as the wages of his labor is decreased does not that affect his interest?

Mr. SPERRY. If I understand the gentleman from Kansas correctly, it is this: He wants silver and cheap money in great

abundance in order to benefit some particular class, to wit, the farming class.

Now, if the gentleman wants me to assume what may be the effect of a certain statute passed under these circumstances I can not tell him; but I can tell him this: That if it be true that silver will make wheat higher, it is equally true that silver will make bread higher; and there are more bread eaters in this country than wheat-raisers. [Applause.] And I will answer the gentleman further in that connection, too. If the gentleman expects that by cheap money and its great abundance he is to realize more for his wheat, I will say that not only every laborer who eats bread, many of whom I am sorry to say hunger for bread at this time, will not be able to buy more of the bread he eats because unable to get more for his daily wages at which he is paid in silver. [Applause.]

Mr. SIMPSON. Now, if the gentleman will allow me, I will say he entirely misconstrues my meaning. I do not want to establish cheap money. I want to keep the contract as it is, and not take half of the money out of circulation. I want to have sufficient of it to see that the contract is carried out as made, and that you shall not, by a return to the single gold standard, so decrease the currency and so decrease prices as to make farming more unprofitable, because the gentleman knows that profitable farming has already ceased.

Mr. SPERRY. Let me suggest to the gentleman from Kansas that his conclusions might be correct, if he only in his premise made a correct assumption. Let me tell the gentleman from Kansas that this is no single-standard affair and decrease of the currency; and let me tell the gentleman from Kansas that in 1873, when silver was demonetized, up to that time the entire silver coinage of the country was barely $8,000,000, and to-day, in round numbers, it is $500,000,000, worth 55 cents apiece. [Applause.]

The gentleman talks about discharging contracts in the way they were made. The contracts chiefly were made for the payment of gold. That is absolutely true of all the outstanding bonds. Now, when the gentleman comes here to say that the debtor class is to be benefited by enacting into law this cheap-money craze which is now passing over the country, let me suggest to him that in trying to better the debtors he must, if his theory holds good, injure the creditors.

Mr. SIMPSON. Just one thing more——

Mr. SPERRY. Just, just one thing more. If the gentleman will keep still I will give him something more. [Laughter.] The bonded railroad indebtedness of this country is over $5,000,000,000, in addition to which there is a current indebtedness and a floating indebtedness. The railroads, which the gentleman from Kansas and all of his kind so much hate, and against which they have so thoroughly legislated, as far as they could—it is for their benefit that the gentleman from Kansas stands upon this floor to tell the country that he desires to relieve the debtor class by issuing cheap money. He proposes to relieve the railroads of a large proportion of their five or ten billions of indebtedness, because they are the largest debtors, and it is hard for them to carry their burden.

Who owns those bonds? They are owned by individuals who, if you consider the equity of the matter, can not as well afford to lose the money as the railroads can to pay it. In my own State we have on deposit in our savings banks $122,000,000. That is invested in part in railroad bonds and in other part in mortgages upon improved real estate paying rent throughout the State.

Now, if I understand correctly the argument of the gentleman from Kansas it is, that the men who borrow money from the savings banks are the debtor class and ought to be relieved; those who owe the railroad bonds, the men who own the real estate and collect the rents, they are the debtor class, and ought to be relieved

But who are you going to have contribute to this fund to relieve those debtors? I have stood at the counters of the savings banks in my State when the laboring man, his hand calloused inside with the tools of his trade, has come in to deposit a portion of his weekly stipend as a provision for "a rainy day," or to provide himself a home in the future. They are the creditor class whom you propose to have contribute to the relief of railroad corporations and men who own real estate.

And let me here say that the average of the deposits in our savings banks is less than $400; there are more than 300,000 depositors, and now the gentleman from Kansas proposes to come in here with his cheap money and repudiate half the debts in the country, to the end that the men who owe them, the men who own improved real estate and the railroads, who have issued bonds—to the end that they may be relieved; and he proposes to make the laboring men and women of Connecticut contribute $60,000,000 out of their hard-earned savings for such relief!

Mr. Speaker, if the gentleman wants to relieve the debtor class, and if the debtors want relief, let us pass a bankrupt law, and then we can get at the individual equities; but let us not pass a general repudiation law that does not take into account either the ability or the disposition of any man to pay his debts.

Mr. SIMPSON. I understood the gentleman to say that the bonds were payable in gold.

Mr. SPERRY. What bonds does the gentleman refer to?

Mr. SIMPSON. The United States bonds.

Mr. SPERRY. I did not say so.

Mr. SIMPSON. Neither the United States bonds nor the railroad bonds are payable in gold.

Mr. SPERRY. Neither?

Mr. SIMPSON. There may be individual cases where railroad bonds are payable in gold, but a large majority of them are not. As to the United States bonds, they are payable in "coin," and if you take silver out of circulation you deprive the people of one-half of the resources which they now have to pay those bonds.

Now, in regard to the savings banks which the gentleman speaks of, does he not know that the average deposit throughout the country is $93 per capita? And does he not know, further, that the laboring classes are more interested as investors in real estate, as owners of their homes, than they are in the $93 that they have in the savings banks?

Mr. GEAR. I will say to the gentleman from Kansas that a large proportion of the railroad bonds—over 80 per cent, I think—are payable, principal and interest, in gold.

Mr. SPERRY. When the effort was made on the part of the Government to refund its bonds the only standard coin in this country was gold. We had no silver. There was silver talk—perhaps some of it in Kansas. [Laughter.] There was talk at that time on the part of gentlemen who wanted fiat money. I believe the gentleman from Kansas [Mr. SIMPSON], who has interrupted me so often, wants fiat money now.

Mr. SIMPSON. The gentleman is entirely correct. I want fiat money. I do not understand that there is any other kind of money than fiat money—money to which its value is given by the edict of the law.

Mr. SPERRY. A gentleman from Kansas in the last Congress came before a committee of this House advocating paper money which should not be even a promise to pay, which should not even profess to be redeemable, which anybody could obtain who wanted it—money put out by the Government which should never bear more than 2 per cent interest, and anybody who tried to get more than 2 per cent was to be imprisoned.

This money, instead of being a promise to pay, was to declare on its face "this is a dollar." Such money might be good money in Kansas; but outside of Kansas, I think not. It reminded me of the picture which a boy drew on his slate at school and then wrote under it, "this is a horse," because nobody would know it was a horse without this information. So no one could recognize the money which the gentleman from Kansas would have unless there were printed right on the face of it "this is a dollar."

The gentleman has said that the bonds of the Government were not payable in gold. Technically they were not; equitably and in good conscience they were, because when the Government tried to place the bonds we had nothing but gold as a standard of money. But the talk of cheap money, which was even then rife in the atmosphere, had so scared the people, who were hesitating whether they should accept the bonds that Mr. French, of New York, who, I understand, was one of a syndicate assisting the Government in refunding the bonds, wrote to the Secretary of the Treasury inquiring whether the bonds were payable in gold. I will read the letter of enquiry, and the Secretary's reply:

No. 94 BROADWAY, NEW YORK, *June 18, 1877.*

DEAR SIR: * * * If we are to have silver dollars with unlimited tender of free coinage, then, it is said, as silver coin is receivable for duties, from necessity both interest and principal of the public debt must be paid in silver. Gold will disappear: the new market will advance the value of silver for a time to the disappointment of the advocates of depreciation, but when under the vast supplies of the world silver again declines, we perpetuate a depreciated and fluctuating currency with all attendant evils.

And if, while restoring silver, we still pay gold on the bonded debt, the discrimination continues between bondholders and other creditors, odious and inviting constant assaults against a "favored class."

There should be one and the same dollar for the bondholder, for every other creditor, public or private, and for every workingman—and that the dollar of uniform, stable value throughout the world, now of the greatest purchasing power—gold.

And it is the people—the producing class, the workers—who have the greatest interest in restoring the gold standard, and not bondholders nor mine-owners; not merchants, bankers, and middlemen, for all these protect themselves, whatever comes.

We seem to repeat the experience of ten years ago, when it was urged on technical grounds that 5-20s were payable in paper, whereby our credit was greatly impeded. It was not until May, 1869, after the passage of the credit act, that the great advance in United States bonds marked the sound policy of that honest measure.

So now, while your proposition limiting the issue will preserve the public faith, those who wish a depreciated dollar will be satisfied with nothing less.

Therefore, while the public mind is yet unformed, we need an emphatic

declaration which will crystallize honest and intelligent sentiment, that by no quibble will the Government undertake to repay in silver the sums it now seeks to borrow in gold.

Then is the success of the 4 per cent loan assured, and with that resumption in 1879.

With great respect,

F. O. FRENCH.

Hon. JOHN SHERMAN, *Washington, D. C.*

To the above inquiry the Secretary of the Treasury made the following reply:

TREASURY DEPARTMENT.
Washington, D. C., June 19, 1877.

SIR: Your letter of the 18th instant, in which you inquire whether the 4 per cent bonds now being sold by the Government are payable principal and interest in gold coin, is received. The subject, from its great importance, has demanded and received careful consideration.

Under the laws now in force there is no coin issued or issuable in which the principal of the 4 per cent bonds is redeemable or the interest payable except the gold coins of the United States of the standard value fixed by laws in force on the 14th of July, 1870, when the bonds were authorized.

The Government exacts in exchange for these bonds payment at their face in such gold coin, and it is not to be anticipated that any future legislation of Congress or any action of any department of the Government, would sanction or tolerate the redemption of the principal of these bonds or the payment of the interest thereon in coin of less value than the coin authorized by law at the time of the issue of the bonds, being the coin exacted by the Government in exchange for the same.

The essential element of good faith in preserving the equality in value between the coinage in which the Government receives and that in which it pays these bonds will be sacredly observed by the Government and the people of the United States, whatever may be the system of coinage which the general policy of the nation may at any time adopt.

This principle is impressed upon the text of the law of July 14, 1870, under which the 4 per cent bonds are issued, and requires, in the opinion of the executive department of the government, the redemption of these bonds and the payment of their interest in coin of equal value with that which the Government receives from its issue.

Very respectfully,

JOHN SHERMAN, *Secretary.*

FRANCIS O. FRENCH, Esq.,
94 Broadway, New York.

Mr. BAILEY. I desire to say to the gentleman that the act to which he refers was passed in 1870, when silver was worth more than gold, and when silver was as much the money of the country as gold.

Mr. SPERRY. The gentleman is quite right. But most of the bonds were put out before 1878, the demonetization act having already been passed; specie payments had not been resumed. Some were put out after that and taken by the purchasers upon the suggestion of the Secretary of the Treasury, as above stated, that they would be paid in gold.

I will say further to the gentleman from Texas that in every case those bonds were paid for in gold—the Government received gold for them. We were then trying to get onto a specie-paying basis, a gold basis. We did get onto a gold basis and we ought to have stayed there.

If the gentleman from Kansas or the gentleman from Texas wants bonds paid kind for kind, that will suit me to a letter When gentlemen allow the Government or other institutions or corporations to pay kind for kind, they will pay in gold.

Mr. BAILEY. They ought to pay according to the contract.

Mr. BOATNER. The gentleman from Connecticut should understand that those who advocate free coinage do not advocate "cheap money;" we advocate dollars of equal value. Now, does the gentleman advocate the passage of this bill on the ground that it will make better money than we now have?

Mr. SPERRY. That is precisely the ground upon which I advocate the passage of this bill, and the stoppage of the accumulation of any more 55 cent dollars, unless you place behind those dollars the gold standard which is behind the paper dollar. In the absence of such a standard behind these two currencies, the silver dollar is worth intrinsically 50 cents, and the paper dollar is not worth anything; that is the difference.

[Here the hammer fell.]

Mr. BAILEY. I ask unanimous consent that the time of the gentleman from Connecticut be extended so as to allow him to conclude his remarks.

Mr. TRACEY. Of course I would be delighted to have the gentleman from Connecticut proceed without limitation; but it seems to me some restriction of time should be fixed, because there are gentlemen who desire to follow.

Mr. BAILEY. I will withdraw my request if the gentleman from New York [Mr. TRACEY] objects.

Mr. TRACEY. I simply suggest that the time be not extended indefinitely, so as to interfere with the right of gentlemen who are to follow.

A MEMBER. Say fifteen minutes.

The SPEAKER *pro tempore* (Mr. RICHARDSON). Unanimous consent is asked that the time of the gentleman from Connecticut be extended indefinitely.

Mr. TRACEY. I object.

The SPEAKER *pro tempore*. Objection is made.

Mr. TRACEY. But I am perfectly willing——

The SPEAKER *pro tempore*. The gentleman can not object conditionally.

Mr. TRACEY. Then I withdraw my objection.

Mr. COX. I would be perfectly willing to yield the gentleman five minutes of my time.

The SPEAKER *pro tempore*. Is there further objection to extending the time of the gentleman from Connecticut indefinitely? The Chair hears none.

Mr. SPERRY. Now, will the gentleman from Louisiana [Mr. BOATNER] proceed with his question?

Mr. BOATNER. I wish to know whether you desire that your constituents who have loaned their money to the constituents of the gentleman from Kansas shall be paid in a better money than they have loaned; and if so, how much better?

Mr. SPERRY. Not at all.

Mr. BOATNER. Then, if this money has been loaned upon a bimetallic basis, upon the issue of both gold and silver, on what ground of equity or justice does the gentleman ask that the lenders of that money shall be repaid in money based exclusively upon a gold standard?

Mr. SPERRY. My first anxiety in this connection is the public credit. We have been on an exclusively gold basis since 1834, as the gentleman well knows; and my heart's desire and prayer to God is that no free-coinage men, or not enough of them at least, may rise up in this House to attack the public credit of the United States, which for the last twenty years has been equal to the credit of the strongest power in the world. And when the gentleman comes here to advocate a dollar worth intrinsically only 55 cents, which the Government can not under the injunction of the Sherman act maintain at a parity with gold in any such a quantity as is now being accumulated, I say first of all let us be patriotic and maintain the public credit by stopping the further accumulation of dollars of that character. [Applause.]

Mr. BOATNER. Will the gentleman yield for a further question?

Mr. SPERRY. Wait a moment. I have not answered your other question yet. If the gentleman asks a question he must take the answer.

My further suggestion is that the money that has been loaned in Connecticut has been loaned with the conviction and belief, as they had a right to believe, in the public credit. It was loaned either in gold or in money equal to gold in valuation, and now all we ask is that the legislation of this Congress shall be such that the two metals, so far as they have been accumulated in the Treasury of the United States, that the two dollars, the white and the yellow, shall continue each to the other to be of equal value.

Mr. BOATNER. Can the gentleman point to an instance anywhere in any part of the United States, and I might say anywhere in the commercial world as well, where the silver dollar did not, under the authority of the United States Government, stand equal with any other dollar; or has he an instance where a silver dollar has been sold or offered for sale for less than its value as one—its par value?

Mr. SPERRY. I concede to the gentleman from Louisiana that since the resumption act took effect in 1879, the credit and resources of this Government have been sufficient to keep its paper, and its accumulation of silver as well, at par. I hope it will continue so. I hope it will be able to continue the same condition of affairs under all circumstances. But the fact is, that so low has the gold run in the Treasury by exports abroad, and so timid have our investors become in this country, and in other countries as well, investors who would be glad to come here with their money and get an investment if they had any assurance of stability in values—but so timid have they all become, that under the present law the Government will not be able to maintain the parity farther. Therefore it is, that it is time, in the present emergency and in view of the depression which prevails throughout the country, that Congress should stop talking, and act in a manner to redeem the public credit.

Mr. BOATNER. Wherein is the Government credit in default? Has the gentleman any instance in mind? Does the gentleman suppose that the United States Government is not able to take care of the four and a half million or four million ounces per month on the basis of this issue of legal-tender paper? Wherein is the ground for this apprehension?

Mr. SPERRY. Upon the ground that silver has been constantly accumulating; upon the ground that there is no provision in either the act of 1878 or 1890 to accumulate or acquire a sufficient quantity of gold reserve with which to maintain the parity of the two metals except through the sale of bonds; and gold-standard man as I am I venture to assert that it will be a very long day off before I will be willing to vote under the circumstances that this Government shall sell bonds for gold and put the proceeds into the Treasury to buy silver, which would be the effect, I presume, of that policy.

Thus far the country has maintained the parity, as I have asserted before; but the country fears, and every thoughtful man fears who gives consideration to the subject, and looks six months ahead, that under the accumulation of silver going on so rapidly, in connection with the fact that all customs are being paid almost always in silver, that that condition of affairs can not be maintained very much longer.

And as the gold reserves of the Government, Mr. Speaker, have run down even below the one hundred million mark, I say it is time that we should put a stop to the further purchase of silver, as the French Government did fifteen years ago. It would be poor statesmanship, I am sure, if we were to wait to make provision for the public credit until the public credit had been lost.

Now, I would suggest to the gentleman from Louisiana also my belief that while the repeal of this act would be a great improvement, that it would restore credit, there is also supplemental legislation necessary to give sections of the South and West the relief they so much need, in my judgment. What troubles me is to know how in the world it is possible to continue pouring silver into the Treasury here and get any more money into the States of Louisiana and Kansas. You must give up something for it; you must give up cotton——

Mr. BOATNER. We give up more than any other people for what we get.

Mr. SPERRY (continuing). And the same course which the silver so far purchased has taken when it left the Treasury the silver that may be purchased hereafter will follow unless there shall be some change in the law which will divert it into another channel.

Mr. BOATNER. I suggest to the gentleman that we never get anything in the South unless we pay a big price for it.

Mr. SPERRY. Now, Mr. Speaker, I have asserted that the value of gold has not appreciated. Upon the other side I may say, also, that it has not depreciated. Both of these are of course assertions, but I claim that the weight of evidence is in favor of the statement that gold has not appreciated. In that connection I have suggested the fact that a man's wages are higher to-day in gold than they were in 1873; and that is the best standard, if you are going to legislate for the public weal.

I do not say for the weal of the wheat-producer in Kansas, but for the public weal, and there is no part of the public that so much deserves and requires friendly legislation as that part of the public who labor by the day for their daily bread. And paid in that way, Mr. Speaker, and measured by that standard, it is the laborer who is benefited chiefly above all others under a gold standard, because his wages are appreciated and that which he can buy with a dollar of gold is more than he could buy with a dollar of silver, except, of course, as you keep the silver at a parity with the gold.

Now, another suggestion right there. Can you say that gold has appreciated? Is there any way in which you can measure gold in terms of itself, so as to show whether or not it has appreciated? It is an indisputable fact, which even the most radical silver men on the floor of this House will admit, that the interest paid in gold, upon gold, has fallen constantly for the last twenty years. Now, if I own railroad stock which pays $6 a year on a hundred, it is the $6 a year earning capacity which measures the value of the stock. If next year that stock pays $7, its $7 of earning capacity will fix the value of the stock.

Now, let me suggest to the silver men on this floor that twenty years ago $100 in gold would bring you $6 of interest. To-day, if it is invested in a way so as not in any manner to bring the subject of credit into the problem, $100 in gold will not bring you $3 in interest. I do not speak of the present panic, but I speak of the working of the money market in its normal condition. Taking the Government 4 per cent bonds for a series of years past, and estimating the premium upon which those bonds are sold, and it is an indisputable fact that those bonds, which everybody believes to be gold bonds, have paid in interest less than 3 per cent for something like ten years past.

Now, I ask some of my silver friends on the floor of this House, if gold has appreciated, and if the debt weighs heavily on the debtor, and if they want to pay it back in kind—I want to ask them how they account for the fall in the rate of interest, in view of the other claim they make that the value of gold has risen? It has not risen, and there is no line of argument you can invent that will indicate that it has.

I make one other suggestion, and then I will give way to my friend from Tennessee [Mr. COX], for I am afraid I am now consuming his time. That suggestion is this: Gentlemen have appeared here in behalf of free silver, to say that debts are so great that we ought to have relief in a cheaper money. Now, just bear in mind in that connection that one man's debt is another man's asset. The five billions of debt in railroad bonds is five billions of assets in the hands of savings banks, life-insurance companies, other banks, trust companies, and individuals, whoever they may be, who happen to hold the bonds.

It is exceedingly dangerous legislation, therefore, for anyone to undertake to come before a people like this, covering the territory that we do, and with the interests that we have, and pass a general act of partial repudiation, upon the argument so often put forward in this House that in that way you will relieve the debtor.

And right in that connection let me say also that gold is the lightest burden to anybody who has a debt to contract to-day, because the interest is least.

Mr. Speaker, I have already consumed something more than the time that was alloted to me, and thanking the House for its attention, I will take occasion possibly to extend my remarks in the RECORD, but further than that I am done. [Applause.]

EXTENDED REMARKS.

My purpose in extending these remarks in the RECORD is to present to the House some authorities which I had prepared to sustain the points which I made in oral argument, but which, by reason of the limited time allowed for discussion, I was unable to lay before the House.

The question of coinage and currency is strictly a commercial question, and it ought to be so considered. The claim so often made that America can establish an American system of finance which shall differ from the rest of the world is untenable and impossible of accomplishment even if it were desirable. It might as well be said that we can establish an American system of arithmetic which shall not accord with well-established arithmetical laws known to all the rest of the world.

It is to be regretted, also, that pending the discussion of this bill so many gentlemen have attempted to raise an issue between the rich and poor. The claim so often made by free silver advocates that they represent the people as against the "money power" and the "shylocks of Wall street" and "Lombard street" has no foundation in fact, is out of place in a discussion of this kind, and its effect upon that part of the community who are in sympathy with the coinage views of those who make such assertions is vicious and every way deplorable.

The ratio of the mint should be the commercial ratio of the market. Our standard of value should be the standard of value recognized by other nations of the earth. Our people should have a stable currency which is equal to the best currency which any nation possesses. Such were the views held by statesmen of the past generation when this question came before Congress in an effort to change the ratio, which finally culminated in an act passed in 1834. The line of argument pursued at that time was clear, business-like, and convincing.

The position taken by free-silver advocates at the present time upon all their main propositions is so utterly discordant and out of harmony with all previous history of the Democratic party, and advocates of sound money of all parties, that I feel justified in quoting at considerable length from that fearless defender of the people and advocate of sound money, Hon. Thomas H. Benton, of Missouri. The following is from his Thirty Years' View, volume 1, chapter 55:

In the next place, Mr. B. believed that the quantity of specie derivable from foreign commerce, added to the quantity of gold derivable from our own mines, were fully sufficient, if not expelled from the country by unwise laws, to furnish the people with an abundant circulation of gold and silver coin for their common currency without having recourse to a circulation of small bank notes.

The truth of these propositions Mr. B. held to be susceptible of complete and ready proof. He spoke first of the domestic supply of native gold, and said that no mines had ever developed more rapidly than these had done, or promised more abundantly than they now do. In the year 1824 they were a spot in the State of North Carolina; they are now a region spreading into six States. In the year 1824 the product was $5,000; in the last year the product, in coined gold, was $868,000; in uncoined, as much more; and the product of the present year computed at two millions, with every prospect of continued and permanent increase. The probability was that these mines alone, in the lapse of a few years, would furnish an abundant supply of gold to establish a plentiful circulation of that metal, if not expelled from the country by unwise laws.

But the great source of supply, both for gold and silver, Mr. B. said, was in our foreign commerce. It was this foreign commerce which filled the States with hard money immediately after the close of the Revolutionary war, when the domestic mines were unknown; and it is the same foreign commerce which, even now, when federal laws discourage the importation of foreign coins and compel their exportation, is bringing in an annual supply of seven or eight millions. With an amendment to the laws which now discourage the importation of foreign coins, and compel their exportation, there could be no delay in the rapid accumulation of a sufficient stock of the precious metals to supply the largest circulation which the common business of the country could require.

In the third place, Mr. B. undertook to affirm, as a proposition free from dispute or contestation, that the value now set upon gold, by the laws of the United States, was unjust and erroneous; that these laws had expelled gold from circulation; and that it was the bounden duty of Congress to restore that coin to circulation by restoring it to its just value.

That gold was undervalued by the laws of the United States and expelled from circulation was a fact. Mr. B. said, which everybody knew; but there was something else which everybody did not know, which few, in reality, had an opportunity of knowing, but which was necessary to be known to

enable the friends of gold to go to work at the right place to effect the recovery of that precious metal which their fathers once possessed—which the subjects of European kings now possess—which the citizens of the young republics to the south all possess—which even the free negroes of San Domingo possess—but which the yeomanry of this America have been deprived of for more than twenty years, and will be deprived of forever unless they discover the cause of the evil and apply the remedy to its root.

It is to that plan—

Referring to the issue of paper money by the United States Bank—

that we trace the origin of the erroneous valuation of gold, which has banished that metal from the country. Mr. Secretary Hamilton, in his proposition for the establishment of a mint, recommended that the relative value of gold to silver should be fixed at 15 for 1; and that recommendation became the law of the land and has remained so ever since. At the same time the relative value of these metals in Spain and Portugal and throughout their vast dominions in the New World, whence our principal supplies of gold were derived, was at the rate 16 for 1, thus making our standard 6 per cent below standard of the countries which chiefly produce gold. It was also below the English standard, and the French standard, and below the standard which prevailed in these States before the adoption of the Constitution, and which was actually prevailing in the States at the time that this new proportion of 15 to 1 was established.

Mr. B. was ready to admit that there was some nicety requisite in adjusting the relative value of two different kinds of money—gold and silver for example—so as to preserve an exact equipoise between them, and to prevent either from expelling the other. There was some nicety, but no insuperable or even extraordinary difficulty, in making the adjustment. The nicety of the question was aggravated in the year 1792 by the difficulty of obtaining exact knowledge of the relative value of these metals, at that time, in France and England, and Mr. Gallatin has since shown that the information which was then relied upon was clearly erroneous. The consequence of any mistake in fixing our standard was also well known in the year 1792.

Mr. Secretary Hamilton, in his proposition for the establishment of a mint, expressly declared that the consequence of a mistake in the relative value of the two metals would be the expulsion of the one that was undervalued. Mr. Jefferson, then Secretary of State, in his cotemporaneous report upon foreign coins, declared the same thing. Mr. Robert Morris, financier to the Revolutionary Government, in his proposal to establish a mint, in 1782, was equally explicit to the same effect.

The delicacy of the question and the consequence of a mistake were then fully understood forty years ago, when the relative value of gold and silver was fixed at 15 to 1. But, at that time it unfortunately happened that the paper system, then omnipotent in England, was making its transit to our America, and everything that would go to establish that system, everything that would go to sustain the new-born Bank of the United States—that eldest daughter and *spem gregis* of the paper system in America—fell in with the prevailing current and became incorporated in the Federal legislation of the day.

Gold, was well known, it was the antagonist of paper; from its intrinsic value, the natural predilection of all mankind for it, its small bulk, and the facility of carrying it about, it would be preferred to paper, either for traveling or keeping in the house; and thus would limit and circumscribe the general circulation of bank notes, and prevent all plea of necessity for issuing smaller notes. Silver, on the contrary, from its inconvenience of transportation, would favor the circulation of bank notes. Hence the birth of the doctrine, that if a mistake was to be committed it should be on the side of silver.

Mr. Secretary Hamilton declares the existence of this feeling when, in his report upon the establishment of a mint, he says:

"It is sometimes observed that silver ought to be encouraged rather than gold, as being more conducive to the extension of bank circulation from the greater difficulty and inconvenience which its greater bulk, compared with its value, occasions in the transportation of it."

This passage in the Secretary's report proves the existence of the feeling in favor of silver against gold, and the cause of that feeling. Quotations might be made from the speeches of others to show that they acted upon that feeling; but it is due to Gen. Hamilton to say that he disclaimed such a motive for himself, and expressed a desire to retain both metals in circulation, and even to have a gold dollar.

The proportion of 15 to 1 was established. The eleventh section of the act of April, 1792, enacted that every 15 pounds weight of pure silver should be equal in value, in all payments, with 1 pound of pure gold; and so in proportion for less quantities of the respective metals. This act was the death warrant to the gold currency. The diminished circulation of that coin soon began to be observable; but it was not immediately extinguished. Several circumstances delayed, but could not prevent, that catastrophe.

1. The Bank of the United States then issued no note of less denomination than $10, and but few of them.

2. There were but three other banks in the United States, and they issued but few small notes; so that a small note currency did not come directly into conflict with gold.

3. The trade to the lower Mississippi continued to bring up from Natchez and New Orleans for many years, a large supply of doubloons, and long supplied a gold currency to the new States in the West.

Thus, the absence of a small note currency, and the constant arrivals of doubloons from the lower Mississippi, deferred the fate of the gold currency; and it was not until the lapse of near twenty years after the adoption of the erroneous standard of 1792 that the circulation of that metal, both foreign and domestic, became completely and totally extinguished in the United States. The extinction is now complete, and must remain so until the laws are altered.

In making this annunciation, and in thus standing forward to expose the error and to demand the reform of the gold currency, he (Mr. B.) was not setting up for the honors of a first discoverer or first inventor. Far from it. He was treading in the steps of other and abler men who had gone before him. Four Secretaries of the Treasury—Gallatin, Dallas, Crawford, Ingham—had, each in their day, pointed out the error in the gold standard and recommended its correction. Repeated reports of committees in both Houses of Congress had done the same thing.

Of these reports he would name those of the late Mr. Lowndes, of South Carolina; of Mr. Sanford, late a Senator from New York; of Mr. Campbell P. White, now a Representative from the city of New York. Mr. B. took pleasure in recalling and presenting to public notice the names of the eminent men who had gone before him in the exploration of this path. It was due to them, now that the good cause seemed to be in the road to success, to yield to them all the honors of first explorers; it was due to the cause also, in this hour of final trial, to give it the high sanction of their names and labors.

Mr. B. did not think it necessary to descant and expatiate upon the merits and advantages of a gold currency. These advantages had been too well known, from the earliest ages of the world, to be a subject of discussion in the nineteenth century: but as it was the policy of the paper system to disparage that metal, and as that system in its forty years' reign over the American people had nearly destroyed a knowledge of that currency, he would briefly enumerate its leading and prominent advantages:

1. It had an intrinsic value which gave it currency all over the world to the full amount of that value, without regard to law or circumstances.

2. It had a uniformity of value, which made it the safest standard of the value of property which the wisdom of man had ever yet discovered.

3. Its portability, which made it easy for the traveler to carry it about with him.

4. Its indestructibility, which made it the safest money that people could keep in their houses.

5. Its inherent purity, which made it the hardest money to be counterfeited and the easiest to be detected, and therefore the safest money for the people to handle.

6. Its superiority over all other money, which gave to its possessor the choice and command of all other money.

7. Its power over exchanges, gold being the currency which contributes most to the equalization of exchange and keeping down the rate of exchange to the lowest and most uniform point.

8. Its power over the paper money, gold being the natural enemy of that system and, with fair play, able to hold it in check.

9. It is a constitutional currency and the people have a right to demand it for their currency as long as the present Constitution is permitted to exist.

Mr. B. said that the false valuation put upon gold had rendered the Mint of the United States, so far as the gold coinage is concerned, a most ridiculous and absurd institution. It has coined, and that at a large expense to the United States, 2,262,717 pieces of gold worth $11,852,890; and where are these pieces now? Not one of them to be seen. All sold and exported, and so regular is this operation that the Director of the Mint, in his latest report to Congress, says that the new-coined gold frequently remains in the Mint uncalled for, though ready for delivery, until the day arrives for a packet to sail to Europe. He calculates that two millions of native gold will be coined annually hereafter, the whole of which, without a reform of the gold standard, will be conducted like exiles from the national Mint to the seashore and transported to foreign regions, to be sold for the benefit of the Bank of the United States.

Mr. B. said this was not the time to discuss the relative value of gold and silver, nor to urge the particular proportion which ought to be established between them. That would be the proper work of a committee. At present it might be sufficient, and not irrelevant, to say that this question was one of commerce—that it was purely and simply a mercantile problem—as much so as an acquisition of any ordinary merchandise from foreign countries could be. Gold goes where it finds its value, and that value is what the laws of great nations give it. In Mexico and South America—the countries which produce gold, and from which the United States must derive their chief supply—the value of gold is 16 to 1 over silver; in the island of Cuba it is 17 to 1; in Spain and Portugal it is 16 to 1; in the West Indies, generally, it is the same.

It is not to be supposed that gold will come from these countries to the United States if the importer is to lose one dollar in every sixteen that he brings, or that our own gold will remain with us when an exporter can gain a dollar upon every fifteen that he carries out. Such results would be contrary to the laws of trade, and therefore we must place the same value upon gold that other nations do if we wish to gain any part of theirs or to regain any part of ourown. Mr. B. said that the case of England and France was no exception to this rule. They rated gold at something less than 16 to 1 and still retained gold in circulation, but it was retained by force of peculiar laws and advantages which do not prevail in the United States.

In England the circulation of gold was aided, and protected by four subsidiary laws, neither of which exist here; one which prevented silver from being a tender for more than 40 shillings; another which required the Bank of England to pay all its notes in gold; a third which suppressed the small note circulation; a fourth which alloyed their silver 9 per cent below the relative value of gold.

In France the relative proportion of the two metals was also below what it was in Spain, Portugal, Mexico, and South America, and still a plentiful supply of gold remained in circulation: but this result was aided by two peculiar causes: first, the total absence of a paper currency; secondly, the proximity of Spain and the inferiority of Spanish manufactures, which gave to France a ready and a near market for the sale of her fine fabrics, which were paid for in the gold of the New World. In the United States gold would have none of these subsidiary helps: on the contrary it would have to contend with a paper currency, and would have to be obtained, the product of our own mines excepted, from Mexico and South America, where it is rated as 16 to 1 for silver. All these circumstances, and many others, would have to be taken into consideration in fixing a standard for the United States.

Mr. B. repeated that there was nicety, but no difficulty, in adjusting the relative value of gold and silver so as to retain both in circulation. Several nations of antiquity have done it; some modern nations also. The English have both in circulation at this time. The French have both, and have had for thirty years. The States of this Union also had both in the time of the confederation, and retained them until this Federal Government was established, and the paper system adopted. Congress should not admit that it can not do for the citizens of the United States what so many monarchies have done for their subjects. Gentlemen, especially, who decry military chieftains, should not confess that they themselves can not do for America what a military chieftain did for France.

Mr. B. made his acknowledgments to the great apostle of American liberty [Mr. Jefferson] for the wise, practical idea that the value of gold was a commercial question, to be settled by its value in other countries. He had seen that remark in the works of that great man, and treasured it up as teaching the plain and ready way to accomplish an apparently difficult object; and he fully concurred with the Senator from South Carolina [Mr. Calhoun] that gold, in the United States, ought to be the preferred metal; not that silver should be expelled, but both retained; the mistake, if any, to be in favor of gold, instead of being against it.

THE MARKET RATIO CONTROLS THE MINT RATIO.

It will be seen by the above position of Mr. Benton that he maintained that the mint ratio should correspond with the commercial ratio; that in adjusting the ratio this country should be in accord with other great countries; he suggested the impossibility of fixing any mint ratio which would allow the two metals to circulate for any considerable length of the time under the provisions of free coinage, and in view of the mistake so liable to be made, and in order to be on the safe side, he maintained that as gold was the better currency the mistake, if any was to be made, should be made in favor of gold, so that the American people might have gold money.

An ounce of gold will buy in the market to-day nearly 28 ounces of silver. The coinage ratio is 1 to 16. The free-silver advocate insists that it should be lawful for the silver bullion broker and the silver-bullion producer to bring his silver bullion to the Government Mint, where the Government should impress its stamp upon it, and deliver it back in a form—dollars—to carry a statutory and debt-paying value nearly double the intrinsic value of the bullion when brought to the Mint. The ultimate loss accruing from that palpable fraud must sooner or later fall upon the people among whom such a coin circulates, and yet the advocates of that theory claim to be the friends of the people! The mere statement of such a proposition would seem to be fatal to its advocacy by anybody.

Upon the other hand, however, very distinguished men claim, not only that such a policy enacted into law would be wise, but that the mere Government edict under which such coins circulate would enable both gold and silver to circulate freely and concurrently under the Mint stamp without regard to the intrinsic value of the bullion contained in the two different classes of coin.

If the experience of men proves anything, and if any historical record can be relied upon, it is that free coinage of gold and silver with unlimited tender of each can not exist for any length of time unless the Mint ratio corresponds with the commercial ratio. In other words, the bullion value of the two coins must correspond exactly with the value set upon them by the Mint. The International Monetary Conference, Paris, 1878, Forty-fifth Congress, third session, Senate Executive Document No. 58, collated a long list of authorities upon that point and published the same in the appendix to their report, from which the following quotations are selected:

The debate and legislation of 1717, and the advice of Newton.

[Extract from reports made by Sir Isaac Newton, master of the mint, concerning the state of the gold and silver coins.]

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Pages 318, 319:

In Sweden gold is lowest in proportion to silver, and this hath made that kingdom, which formerly was content with copper money, abound of late with silver, sent thither (I suspect) for naval stores.

In the end of King William's reign, and the first year of the late Queen, when foreign coins abounded in England, I caused a great many of them to be assayed in the mint and found by the assays that fine gold was to fine silver in Spain, Portugal, France, Holland, Italy, Germany, and the northern kingdoms, in the proportions above mentioned, errors of the mint excepted.

In China and Japan 1 pound weight of fine gold is worth but 9 or 10 pounds weight of fine silver; and in East India it may be worth 12; and the low price of gold in proportion to silver carries away the silver from all Europe.

So, then, by the course of trade and exchange between nation and nation in all Europe fine gold is to fine silver as 14¼ or 15 to 1, and a guinea, at the same rate, is worth between 20*s.* 5*d.* and 20*s.* 8½*d.*, except in extraordinary cases, as when a Plate fleet is just arrived in Spain, or ships are lading here for the East Indies, which cases I do not here consider. And it appears by experience, as well as by reason, that silver flows from those places where its value is lowest in proportion to gold, as from Spain to all Europe, and from all Europe to the East Indies, China, and Japan, and that gold is most plentiful in those places in which its value is highest in proportion to silver, as in Spain and England.

It is the demand for exportation which hath raised the price of exportable silver about 2*d.* or 3*d.* in the ounce above that of silver in coin, and hath thereby created a temptation to export or melt down the silver coin rather than give 2*d.* or 3*d.* more for foreign silver; and the demand for exportation arises from the higher price of silver in other places than in England in proportion to gold; that is, from the higher price of gold in England than in the other places in proportion to silver, and, therefore, may be diminished by lowering the value of gold in proportion to silver. If gold in England or silver in East India could be brought down so low as to bear the same proportion to one another in both places, there would be here no greater demand for silver than for gold to be exported to India (see pages 266 and 778); and if gold were lowered only so as to have the same proportion to the silver money in England which it hath to silver in the rest of Europe there would be no temptation to export silver rather than gold to any other part of Europe.

And to compass this last, there seems nothing more requisite than to take off about 10*d.* or 12*d.* from the guinea, so that gold may bear the same proportion to the silver money in England, which it ought to do by the course of trade and exchange in Europe; but if only 6*d.* were taken off at present, it would diminish the temptation to export or melt down the silver coin, and, by the effects, would show hereafter, better than can appear at present, what further reduction would be most convenient for the public.

[Extract from the writings of Sir James Steuart, illustrating the monetary situation of England, 1759–1773.]

An inquiry into the principles of political economy, by Sir James Steuart, of Coltness, Bart. (Volume 2, chapter 7, page 313.)

Page 323:

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The defects in the British coin are these:

First. The proportion between the gold and the silver in it is found to be as 1 to 15.2, whereas the market price (1759) may be supposed to be nearly as 1 to 14½.

Secondly. Great part of the current money is worn and light.

Thirdly. From the second defect proceeds the third, to wit, that there are several currencies in circulation which pass for the same value without being of the same weight.

Fourthly. From all these defects results the last and greatest inconvenience, to wit, that some innovation must be made in order to set matters on a right footing.

The aim of England's monetary legislation, 1773–1799.

[Extract from a treatise on the coins of the realm, in a letter to the King. Oxford, 1805. By Charles, Earl of Liverpool. 4to, 536 pages.]

Page 341:

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A difficulty then existed, and continues to exist, which must necessarily be removed before any plan can be adopted for the improvement of the silver coin. I have already observed that gold and silver, in reference to each other, are estimated at your Majesty's mint at a different value or price than these metals are generally sold for at the market. As long as this difference subsists both these metals will not be brought in a sufficient quantity to the mint to be coined; that metal only will be brought which is estimated at the lowest value with reference to the other; and coins of both metals can not be sent into circulation at the same time without exposing the public to a traffic of one sort of coin against the other, by which the traders in money would make a considerable profit, to the great detriment of your Majesty's subjects.

And this mischievous practice, and the frauds committed in carrying it on, are the more to be apprehended in this country, where the mint is free—that is, where every one has a right to bring gold and silver to the mint to be converted into coin, not at the charge of the person who so brings it, but of the public—for since the 18th Charles II, chapter 3, the charge of coining gold and silver has been borne by the public, and, contrary to the practice of most other countries, no seigniorage has been taken. To prevent this evil it is necessary to determine whether there must not be a standard or superior coin, made of one metal only; and whether the coins made of other metals must not be made and take their value with reference to this standard coin, and become subservient to it—and, in such case, of what metal this standard coin, to which the preeminence and preference are to be given, should be made.

[Extract from Mr. Jefferson's Notes on the establishment of a money unit, and of a coinage for the United States.]

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Page 441:

The proportion between the values of gold and silver is a mercantile problem altogether. It would be inaccurate to fix it by the popular exchanges of a half Joe for 8*8*, a Louis for 4 French crowns, or 5 Louis for 23*l.* The first of these would be to adopt the Spanish proportion between gold and silver; the second the French, the third a mere popular barter, wherein convenience is consulted more than accuracy. The legal proportion in Spain is 16 for 1, in England 15½ for 1, in France (uncertain in the United States in the printed copy) 15 for 1. The Spaniards and English are found in experience to retain an overproportion of gold coins and to lose their silver. The French have a greater proportion of silver. The difference at market has been on the decrease. The financier states it at present at 14½ for 1.

Just principles will lead us to disregard legal proportions altogether: to inquire into the market price of gold in the several countries with which we shall principally be connected in commerce, and to take an average from them. Perhaps we might with safety lean to a proportion somewhat above par for gold, considering our neighborhood and commerce with the sources of the coins and the tendency which the high price of gold in Spain has to draw thither all that of their mines, leaving silver principally for our and other markets. It is not impossible that 15 for 1 may be found an eligible proportion. I state it, however, as conjectural only.

[Extract from report of Alexander Hamilton on the establishment of a mint.]

Pages 458, 462, 464, 465:

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The difference established by custom in the United States between coined gold and coined silver has been stated upon another occasion to be nearly as 1 to 15.6. This, if truly the case, would imply that gold was extremely overvalued in the United States; for the highest actual proportion in any part of Europe very little, if at all, exceeds 1 to 15, and the average proportion throughout Europe is probably not more than about 1 to 14.8; but that statement has proceeded upon the idea of the ancient dollar.

One pennyweight of gold of 22 carats fine, at 6*s.* 8*d.*, and the old Seville piece of 386 grains and 15 mites of pure silver, at 7*s.* 6*d.*, furnish the exact ratio of 1 to 15.6262. But this does not coincide with the real difference between the metals in our market, or, which is with us the same thing, in our currency. To determine this, the quantity of fine silver in the general mass of the dollars now in circulation must afford the rule. Taking the rate of the late dollar of 374 grains, the proportion would be as 1 to 15.11. Taking the rate of the newest dollar, the proportion would then be as 1 to 14.87. The mean of the two would give the proportion of 1 to 15, very nearly—less than the legal proportion in the coins of Great Britain, which is as 1 to 15.2, but somewhat more than the actual or market proportion, which is not quite 1 to 15.

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One consequence of overvaluing either metal, in respect to the other, is the banishment of that which is undervalued. If two countries are supposed, in one of which the proportion of gold to silver is as 1 to 16, in the other as 1 to 15, gold being worth more, silver less, in one than in the other, it is manifest that, in their reciprocal payments, each will select that species which it values least to pay to the other where it is valued most. Besides this, the dealers in money will, from the same cause, often find a profitable traffic in an exchange of the metals between the two countries. And hence it would come to pass, if other things were equal, that the greatest part of the gold would be collected in one and the greatest part of silver in the other.

The course of trade might in some degree counteract the tendency of the difference in the legal proportions by the market value; but this is so far and so often influenced by the legal rates that it does not prevent their producing the effect which is inferred. Facts, too, verify the inference. In Spain and England, where gold is rated higher than in other parts of Europe, there is a scarity of silver, while it is found to abound in France and Holland, where it is rated higher in proportion to gold than in the neighboring nations. And it is continually flowing from Europe to China and the East Indies, owing to the comparative cheapness of it in the former and dearness of it in the latter.

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But it is to be suspected that there is another consequence more serious than the one which has been mentioned. This is the diminution of the total quantity of specie which a country would naturally possess.

It is evident that as often as a country which overrates either of the metals receives a payment in that metal it gets a less actual quantity than it ought to do or than it would do if the rate were a just one.

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In establishing a proportion between the metals there seems to be an option of one of two things—

To approach, as nearly as it can be ascertained, the mean or average proportion in what may be called the commercial world; or

To retain that which now exists in the United States.

As far as these happen to coincide they will render the course to be pursued more plain and more certain.

To ascertain the first, with precision, would require better materials than are possessed, or than could be obtained, without an inconvenient delay.

Sir Isaac Newton, in a representation to the treasury of Great Britain, in the year 1717, after stating the particular proportions in the different countries of Europe, concludes thus: "By the course of trade and exchange between nation and nation, in all Europe, fine gold is to fine silver as 14½, or 15 to 1."

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There can hardly be a better rule in any country for the legal than the market proportion, if this can be supposed to have been produced by the free and steady course of commercial principles. The presumption in such a case is that each metal finds its true level, according to its intrinsic utility in the general system of money operations.

[Extract from report on currency, made to the House of Representatives of the United States, February 24, 1820, by William H. Crawford, Secretary of the Treasury.]

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Pages 518, 519:

In an inquiry into the state of the currency, the consideration of the coinage is necessarily involved. The principles upon which the coinage of the United States has been established are substantially correct. The standard fineness of the gold coinage corresponds with the coinage of England and Portugal. The standard of the silver coinage differs but little from that of Spain. The American dollar is intrinsically worth about 1 per cent less than the Spanish milled dollar. This difference, if the Spanish dollar had not been made a legal tender, might have secured to the nation a more permanent use of its silver coinage. American dollars would not be exported as long as Spanish dollars could be obtained for that purpose at a reasonable premium. If this latter coin was not a legal tender, the banks might afford to import it, and might sell, at a fair premium, the amount which might be required of them for the China and East India trade.

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It is believed that gold, when compared with silver, has been for many years appreciating in value, and now everywhere commands in the money markets a higher value than that which has been assigned to it in States where its relative value is greatest. If this be correct, no injustice will result from a change in the relative legal value of gold and silver, so as to make it correspond with their relative marketable value. If gold, in relation to silver, should be raised 5 per cent, 1 ounce of it would be equal to 15.75 or 15¾ ounces of pure silver. This augmentation in its value would cause it to be imported in quantities sufficient to perform all the functions of currency.

[Extract from report of the Committee on the Currency on the expediency of increasing the relative value of the gold hereafter to be coined at the mint of the United States.]

FEBRUARY 2, 1821.—Read, and committed to a Committee of the Whole House.

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Page 556:

In the United States, before the establishment of the present Government, it has heretofore been ascertained by a committee of Congress that, by custom, the value of gold has been considered as equivalent to about fifteen and six-tenths of its weight in silver. (See page 441.) This, without doubt, arose from finding this to be the average of the different values affixed to the gold in different foreign countries.

Why it was thought proper, on establishing the mint of the United States, to reduce this value to 15 for 1 is not now material to inquire. It is sufficient to know from unhappy experience that its tendency is to rid us of a gold currency and leave us nothing but silver.

The merchants, if they have occasion to import specie and can not obtain silver, are compelled to import gold at a loss of from 2 to 10 per cent. If they have a remittance to make they will, if possible, exchange silver for gold, as thereby they will gain from 2 to 10 per cent, according to the value of gold in the country to which the remittance is to be made.

[Twenty-first Congress, first session, 135.]

[Extract from report from the Secretary of the Treasury (in compliance with a resolution of the Senate of the 20th December, 1828) respecting the relative values of gold and silver, etc.]

MAY 4, 1830.—Read and ordered to be printed, and that 1,000 additional copies be sent to the Senate.

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Pages 569, 570, 571, 575, 578, 580, 591:

The history of coinage proves that little reliance can be placed on artificial regulations of relative values of the standard measure of property as a means of maintaining a regular currency of uniform value. Some remarkable instances, as noticed by Lord Liverpool, occurred in England in the reign of James I, and subsequently.

Gold being estimated too low at the mint, compared with silver, was freely exported, which caused incessant complaints. To remedy this evil King James raised the value of gold in his coins by successive proclamations; but he at last raised it too high; and during the remainder of his reign, and that of Charles I, the silver coins were exported until the complaints were as great for want of silver as they had been before for want of gold. About the middle of the seventeenth century, during a short period, according to the same author, the relative values at which the precious metals were estimated in the coins appear to have been in equilibrium with the market prices.

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It seems very clear from these facts, to which many others of later date might be added, that, however exactly the proper equilibrium of values of gold and silver may be adjusted at the mint, the balance is liable to be disturbed by causes which can neither be anticipated nor controlled by political power. If the regulation be founded on the most exact calculation of relative values for the time being, the vibrations of the values of gold and silver must alternately cause the expulsion of each; and where one metal is more essential to public convenience than the other, the adjustment which exposes that under any circumstances to general exportation or melting may become a greater evil than a regulation which constantly excludes from circulation the less desirable coin. These difficulties had long been a matter of great concern in England, although it was not well settled in public opinion which metal was the best suited for the currency of that country.

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It remains to be considered whether gold or silver is the most convenient currency for the United States. It has already been observed that prior to the year 1821 gold and silver generally bore the same relation in the market of the United States which they did in the Mint regulation. Silver sometimes commanded a premium for the India trade. But, at no time since the general introduction of bank paper, has gold been found in general circulation. It may not be necessary here to inquire minutely into the causes which prevented the ratio of gold and silver in Europe from affecting the price of gold in the United States prior to 1820. The fact that gold did not circulate in the United States at a time when it commanded no premium, is sufficient to prove that other causes than an erroneous mint regulation have excluded, and may still continue to exclude it from circulation. These are to be found partly in the operations of our banks.

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The proposition that there can be but one standard in fact is self-evident. The option of governments charged with this duty is therefore between having property measured sometimes by gold and sometimes by silver, and selecting that metal which is best adapted to the purpose for the only standard. Why the latter course has not been universally adopted it is not easy to explain, unless it may be attributed to that prevalent delusion which seeks to secure the possession of gold and silver by restraining their exportation, and avoiding the payment of debts rather than improving the public economy by giving every facility to it. It would seem strange, however, that while every individual who had a deposit of money in bank, or in his chest (unless he is sufficiently deranged to think of hoarding it), would be wholly indifferent whether it were gold or silver. Governments should persevere in maintaining a different theory.

But such has been the fact. The history of coinage abounds with mint regulations to keep gold and silver together, and statutes prohibiting, under severe penalties, the exportation of either; all of which have disappointed every expectation of their projectors. The adoption of one metal as a standard measure of property is recommended by its simplicity. No change in the mint regulations can ever be required, and it removes every pretext for dishonest or unwise governments to debase their coins. All other metals may be imported as freely as before, and, like other articles of merchandise, applied to the payment of debts.

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In conclusion, should it be determined to maintain both gold and silver as standard measures of property, without changing the ratio, it will be advisable to discontinue the gold coinage whenever the premium for gold shall exceed 2 per cent. The mint may be employed in coining silver; and an assay of gold bullion will, at a small expense, answer every purpose now derived from coining it. But if it be deemed expedient to change the ratio, the extent of the alteration is a matter of considerable importance.

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Although it can not be expected that an alteration in the erroneous relative legal value of the gold and silver coins of the United States will, whilst paper chiefly of a local circulation continues to be their general currency, be productive of any great advantage, still the change will do some good, and can be attended with no injury. The present rate was the result of information, clearly incorrect, respecting the then relative value of gold and silver in Europe, which was represented as being at the rate of less than 15 to 1, when it was in fact from 15.5 to 15.6 to 1. It would be better, at all events, to discontinue altogether the coinage of gold than to continue the present system.

[Extracts from the reports of Mr. C. P. White, from the Select Committee of the House on Coins, etc.]

[Extract from the report of June 30, 1832, page 7.]

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Page 674:

The committee think that the desideratum in the monetary system is the standard of uniform value; they can not ascertain that both metals have ever circulated simultaneously, concurrently, and indiscriminately, in any country where there are banks or money dealers; and they entertain the conviction that the nearest approach to an invariable standard is its establishment in one metal, which metal shall compose exclusively the currency for large payments.

IS BIMETALLISM POSSIBLE?

With such authorities before us it would seem to be idle to talk about ratios in the present unsettled condition of the silver bullion market. In 1834, when the ratio was fixed at 16 to 1, silver was overvalued about 3 cents on the dollar, and the result was that silver disappeared from circulation, and from that date until 1878 the coinage of the United States was almost exclusively gold, excepting the fractional silver.

At the ratio of 16 to 1 a silver dollar is worth at this time about 55 cents, and at the ratio of 20 to 1, which is the highest ratio suggested under the pending resolution, a silver dollar at the present market price of bullion would be worth about 81 cents. Free coinage of silver, therefore, means silver monometallism. The advocates of the free coinage of silver may claim to be bimetallists; but they know, and everybody else knows, that bimetallism is absolutely impossible under any ratio at the present time. The $500,000,000 of gold now circulating in the country would disappear as in a night, with no hope of return, so long as such silver policy continued.

Congress has already gone too far in the attempt to force a cheap silver dollar into circulation.

It is the bullion in the coin which gives it value, not the mint stamp. The United States recognizes this fact in respect of our gold coin; why should we not in respect of our silver coin also? It is provided by the United States Revised Statutes, edition of 1878, section 3505, that—

Any gold coins of the United States, if reduced in weight by natural abrasion not more than one-half of 1 per cent below the standard weight prescribed by law, after a circulation of twenty years, as shown by the date of coinage, and at a ratable proportion for any period less than twenty years, shall be received at their nominal value by the United States Treasury and its offices, under such regulations as the Secretary of the Treasury may prescribe for the protection of the Government against fraudulent abrasion or other practices.

That is to say, gold coin becomes demonetized, ceases to be legal tender, and passes at bullion value only if it shall become light weight to the extent of one-half of 1 per cent in twenty

years' wear; and yet it is seriously contended here that we ought to pass a free-coinage silver statute under which every silver dollar would be 45 per cent light weight the moment it left the mint.

The fact is, we can have but one standard. A double standard is impossible. International bimetallism is an international impossibility. Bimetallism with free coinage and unlimited tender never yet existed for any considerable length of time in any country. From 1792 to 1834 our metal currency was exclusively silver. From 1834 to 1878 our metal currency was almost exclusively gold, and our experience is the experience of all other nations who have tried bimetallism with free coinage.

It has been several times claimed on the floor of this House that France had succeeded from 1803 to 1873 in maintaining bimetallism, meaning by that the free and unlimited coinage of both metals with unlimited tender and the concurrent circulation of both metals among the people. Such assertions are easily made, but they have no foundation to rest upon.

In referring to that statement so frequently repeated on the floor of the House, the New York Evening Post, under date of August 12, 1893, said:

We find it necessary, therefore, to reprint what Chevalier, the French economist, says on this point in his celebrated treatise on money. Chevalier, it should be added, was the great champion of silver in his day. He says:

"In the year XI (1803), when the law of seventh Germinal was enacted, which established for a temporary standard the ratio of 1 to 15½ between the two metals, this ratio actually existed in the commercial world; but little by little it changed, and soon gold came to be worth ordinarily a little more than 15½ times as much as silver—it has sometimes been worth a little above 16 times as much. This discrepancy, which has usually been about 1½ per cent (that is, one-half of that which manifested itself from 1726 to 1785), would have had no effect if the provision of Gaudin had been correct. On the contrary, it had a very considerable effect; it sufficed to retire gold from circulation.

"A few years after the passage of the law of the year XI gold became so scarce that people had to buy it of the money-changers when they wanted to carry that kind of cash on their journeys. In fact, the circulation of the two metals side by side, which Gaudin flattered himself that he should establish by means of the coinage of pieces denominated 20 francs and 40 francs, had ceased to exist shortly after the year XI, and twenty-five years after that date the circulation consisted of silver only." (La Monnaie, page 216.)

Oceans of testimony in support of the foregoing statement of Chevalier can be obtained.

Afterwards, on August 14, 1893, the same paper, referring to the same subject, published the following editorial:

THE EXPERIENCE OF FRANCE.

In his speech in the House on Friday Mr. BLAND quoted the British gold and silver commission of 1888 to prove that the bimetallic law of France at the ratio of 15½ to 1 kept the market ratio steady at that ratio for the period of seventy years, from 1803 to 1873. This is one of the fictions of the silverites from which no amount of refutation will suffice to loosen them. But we will try to shake them once more. We might ask, as a preliminary question, why the spell was broken in 1873. The argument, based upon the supposed fact that silver and gold ratio was steady for the seventy years in question, is that there was a peculiar force in the French law causing that steadiness. Why did this magic cease to work in 1873? France did not close her mint to silver until after the market ratio had changed. It was nothing but the change of market ratio, which had begun to drain her of gold, that drove France to stop the coinage of silver. The bimetallists themselves admit this when they throw upon Germany the blame of forcing the hand of France by selling silver in 1873 and later.

So it appears, even according to their own showing, that the French bimetallic law of 1873 was good only for fair weather. When a strain came, like the selling of silver by a neighboring country, the bimetallic law gave way. So the real question at issue is, how much strain such a law could possibly endure. If we admit all that they claim for the experience of France, the sum total of their gain is that a bimetallic law has a tendency to hold the market ratio at a particular level, but that this tendency may be overcome by the conditions of supply and demand.

Even this is more than we can concede. And first let us glance at the report of the British commission of 1888. This commission consisted of men of a high order of intelligence, but, as it happened, it did not embrace a single person who could be called an expert. Not one of the members had any special familiarity with the subject in hand, while all of them had general familiarity with it. Accordingly they were in the mood to accept as true any scrap of misinformation that had passed for a long time unchallenged. Such a scrap of error was the statement that France had had the two metals in concurrent circulation for seventy years, from 1803 to 1873, at the ratio of 15½ to 1. They took this for granted and proceeded to advance certain *a priori* arguments to account for the remarkable steadiness of the market ratio. Among other things they said:

"The fact that the owner of the silver could in the last resort take it to those mints and have it converted into coin which would purchase commodities at the ratio of 15½ of silver to 1 of gold would, in our opinion, be likely to affect the price of silver in the market generally, whoever the purchaser and for whatever the country it was destined. It would enable the seller to stand out for a price approximating to the legal ratio and would tend to keep the market steady at about that point."

When their final report was published Mr. Robert Giffen, the statistician of the British Board of Trade, who is a real expert in monetary science, took up this paragraph, so fraught with mischief, and showed that it was founded upon an entire misapprehension, for the reason that France did not have the two metals in concurrent circulation during the period under consideration, but had had them alternately, first one and then the other. He produced and published the market reports of Paris for each month from 1820 to 1847, during all of which time there had been a premium on gold ranging from ¼ per cent to 2 per cent. Nobody would pay a debt in gold when ¼ per cent could be saved by paying it in silver. On every debt of 1,000 francs from 5 to 20 francs could be saved, according to the premium of the day, by paying in silver. The literature of the period is full proofs that gold was not in circulation at this time, although it was coined more or less at the French mint for money-changers and hoarders.

After 1847 a change took place, due to the gold discoveries in California and Australia. Silver went to a premium in France, and was exported and melted to such an extent that the country was left with an insufficient supply of small change, and was obliged to adopt a token coinage by debasing the fineness of all coins smaller than 5 francs to .835 instead of .900. After 1867 there was another change. Gold went to a small but increasing premium, which became so excessive in 1873 that the coinage of franc pieces was limited by law, and stopped altogether in 1876, in order to prevent the exportation of gold. In short, the facts show that France did not have the double standard in practice during the period in question any more than we in America had it. Mr. Giffen showed conclusively, too, that the French law of 1803 had no tendency to hold the two metals together. It should be remarked that as no reason has been assigned by the bimetallists for the spell coming to an end in 1873, there is as little reason for putting its beginning in 1803. The ratio of 15½ to 1 was adopted by France in 1785, and was continuous from that time, and was merely reënacted in 1803.

The work referred to in the above article is the Case Against Bimetallism, by Robert Giffen, 1892. In an appendix to that work the author gives a table showing the premium on gold in Paris each month from September, 1820, to December, 1847, and the premium varied regularly, up or down, nearly every month.

I add one other authority:

It comes out very clearly that one feature of the French system has been that, since 1803, France has sometimes had a currency approaching to monometalism, if not actually monometallic; and it has happened that whenever the compensatory action of the law of the fixed ratio has been called into play, its result was to confine the currency almost entirely to that metal which was the cheapest for the time being. Thus, from 1816 to 1820 gold was practically the standard, and from 1821 to 1850, silver, and from 1820 to 1847 there ruled a premium on gold varying from a little below 1 to 2 per cent.—*The Industrial Competition of Asia*, by Clarmont J. Daniel, F. S. S., late of Her Majesty's Indian civil service, page 135.

By reference to the table of commercial ratios given in the appendix it will be seen that during the seventy years when it is claimed that France maintained bimetallism the commercial ratio varied but a trifle over a unit from maximum to minimum. The ratio was 15.41 in 1803 and 15.57 in 1870, and during that time the lowest was 15.04 in 1814 and the highest was 16.25 in 1813. The ratio has risen from 15.57 in 1870 to 23.72 in 1892, and to 28.52 for the first seven months in 1893.

It is quite a different matter, therefore, to undertake to maintain bimetallism for seventy years with a commercial ratio which does not vary a unit and a half in the extreme during all that time, and attempting bimetallism now when the commercial ratio varies more than two units a year.

Even if the increased production is kept in view, it is not easy to understand why, with the increased purchasing by the United States to the amount of six millions sterling per annum, and the simultaneous large increase of the Indian imports of silver, which averaged from August, 1890, when the Sherman act came into force, to March, 1893, upwards of 46,500,000 ounces, the price should be 6*d.* per ounce lower than it was in the beginning of 1890. It has, indeed, been argued that the recent fall in the price of silver was due to the blow which the passing of that act gave to the hopes of those who desired the free coinage of silver. But against this it is to be observed that the price of silver in London rose during the time that the Sherman act was passing through Congress, and continued to rise for some weeks after it became law.

Whatever be the cause, the fact that, although the United States Government has under that act made purchases varying from 34 to 42 per cent of the estimated production of the world, and India has increased and not diminished her imports of the metal, the price of silver has fallen to its present low level, is beyond question and of grave moment.

Supposing even that no change were made in the currency arrangements of the United States, the experience of the past would forbid the conclusion that the price of silver would be stationary at its present level. It would be imprudent to act on the assumption that no further fall is possible or even probable.—*Report of the committee appointed to inquire into the Indian currency*, Herschell Report, London, 1893, page 9.

In 1827, when the new rupee was introduced into Bombay, Mr. Bruce, of the civil service, and a member of the mint committee, thus wrote to that body:

"I take the liberty of drawing your attention to the inconvenience which the public have for some years experienced from the disappearance of all gold from the circulation, and of submitting to your consideration the expediency of revising the principles by which the coinage of that metal is at present regulated; that is to say, of raising the existing mint proportion between its value and that of the silver coin, without which, as it appears to me, gold can never again be expected to form any part of the currency of this presidency. The present mint regulations must of necessity be tantamount to a perpetual banishment of gold from the currency.

"Mr. Bruce then goes on to argue that the exchange rate for the gold and silver money of the East India Company's currency should be assimilated to the commercial rate, but he stops short of saying how this should be done."—*The Industrial Competition of Asia*, by Clarmont J. Daniell, pages 273, 274.

Between 1769 and 1833 the currency of gold mohurs and rupees was remodeled four times. Almost as soon a legal rate was settled it was upset by the evolution of a different commercial rate. From 1793 to 1833 the gold coin of India was undervalued in the silver coin, if judged by the contemporary European price of one metal in the other, which perhaps accounts for the almost complete disappearance of gold money from circulation.

"At the beginning of this century, and previously, the East India Company used to export gold to England, while the undervaluation at the mint prevented the gold coinage from being replenished; at the same time the importations of silver went on increasing, and in 1835 the company, giving up the attempt to keep two kinds of full-value coin in circulation together at a fixed rate of exchange, abandoned gold and made silver, which had become the predominant currency, the standard of value and money of account for India."

Note on page 302.—"Remarks on a Gold Currency for India," by Col. Ballard, R. E., mint master, Bombay, 1868.—*The Industrial Competition of Asia*, by Clarmont J. Daniell, page 302.

"At the time when gold and silver money were both in use in the East India Company's territories, attempts were made from time to time, by recoining the gold and silver coins in conformity with what appeared to be their market value in one another, to make them exchange at a fixed rate, but it was never successful for a long time together."—*Ibid.*, page 299.

Not only is bimetallism impossible, but experiments in bimet-

allism are expensive. An estimate by the Director of the Mint shows that the United States have lost in depreciation of silver bullion nearly $8,000,000 a year since they inaugurated the bimetal policy in 1878; and the Secretary of the Treasury shows in a recent letter that it would cost $112,866,321 to recoin our outstanding silver and bring it up to an approximate parity with gold.

All highly civilized countries have abandoned the attempt to maintain a double standard. Not only is bimetallism a thing of the past, but the preference is universally for the gold standard, and this has been especially noticeable in the past twenty years. The coinage of full legal-tender silver was suspended in England in 1816;* in Portugal in 1854; in Germany in 1871 (proclaimed in 1873); in Belgium in 1873; in the Scandinavian Union—Norway, Sweden, and Denmark—in 1873; in the Netherlands in 1877; in Finland in 1877; in the states composing the Latin Union—France, Belgium, Switzerland, Italy, and Greece—in 1878; in Austria-Hungary in 1892; and on private account in India in June, 1893.

Not that the use of silver has ceased in these countries, nor is it desirable that it should, but bimetallism has ceased. In closing these remarks under this heading I can not do better than borrow the language of a distinguished writer on finance, whose name is familiar to everyone conversant with the subject.

Mr. Horace White, in an address on "The Gold Standard," before the Congress of Bankers and Financiers, at Chicago, June 20, 1893, sums up the whole bimetallic situation in his opening paragraph, as follows:

> The most impressive fact in the world of finance is the dominance of the gold standard. A year or two ago Roumania passed under its sway, to-day it is Austria, next year or soon it will be Russia, by and by it will be India, and meanwhile it has lost no ground that it has ever held. Three international conferences have been assembled to stay this conquering march, while none has been called to promote or assist it. Yet the movement has been as little impeded as that of an ocean steamer would be by the action of a debating society in its own cabin. Is all this due to human perversity, or has it a rational cause founded in the needs of mankind?

AS TO THE FALL OF PRICES AND RISE OF GOLD.

Another claim that prices for commodities have declined, and that therefore gold has appreciated in recent years, and that the adoption of the gold standard would still further depress prices and still further appreciate gold and work to the detriment of debtors and the laboring classes and in favor of the rich is utterly unfounded in fact. To say that prices of certain commodities have declined in terms of gold does not prove by any manner of means that such decline is due to an appreciation in the value of gold, or that gold has, in fact, appreciated.

There are a great many considerations to be taken into the question of declining prices. Prices of commodities, agricultural products and manufactures alike, have declined in recent years, but they have declined in gold-using countries and in silver-using countries alike, and gold itself, measured in terms of its own interest or earning capacity, has suffered as heavy a decline as the average decline in other commodities.

Prof. Marshall repeats in various forms his argument (Questions 9755, 9759, 9775) that the relative values of gold and silver do not lower the value of wheat relatively to other commodities. He contends that the importation of Indian wheat into England is due exclusively to the development of the railway system and the lowering of freights and to a series of very favorable harvests; that if the cause of this exportation had been the rate of exchange we should have found Indian wheat coming a long time ago. In 1876 the price of silver was low, but India exported then only one million sterling in value of wheat as against eight millions now. "The difficulty," to use Prof. Marshall's words, *i. e.*, the competition of Indian with English wheat, "exists without any reference to silver, and would be the same if India had a gold currency."

This way of putting the case of course neglects for the moment any consideration of the tendency which a gold currency if used in India might have, for more reasons than one, to raise the price of Indian productions. Using the argument merely to prove that it is not the metal out of which the coin of India is fabricated which bonuses her exports, it is unanswerable.

Mr. W. Fowler, expresses a similar opinion (Questions 8388, 9077), that "price depends much more upon the supply and demand of the article than upon any condition of money," and that "prices, which are the governing factor in exports and imports, have much less to do with the question of the money than we suppose in our ordinary ideas about these things."—*The Industrial Competition of Asia*, by Clarmont J. Daniell, F. S. S., late of Her Majesty's Indian civil service, page 340.

The question which next naturally suggests itself is, What have been the price movements of such commodities as have not in recent years experienced in any marked degree a change in their conditions of supply and demand? Do they exhibit any evidence of having been subjected to any influence attributable to the scarcity of gold?

The answer is that not only can no results capable of any such generalization be affirmed, but no one commodity can even be named in respect to which there is conclusive evidence that its price has been affected in recent years by influences directly or mainly attributable to any scarcity of gold for the purpose of effecting exchanges.

In the first place all that large class of products or services which are exclusively or largely the result of handicrafts; which are not capable of rapid multiplication, or of increased economy in production, and which can not be made the subject of international competition—have exhibited no tendency to decline in price, but rather the reverse. A given amount of gold does not now buy more, but less, of domestic service and of manual and professional labor generally than formerly.—*Recent Economic Changes*, David A. Wells, pages 191, 192.

Note to the above: "There is no feature in the situation which the commissioners have been called to examine, so satisfactory as the immense improvement which has taken place in the condition of the working classes during the last twenty years."—*Report of the Royal (British) Commission on the Depression of Trade*, 1888.

Instead of an alleged lowering of the price of labor, we have to report, taking a wide extent, rather a rise in wages.—*Report of Factory Inspectors*, Germany, 1886.

Now, while such results [fall in prices] are not in accordance with what might have been anticipated from and can not be satisfactorily explained by any theory of the predominating and depressing influence of a scarcity of gold on prices, they are exactly the results which might have been expected from and can be satisfactorily explained by the conditions of supply and demand—conditions so varying with time, place, and circumstance as to require in the case of every commodity a special examination to determine its price experience, and which experience, once recognized, will rarely or never be found to exactly correspond with the experience of any other commodity; the leading factor occasioning the recent decline in the prices of sugars having been an extraordinary artificial stimulus; in quinine the changes in the sources of supply from natural to artificially cultivated trees; in wheat, the accessibility of new and fertile territory, and a reduction of freights; in freights, on land, the reduction in the cost of iron and steel, and on the ocean new methods of propulsion, economy in fuel and undue multiplication of vessels; in iron and steel, new processes and new furnaces, affording a larger and better product with less labor in a given time; in certain varieties of wool, changes in fashion, and in others an increase of production in a greater ratio than population and their consuming capacity; in ores and coal, the introduction of the steam drill and more powerful explosive agents; in cheese, a disproportionate market price for butter; in cotton cloth, because the spindles which revolved 4,000 times in a minute in 1874 made 10,000 revolutions in the same time in 1885; in "gum arabic" and "senna," a war in the Soudan; in wines, a destruction of the vines by disease; in American hog products, a plentiful supply of hogs, consequent upon an abundant corn (maize) crop, etc.

And yet all these so diverse factors of influence evolve and harmonize under, and at the same time demonstrate, the existence of a law more immutable than any other in economic science, namely, that when production increases in excess of current market demand, even to the extent of an inconsiderable fraction, or is cheapened through any agency, prices will decline; and that when, on the other hand, production is checked or arrested by natural events—storms, pestilence, extremes of temperature; or by artificial interference, as war, excessive taxation, or political misrule or disturbances—prices will advance; and between these extremes of influence prices will fluctuate in accordance with the progressive changes in circumstances and the hopes and fears of producers, exchangers, and consumers.—*Recent Economic Changes*, David A. Wells, pages 202, 203.

The monetary experience of the United States since 1879 has been so especially remarkable, and has such bearing on the economic problem of the relation of money supply to prices, as to entitle it to extended notice. The following table shows the changes in the circulating media of the United States—bullion, coin, and paper—since January 1, 1879 (when the country resumed specie payments), and January 1, 1889—a period of ten years:

Circulation.	Jan. 1, 1879.	Jan. 1, 1889.	Total.
Gold coin and bullion	$278,310,126	$704,608,169	*$426,298,043
Silver dollars	22,495,550	315,186,190	*292,690,640
Silver bullion	9,121,417	10,865,237	*1,743,820
Fractional silver	71,021,162	76,889,983	*5,863,821
National-bank notes	323,791,674	233,660,027	†90,131,647
Legal-tender notes	346,681,016	346,681,016	
Total currency issues	1,051,420,945	1,687,890,622	*636,469,677

*Increase. †Decrease.

Of this large increase of $636,469,677, $578,637,308, in coin and paper, were in the hands of the people; and $57,832,369, in bullion, coin, and paper, in the National Treasury.

It thus appears that, while there has been an increase in the population of the United States during the period of ten years under consideration of about 30 per cent, the increase in the precious metals and paper available for circulation during the same time was 60.05 per cent; while of coin and paper in active use among the people and banks the increase was 69.9 per cent, or much more than double the rate of increase in population. Now, as during this same period there was a great and universal decline in the prices of commodities in the United States (as elsewhere), the interesting question arises, How do these experiences harmonize with the theory that the volume of circulating medium controls prices, and that the movement of the precious metals pute down prices in the event of a reduction of the supply and puts them up in the event of an increase of supply?

Note, further, that the increase of gold and silver coin and bullion in the United States during the ten years from 1879 to 1889 was $726,000,000, while the paper circulation diminished. Nor can it be maintained that the fall in the value of silver bullion has affected this circulation, since, for all purposes of internal circulation, silver and its paper representatives have had the same efficiency and exchangeable value as existed before the depreciation of silver bullion. The availability of silver coin for the settlement on the part of the United States of international balances has been alone affected; and this, so long as there has been an adequate supply of gold, is an immaterial factor. It would, therefore, seem that the above exhibit furnishes the most complete refutation of the theory that changes in the supplies of the precious metals account for the fall in the prices of commodities.—*Recent Economic Changes*, David A. Wells, pages 221, 222, 223.

THE GOLD SUPPLY.

Another claim often made in debate upon this floor in the past week is that there is not sufficient gold in the world to supply the money needed to effect the exchanges if all nations should adopt the gold standard. The first weakness of that argument is, so far as the United States is concerned, that what-

*The date usually given for the adoption of the gold standard by England is 1816. Dr. Soetbeer, however, in Geld und Münzwesen, as tending to show an earlier date, quotes the Stat. 14, George III, c. 42 (1774), which provided: "That no legal tender in payment of money made in the silver coin of this realm, of any sum exceeding the sum of £25, at any time, shall be reputed in law or allowed to be legal tender, within Great Britain and Ireland, for more than according to its value by weight, after the rate of 5*s.* 2*d.* for each ounce of silver."

This act was reenacted by act 33, George III, c. 59 (1793). By act 56, George III, c. 68 (1816), legal tender in silver coin was limited to two pounds sterling, and the shilling was debased from 60 to 66 shillings to the pound troy.

ever supplies of gold other nations have, we are certainly in condition to supply ourselves with all that we need. First, our immense and varied natural resources; the great variety and extent of our home manufactures; our cotton and food supplies, so much needed abroad, put us in position to demand from other nations in trade balances whatever gold we may need in the future.

And another point not to be lost sight of, and perhaps the strongest in our favor, is that of the one hundred and thirty millions of gold output annually in the world the United States produces upwards of one-quarter, and has produced it in those proportions for many years past. All we need is such laws as will permit gold to circulate among us. The laws of trade will then supply us. If anyone has any fear that the adoption of a gold standard by this country, and the few remaining countries which have not as yet adopted it, would result in a contraction of currency because of a scarcity of gold, an examination of the authorities, historical and statistical, can not but convince any investigator that such a fear is unwarranted.

The recent closing of the Indian mint to the further coinage of silver seems to have emphasized this fear among those who look upon India as a great silver-using country, embracing 255,000,000 of people, and the idea of their being supplied with a gold currency in the present "scramble for gold" among European nations seems to be one which is peculiarly exciting to the free-silver advocate. But there is authority for saying that India has already sufficient gold for her own monetary purposes if the gold standard should be finally adopted, as it undoubtedly will be. India was on a gold basis up to 1835, when gold was demonetized in British India by the East India Company (by act of Parliament, September 6, 1873), but from that time forward India has lost none of her gold. It is still in existence as bullion or ornament or plate, not to mention a very considerable amount of gold coin still passing current in different provinces. Upon that point I quote from the following authorities:

Net imports of gold and silver into India from 1859 to 1893, as furnished by the Director of the Mint.

	Pounds sterling.	Dollars.
Gold	125,906,000	612,721,549
Silver	230,418,000	1,121,329,197
Total, thirty-three years	356,324,000	1,734,050,746

It has been objected that the natives of India are accustomed to silver; that the transactions are small in amount, so that silver is better suited to their use than gold, and that they will not willingly give up the rupee. The answer to this is, that it is not proposed to substitute the gold sovereign for the rupee as currency in ordinary use, and that the case would in this respect resemble that of many of the countries above referred to, where the standard is gold, but the ordinary currency is silver or paper.

Moreover, gold has never been entirely out of use in India. It is true that in India silver has for the last thirty or forty years been more exclusively used than in many of the countries referred to. But, though gold coins have not been in use as legal tender, and no fixed ratio has been established between gold and silver coins, there is no part of India in which gold coins are not well known and procurable, and recognized as a form of money, the value of the chief gold coins being regularly entered in the "Prices current." Until 1835 or thereabouts gold coins constituted a recognized part of the Indian currency, and they were received by the government in payment of its demands till December, 1852; and as late as 1854-'55 gold coin to the value of £412,000, was sent by the government from India to London. The value of the gold imported into India in the eight years from 1862-'63 to 1869-'70, was no less than £50,000,000.

Sir Charles Trevelyan, writing in 1864 in support of a proposal to make sovereigns legal tender in India, referred to the large importation of gold since 1860 as indicating "the determination of the people to have gold," and added that it "shows that the Government would be cordially seconded by them in any attempt to introduce a gold currency on a sound footing." The secretary of state, Sir Charles Wood, when replying in the same year, wrote:

"It is obvious, from the information collected by Sir Charles Trevelyan, that there is a very general desire for the introduction of gold coins in India," and "that the people, even in the upper and remote parts of India, are well acquainted with the sovereign."

There is little question but that these observations are as applicable at the present time as when originally made.

It may be added that the value of the net imports of gold into India since 1880 has amounted to more than Rx. 44,000,000 ($208,428,000 coinage value), and it might be expected that much of the uncoined gold now in India, which must be very considerable, would be brought to the mints if a gold coinage were introduced on a proper basis.—*Report of the committee appointed to inquire into the Indian currency.* The Herschel Report, London, 1893, page 28.

Dual currencies of gold and silver, exchanging with one another at their market valuation, have been commonly in use in India for many centuries, and are so to this day. It is only in British territory, and since the year 1835, that gold has been demonetized.—*The Industrial Competition of Asia*, by Clarmont I. Daniell, page 295.

That this gold treasure, of the value of £270,000,000, is much more than the country will require for its gold currency need scarcely be stated. In former years the gold currency of India was not less than one-seventeenth part of the value of the whole circulation, and that the proportion was larger there can be little doubt. During the first thirty-two years of this century the East India Company coined gold and silver money in about the proportion of 1 to 17, but there was at the same time in the company's territories a large circulation of gold coins provided by the mints of native powers—so large that up to that time about half the revenue used to be taken in gold.

The currency of India at this day is estimated to amount to two thousand eight hundred and eighty-nine millions of rupees, and if one-tenth of this value is taken as the amount of gold coin which the people would use, or, say, thirty millions of sovereigns, this sum would be found sufficient for all purposes to which a gold currency in India is at present likely to be applied. Thus it is clear that India can not only provide all the gold required for her own currency without drawing a single ounce of metal from the West, but also retain gold to the value of more than two hundred and forty millions for the indulgence of that propensity on the part of the people to hoard the precious metals, which those who are opposed to the use of gold money in India predict will be fatal to its circulation.—*Ibid.*, page 282.

Apprehensions have been expressed in many quarters that the introduction of a gold standard in India would involve a serious disturbance of existing contracts and financial obligations, and a dangerous derangement of the cost of trade. We desire, however, to have it clearly understood that, if it were decided to adopt a gold standard in India, we should propose a rate for the transfer from silver to gold which did not greatly differ from the market ratio of the day. We are of opinion that in such case the adoption of a gold standard would not have any serious effect in lowering prices, or reducing the rate of growth of the land revenue, and that it would not materially affect either the opium revenue or the burden of our gold or silver debt.—*Correspondence between the Government of India and the Secretary of State.* London, 1893, page 12.

The following is from Trade, Population, and Food, by Stephen Bourne, page 208. The author, after discussing the statistical aspect and trade requirements of gold at considerable length, concludes as follows:

Do not these several observations justify the conclusion that, though at particular times and places there may be a temporary deficiency of supply, so far from there being any scarcity of gold, there never was a period in the world's commerical history when the existing quantity was so large as it is at present, in proportion to the necessity for its use or the purposes it has to serve?

Also from the same author:

Shortly to recapitulate the several phases of this question which have thus passed under observation, we may observe:

1. That basing our calculations upon the best estimates which can be obtained of the annual production of gold and silver, and comparing the assumed stock of gold with the movements of bullion and merchandise throughout the world, there appears no reason to suppose that the existing supply is not amply sufficient for all the purposes of trade as at present carried on.

2. That the general fall of prices in recent years has neither been so regular nor so closely connected with the supply of gold and silver as to prove that alterations in the purchasing power of the sovereign have been due wholly or chiefly to an appreciation of gold.

3. That the variations in the value of gold itself as shown by the fluctuation in the price of the funds, and the rates of interest charged for the use of money, prove that it has no constant or unalterable value.

4. That in addition to the well-known effects on the value of silver arising from the growing yield of the American mines and the decrease in its use from its demonetization by Germany, there are others resulting from the increased quantity of gold, the facilities for economizing its use, and its natural superiority to silver, sufficient to account in some measure for the depreciation of the inferior metal.

5. That the coincidence of the fall in the price of silver with the contraction and depression of trade renders it probable that in this is to be found the most potent cause of depreciation, and that the revival of trade will in all probability be accompanied by a restoration of its value.

6. That it is not likely that any agreement to establish a fixed ratio in the value of silver to gold could ever be permanently maintained or not be liable to disruption at any moment from causes incapable of regulation or control.

7. That it is a fallacy to suppose that the extent of trade, and consequently the value of the medium through which its transactions are settled, depends so much upon the quantity of money in existence as upon the assiduous and judicious employment of productive power, the thrift by which its products are accumulated, and the wisdom which governs their consumption or expenditure.—*Trade, Population and Food*, Stephen Bourne, pages 232, 233.

No one doubts that the amount of gold in the civilized countries of the world has largely increased in recent years. According to Dr. Soetbeer, the monetary stock of gold and gold reserve in the treasuries and principal banks of civilized countries has shown an increase for every decade since 1850, and at the end of 1885 was nearly four times what it was in 1850; so that, instead of there being a reduced supply of gold, as compared with thirty-five years ago, there is a greatly increased supply.

Prof. Laughlin estimates this increase to have been "from $447,000,000 in 1870-'80 to $836,000,000 in 1885." In 1871-'74 there was, according to the same authority, "$1 in gold for every $3.60 of the paper circulation of the banks of the civilized world; in 1885 there was $1 of gold for every $2.40, the total note circulation increasing during the same time to the extent of $464,000,000, or 29 per cent." In 1870-'74 the gold reserves amounted to 28 per cent of the total note circulation and 64 per cent of all the specie reserves; in 1885 "the gold bore a larger ratio to a larger issue of paper, or 41 per cent of the total note circulation and 71 per cent of the specie reserves. This," as Prof. Laughlin remarks, "is a very significant showing. What it means, beyond a shadow of doubt, is that the supply of gold is so abundant that the character and safety of the note circulation have been improved in a signal manner."

The investigations of Mr. Atkinson have also led him to the conclusion that, while the population of the world since 1849 has increased about 40 per cent, the concurrent increase in the volume of the money metals has been fully 100 per cent, and that the value of the gold added to the circulation during that period was more than double that of the silver added.

Since 1873-'74 Germany has radically modified her metallic circulation, giving preference to and using additional gold, and the United States and Italy have resumed specie payments. But the supply of gold has been sufficient to give these nations all the gold that they required, without apparently affecting the requirements of other countries. Again, it is not disputed that the rate of interest and discount has declined in all these countries, like Germany, the United States, Scandinavia, Holland, and Italy, which, in recent years, have increased their demand and use of gold for coinage; whereas a scarcity of money resulting from a scarcity of gold ought to have produced just the contrary effect.

The present annual production of gold is enormous compared with any period antecedent to 1850. Between 1820-1830 its average annual production was $16,000,000; between 1831-1840 it was $14,151,000, and between 1840-1850, $38,194,000. It was at its highest figure—$170,000,000 to $180,000,000—in 1852; averaged $101,000,000 from 1881 to 1885, and (according to the estimates of the Director of the United States Mint) was $103,000,000 in 1885 and $99,000,000 in 1886.

The production of silver has largely increased in recent years ($39,000,000 in 1850, $61,000,000 in 1873, and $135,000,000 in 1887), and no evidence can be pro-

duced to show that there has been any actual diminution in its aggregate use by reason of its so-called "demonetization" in any country.—*Economic Changes*, David A. Wells, pages 208, 209, 210, 211.

For the settlement of international balances—a large function of gold—it is certain that every ounce of this metal, through the great reduction in the time of ocean transits, is at the present time capable of performing far more service than at any former period; the time for the transmission of coin and bullion having been reduced in recent years between Australia and England from ninety to forty days, and from New York to Liverpool from twelve or fifteen to eight or nine days. Such an increase of rapidity in doing work is certainly equivalent to increase in quantity.—*Ibid.*, page 218.

The evidence, therefore, seems to fully warrant the following conclusions: That the tendency of the age is to use continually less and less of coin in the transaction of business; and that "so far from there being any scarcity of gold, there never was a period in the world's commercial history when the existing quantity was so large as at present in proportion to the necessity for its use or the purposes it has to serve."

The present and rapidly increasing indifference of the business public, alike in Europe and the United States, whose interest in this subject is mainly practical, is also significant, as indicating that the importance formerly conceded to the gold-scarcity theory has not been confirmed by experience.—*Ibid.*, page 218.

The magnitude of the gold production since 1850 is the marked characteristic of this period. The annual yield of gold in past centuries has been insignificant in comparison with the annual production in the years following the discoveries in Australia and California. Some years before the Russian mines had been increasing the supply; but from a production of about $15,000,000 a year in 1840, the supply rose to more than $150,000,000 a year soon after 1850. This phenomenon, moreover, was accompanied by an increase in the production of silver of from 25 to 50 per cent a year.

The comparative extent of the new gold production may be seen by Chart IX, previously mentioned, which gives the yield from the mines in the years since the discovery of America. The sudden and remarkable ascent of gold product on the chart after 1850 is all the more noticeable because of the comparison with previous years. In fact, the gold production is the striking feature in this portion of our monetary history.—*History of Bimetallism in the United States*, by Laughlin, page 112.

Setting before us as an object to discover the reasons for the fall in the value of silver in 1876—which has been the beginning of modern bimetallic discussions—we shall confine ourselves to the effect which the great production of gold has had upon the value of silver. And to this end we must bear in mind what has been said in the last section in regard to the prejudice for gold. Then there must be taken with this preference for gold the possibility of satisfying the demand. The amount of gold produced, therefore, is an important part of our problem. We should then proceed to get some idea of this amount.

We find ourselves, in the period following 1850, confronted with an enormously increased production of gold. How enormous it was I do not think has been generally recognized in our monetary discussions, particularly of late in those dealing with the appreciation of gold. It seems almost incredible to say that in the twenty-five years following 1850 as much gold was given forth by the mines as had been produced to that time since the discovery of America by Columbus; and yet it is literally true.

Years.	Gold.	Silver.
1493–1850	$3,314,553,000	$7,358,450,000
1851–1875	3,317,625,000	1,395,125,000

The facts may be more conveniently seen in their proper relations in chapter 10, which represents, first, by square areas the total quantities of gold and silver produced since the discovery of America down to 1850. During this time of three hundred and fifty-seven years it will be seen that more than twice as much silver as gold, in respect to value, was produced. And we have already seen that in this period there occurred two great falls in the value of silver, or at least an almost continuous fall of silver (see chapter 4). But what is remarkable is that while gold to an amount so much more than enough for the ordinary uses of commerce was produced from 1493 to 1850 that it fell in its purchasing power, in the twenty-five years succeeding 1850 an amount equal to the product of the previous three hundred and fifty-seven years was suddenly added to the existing stock of the world.

This was an amount far more than was necessary for the growth of trade and population in those twenty-five years, and, as Prof Jevons has shown, it resulted in a loss of its purchasing power of from 9 to 15 per cent. The wonder is that its value did not fall more, and it would have fallen more if it had not been for the influences which, as we shall later see, widened the field for its use. * * *

Now, what was the effect upon the relative values of the two metals of suddenly doubling the quantity of gold, without anything like a proportional increase of silver? First of all, gold fell in value, both in regard to silver and to all commodities. The ratio between gold and silver, which had risen from 1 to 15 to 1 to 16, now showed the effect of the cheapening in gold by dropping to 1 to 15.3 for a time. This was the first effect. But a second effect soon became visible. The cheapened gold began to drive out silver from the currencies of the United States and Europe, because at former ratios, fixed before the gold discoveries, gold was overvalued at the mints, and so by Gresham's law came into circulation as the sole medium of exchange.

But the matter worthy of most attention is that this exchange of gold for silver was seen and watched, not only without opposition, but even with satisfaction. Had there been a similar flow of silver into the place of gold, there would have been no such complacency. Here again is the preference for gold which we find so constantly present. The effect of this movement was, of course, to prevent gold from falling in value as much as it would otherwise have done, and to withdraw the previously existing demand from silver for use as a medium of exchange in Western commercial nations. The very cheapness and abundance of gold increased the demand for it for use as a medium of exchange, and *ipso facto* diminished the demand for silver.

The world could choose between the two. There was silver enough; but as soon as gold became plentiful there was no doubt for a moment which metal was preferred. It was in the same spirit in which the modern world made choice between the railway and the stage coach as a means of transportation. Wherever choice was possible, the best and most convenient means of locomotion was taken.—*Ibid.*, pages 115, 116, 117.

The following clipping is from an article which appeared in the New York Evening Post of August 21, 1893, by the above author:

SOME THOUGHTS ON THE PRESENT CRISIS—THE SUPPLY OF GOLD.

Calm reflection upon facts constantly overlooked may lead us to believe that the consensus of opinion among the large commercial states of Europe in favor of the gold standard is not based on flimsy ground. From 1493 to 1850 the world's production of silver was $7,358,450,000, and of gold $3,314,553,000—or more than twice as much silver as gold. From 1851 to 1891 the world's production of silver was $3,967,444,000, and of gold $5,072,410,000—or nearly twice as much gold as silver. In the United States alone the gold production has been about twice as large as silver; from 1792 to 1891 that of silver was $1,073,172,000, and that of gold $1,904,881,769. The $5,072,410,000 of gold produced in the forty years since 1850 has filled the channels of circulation in Europe and America, and permitted the disuse of silver.

The resumption of gold payments by the United States in 1879, and the adoption of the gold standard by Germany, Denmark, Scandinavia, Italy, and Austria-Hungary, have not required, at the outside, more than $1,000,000,000 or $1,500,000,000, leaving more than $3,000,000,000 for general uses, exclusive of the stock existing in 1850, which is about as much more. Never before have the paper currencies of the world been better secured by gold reserves. There is in sight to-day more than $500,000,000 in gold in the reserves of the banks of Europe alone. In view of these facts, it does not seem wise to feel any doubt of the ability of the United States, with its untold resources and exportable products, to keep intact its small reserve of $100,000,000, or double that sum, which it should be.

Nor, in view of these facts, should too much weight be assigned to the argument that general prices have fallen because of the demonetization of silver in 1873; the less so when it is remembered that Germany took to herself only about $400,000,000 of gold and discarded the same amount of silver. In short, apart from the action of Germany, silver is as much used now in all the other States of Europe as in 1873. If the giving up of silver by Germany lowered the level of prices for the world, then the action of this country in buying as much silver as Germany discarded ought to have restored the former level. That it did not shows how untenable is the position that prices have fallen because silver was demonetized or that prices can be regulated by legislative action in increasing or diminishing either gold or silver. In short, prices can never be fixed by the mere quantity of metallic money in the country. They depend much more on conditions of credit and banking. If this is properly understood it will be possible to see how debts can be paid without the infusion of more silver into our currency as easily as ever before. The only means of paying debts, in fact, are salable goods, for they can always be changed into a means of payment.

The increased output of gold in the United States for the first six months of 1893 amounts to $1,100,000, and it is estimated by competent authority that the increased output for the world for the year 1893 over that of 1892 will amount to at least $8,000,000.

The following is taken from the editorial columns of the Washington Post, August 18, 1893:

OUR GOLD PRODUCT.

The chief risk of dependence on gold as a standard is that the supply may not be sufficient, but the gold fields of South Africa, now being developed, promise to bring relief in that direction.—*Philadelphia Ledger.*

But what about our own gold fields? Wherever gold has been produced before in years gone by prospecting has been renewed with most encouraging results. New discoveries have been made in Oregon and other Western States that are reputed to be very valuable. Even in Colorado, the very heart of the silver industry, the outlook for gold is brightening daily. Says the Denver Republican of August 14:

"Already there has been a notable increase in the gold output. The gold deposits at the Denver mint in July exceeded by $60,000 the deposits in any previous month in the history of the mint. It shows that Colorado miners are not completely at the mercy of the men who are endeavoring to strike down silver as a money metal. There are promising gold districts in both Gunnison and Pitkin Counties. Telluride is one of the best gold camps in the Rocky Mountains, and during this summer a large amount of work has been done there in the development of gold claims, which, during the time of active silver mining, were more or less neglected. Gilpin County keeps up its reputation as a gold producer, and the camp on Yankee Hill near the edge of Clear Creek County is a very promising place."

The San Francisco Examiner of the 11th instant reports that gold is coming down from the mountains at the rate of $1,500,000 a month; that "the corner of the hard times" has been turned; that money enough is to be had for saving the bulk of the fruit crop, and that wheat is rushing to market, every cargo shipped yielding $50,000 to $100,000 in "English gold" as soon as it is cleared.

There is no cause of alarm because of a probable scarcity of gold for a currency reserve. What the country does not produce the Government can easily buy.

IN CONCLUSION.

As to the direful calamity which the advocates of free silver promise us will surely befall the country if we adopt the gold standard by passing the pending bill—the scarcity of money, the fall of prices, commercial depression and increase of poverty—I quote once more from that old stalwart, hard-money, gold-standard Democrat from Missouri—of a past generation, Hon. Thomas H. Benton:

A measure of relief was now at hand, before which the machinery of distress was to balk and cease its long and cruel labors: it was the passage of the bill for equalizing the value of gold and silver and legalizing the tender of foreign coins of both metals. The bills were brought forward into the House by Mr. Campbell P. White, of New York, and passed after an animated contest, in which the chief question was as to the true relative value of the two metals, varied by some into a preference for national bank paper. Fifteen and five-eighths to 1 was the ratio of nearly all who seemed best calculated, from their pursuits, to understand the subject.

The thick array of speakers was on that side, and the eighteen banks of the city of New York, with Mr. Gallatin at their head, favored that proportion. The difficulty of adjusting this value, so that neither metal should expel the other, had been the stumbling block for a great many years, and now this difficulty seemed to be as formidable as ever. We find calculations were gone into; scientific light was sought; history was rummaged back to the times of the Roman Empire; and there seemed to be no way of getting to a concord of opinion either from the lights of science, the voice of history, or the result of calculation.

The author of this View had (in his speeches on the subject) taken up the question in a practical point of view, regardless of history and calculations and the opinions of bank officers; and looking to the actual and the equal circulation of the two metals in different countries, he saw that this equality and actuality of circulation had existed for about three hundred years in the Spanish dominions of Mexico and South America, where the proportion was 16 to 1. Taking his stand upon this single fact as the practical test that solved the question, all the real friends of gold currency soon rallied to it.

Mr. White gave up the bill which he had first introduced, and adopted the Spanish ratio. Mr. Clowney of South Carolina, Mr. Gillet, and Mr. Cambreleng of New York, Mr. Ewing of Indiana, Mr. McKim of Maryland, and the

other speakers, gave it a warm support. Mr. John Quincy Adams would vote for it though he thought that gold was overvalued; but if found to be so, the difference could be corrected hereafter. The principal speakers against it and in favor of a lower rate were Messrs. Gorham, of Massachusetts, Selden of New York, Binney of Pennsylvania, and Wilde of Georgia. And eventually the bill was passed by a large majority—145 to 36. In the Senate it had an easy passage. Mr. Calhoun and Webster supported it; Mr. Clay opposed it; and on the final vote there were but 7 negatives: Messrs. Chambers of Maryland, Clay, Knight of Rhode Island, Alexander Porter of Louisiana, Silsbee of Massachusetts, Southard of New Jersey, Sprague of Maine.

The good effects of the bill were immediately seen. Gold began to flow into the country through all the channels of commerce; old chests gave up their hoards; the mint was busy, and in a few months, and as if by magic, a currency banished from the country for thirty years, overspread the land, and gave joy and confidence to all the pursuits of industry. But this joy was not universal. A large interest connected with the Bank of the United States, and its subsidiary and subaltern institutions, and the whole paper system, vehemently opposed it, and spared neither pains nor expense to check its circulation and to bring odium upon its supporters.

People were alarmed with counterfeits. Gilt counters were exhibited in the markets, to alarm the ignorant. The coin itself was burlesqued, in mock imitation of brass or copper, with grotesque figures, and ludicrous inscriptions—the "whole hog" and the "better currency," being the favorite devices. Many newspapers expended their daily wit in its stale depreciation. The most exalted of the paper money party would recoil a step when it was offered to them, and begged for paper. The name of "Gold humbug" was fastened upon the person supposed to have been chiefly instrumental in bringing the derided coin into existence; and he, not to be abashed, made its eulogy a standing theme—vaunting its excellence, boasting its coming abundance, to spread over the land, flow up the Mississippi, shine through the interstices of the long silken purse, and to be locked up safely in the farmer's trusty oaken chest.

For a year there was a real war of the paper against gold. But there was something that was an overmatch for the arts or power of the paper system in this particular, and which needed no persuasions to guide it when it had its choice: it was the instinctive feeling of the masses which told them that money which would jingle in the pocket was the right money for them—that hard money was the right money for hard hands—that gold was the true currency for every man that had anything true to give for it, either in labor or property: and upon these instinctive feelings gold became the avidious demand of the vast operating and producing classes.—*Benton's Thirty Years' View*, volume 1, chapter 58.

The extent of suffering which follows in the wake of a cheap and unstable currency can not be overestimated. It stops all development and curtails all existing enterprises; it reduces the income of capital and the wages of labor; it increases the cost of living; it displaces confidence with suspicion, turns all merchandising into speculation, and destroys public and private credit. There can be no public credit, nor private credit, nor individual prosperity unless the money of the realm, which measures all services, all wages, all property, shall be free from suspicion and of sound and stable value.

APPENDIX.

The pending bill and order of the House for its consideration.

A bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes."

Be it enacted, etc., That so much of the act approved July 14, 1890, entitled "An act directing the purchase of silver bullion and issue of Treasury notes thereon, and for other purposes," as directs the Secretary of the Treasury to purchase from time to time silver bullion to the aggregate amount of 4,500,000 ounces, or so much thereof as may be offered in each month at the market price thereof, not exceeding $1 for 371.25 grains of pure silver, and to issue in payment for such purposes Treasury notes of the United States, be, and the same is hereby, repealed; but this repeal shall not impair, or in any manner affect, the legal-tender quality of the standard silver dollars heretofore coined; and the faith and credit of the United States are hereby pledged to maintain the parity of the standard gold and silver coins of the United States at the present legal ratio or such other ratio as may be established by law.

The Order.

Ordered by the House, That H. R. No. 1 shall be taken up for immediate consideration and considered for fourteen days. During such consideration night sessions may be held, for debate only, at the request of either side. The daily sessions to commence at 11 a. m. and continue until 5 p. m. Eleven days of the debate on the bill to be given to general debate under the rules of the last House regulating general debate, the time to be equally divided between the two sides as the Speaker may determine. The last three days of debate may be devoted to the consideration of the bill and the amendments herein provided for, under the usual five-minute rule of the House, as in Committee of the Whole House. General leave to print is hereby granted.

Order of amendments: The vote shall be taken first on an amendment providing for the free coinage of silver at the present ratio. If that fail, then a separate vote to be had on a similar amendment proposing a ratio of 17 to 1; if that fails, on one proposing a ratio of 18 to 1; if that fails, on one proposing a ratio of 19 to 1; if that fails, on one proposing a ratio of 20 to 1. If the above amendments fail, it shall be in order to offer an amendment reviving the act of the 28th of February, 1878, restoring the standard silver dollar, commonly known as the Bland-Allison act; the vote then to be taken on the engrossment and third reading of the bill as amended, or on the bill itself if all amendments shall have been voted down, and on the final passage of the bill without other intervening motions.

The law of July 14, 1890, commonly called the Sherman law.

[Public—No. 214.]

An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes.

Be it enacted, etc., That the Secretary of the Treasury is hereby directed to purchase, from time to time, silver bullion to the aggregate amount of 4,500,000 ounces, or so much thereof as may be offered in each month, at the market price thereof, not exceeding $1 for 371.25 grains of pure silver, and to issue in payment for such purchases of silver bullion Treasury notes of the United States to be prepared by the Secretary of the Treasury, in such form and of such denominations, not less than $1 nor more than $1,000, as he may prescribe, and a sum sufficient to carry into effect the provisions of this act is hereby appropriated out of any money in the Treasury not otherwise appropriated.

SEC. 2. That the Treasury notes issued in accordance with the provisions of this act shall be redeemable on demand, in coin, at the Treasury of the United States, or at the office of any assistant treasurer of the United States, and when so redeemed may be reissued; but no greater or less amount of such notes shall be outstanding at any time than the cost of the silver bullion and the standard silver dollars coined therefrom, then held in the Treasury, purchased by such notes; and such Treasury notes shall be a legal tender in payment of all debts, public and private, except where otherwise expressly stipulated in the contract, and shall be receivable for customs, taxes, and all public dues, and when so received may be reissued; and such notes, when held by any national banking association, may be counted as a part of its lawful reserve. That upon demand of the holder of any of the Treasury notes herein provided for the Secretary of the Treasury shall, under such regulations as he may prescribe, redeem such notes in gold or silver coin, at his discretion, it being the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio, or such ratio as may be provided by law.

SEC. 3. That the Secretary of the Treasury shall each month coin 2,000,000 ounces of the silver bullion purchased under the provisions of this act into standard silver dollars until the 1st day of July, 1891, and after that time he shall coin of the silver bullion purchased under the provisions of this act as much as may be necessary to provide for the redemption of the Treasury notes herein provided for, and any gain or seigniorage arising from such coinage shall be accounted for and paid into the Treasury.

SEC. 4. That the silver bullion purchased under the provisions of this act shall be subject to and the requirements of existing law and the regulations of the mint service governing the methods of determining the amount of pure silver contained, and the amount of charges or deductions, if any, to be made.

SEC. 5. That so much of the act of February 28, 1878, entitled "An act to authorize the coinage of the standard silver dollar and to restore its legal-tender character," as requires the monthly purchase and coinage of the same into silver dollars of not less than $2,000,000 nor more than $4,000,000 worth of silver bullion, is hereby repealed.

SEC. 6. That upon the passage of this act the balances standing with the Treasurer of the United States to the respective credits of national banks for deposits made to redeem the circulating notes of such banks, and all deposits thereafter received for like purpose, shall be covered into the Treasury as a miscellaneous receipt, and the Treasurer of the United States shall redeem from the general cash in the Treasury the circulating notes of said banks which may come into his possession subject to redemption; and upon the certificate of the Comptroller of the Currency that such notes have been received by him and that they have been destroyed and that no new notes will be issued in their place, reimbursement of their amount shall be made to the Treasurer, under such regulations as the Secretary of the Treasury may prescribe, from an appropriation hereby created, to be known as national-bank notes redemption account; but the provisions of this act shall not apply to the deposits received under section 3 of the act of June 20, 1874, requiring every national bank to keep in lawful money with the Treasurer of the United States a sum equal to five per cent of its circulation, to be held and used for the redemption of its circulating notes; and the balance remaining of the deposits so covered shall, at the close of each month, be reported on the monthly public debt statement as debt of the United States bearing no interest.

SEC. 7. That this act shall take effect thirty days from and after its passage.

Approved July 14, 1890.

The act of February 28, 1878, commonly called the Bland-Allison act.

An act to authorize the coinage of the standard silver dollar, and to restore its legal-tender character.

Be it enacted, etc., That there shall be coined, at the several mints of the United States, silver dollars of the weight of 412½ grains troy of standard silver, as provided in the act of January 18, 1837, on which shall be the devices and superscriptions provided by said act; which coins, together with all silver dollars heretofore coined by the United States, of like weight and fineness, shall be a legal tender, at their nominal value, for all debts and dues, public and private, except where otherwise expressly stipulated in the contract. And the Secretary of the Treasury is authorized and directed to purchase, from time to time, silver bullion at the market price thereof, not less than $2,000,000 worth per month nor more than $4,000,000 worth per month, and cause the same to be coined monthly, as fast as so purchased, into such dollars; and a sum sufficient to carry out the foregoing provision of this act is hereby appropriated out of any money in the Treasury not otherwise appropriated. And any gain or seigniorage arising from this coinage shall be accounted for and paid into the Treasury, as provided under existing laws relative to the subsidiary coinage: *Provided*, That the amount of money at any one time invested in such silver bullion, exclusive of such resulting coin, shall not exceed five million dollars; *And provided further*, That nothing in this act shall be construed to authorize the payment in silver of certificates of deposit issued under the provisions of section 254 of the Revised Statutes.

SEC. 2. That immediately after the passage of this act the President shall invite the governments of the countries comprising the Latin Union, so called, and of such other European nations as he may deem advisable, to join the United States in a conference to adopt a common ratio between gold and silver, for the purpose of establishing, internationally, the use of bimetallic money and securing fixity of relative value between those metals, such conference to be held at such place, in Europe or the United States, at such time within six months, as may be mutually agreed upon by the executives of the governments joining in the same, whenever the governments so invited, or any three of them, shall have signified their willingness to unite in the same.

The President shall, by and with the advice and consent of the Senate, appoint three commissioners, who shall attend such conference on behalf of the United States, and shall report the doings thereof to the President, who shall transmit the same to Congress.

Said commissioners shall each receive the sum of $2,500 and their reasonable expenses, to be approved by the Secretary of State, and the amount necessary to pay such compensation and expenses is hereby appropriated out of any money in the Treasury not otherwise appropriated.

SEC. 3. That any holder of the coin authorized by this act may deposit the same with the Treasurer or any assistant treasurer of the United States, in sums not less than $10, and receive therefor certificates of not less than $10 each, corresponding with the denominations of the United States notes. The coin deposited for or representing the certificate shall be retained in the Treasury for the payment of the same on demand. Said certificates shall be receivable for customs, taxes, and all public dues, and, when so received, may be reissued.

SEC. 4. All acts and parts of acts inconsistent with the provisions of this act are hereby repealed.

Relating to the act of 1873 demonetizing silver.

[Extract from speech of Hon. A. S. Hewitt, of New York, in the House of Representatives, August 5, 1876.]

On April 25, 1870, the Secretary of the Treasury transmitted the following letter to Hon. JOHN SHERMAN, chairman of the Finance Committee of the Senate:

"TREASURY DEPARTMENT, *April 25, 1870.*

"SIR: I have the honor to transmit herewith a bill revising the laws relative to the Mint, assay offices, and coinage of the United States, and accompanying report. The bill has been prepared under the supervision of John Jay Knox, Deputy Comptroller of the Currency, and its passage is recommended in the form presented. It includes in a condensed form, all the important legislation upon the coinage, not now obsolete, since the first mint was established in 1792; and the report gives a concise statement of the various amendments proposed to existing laws and the necessity for the change recommended. There has been no revision of the laws pertaining to the Mint and coinage since 1837, and it is believed that the passage of the inclosed bill will conduce greatly to the efficiency and economy of this important branch of the Government service.

"I am, very respectfully, your obedient servant,

"GEO. S. BOUTWELL,
"*Secretary of the Treasury.*"

The report and the bill were referred on April 28, 1870, to the Finance Committee of the Senate, and subsequently, on May 2, 1870, 500 additional copies were ordered to be printed for the use of the Treasury Department. The report says:

"The method adopted in the preparation of the bill was first to arrange in as concise a form as possible the laws now in existence upon these subjects, with such additional sections and suggestions as seemed valuable. Having accomplished this, the bill, as thus prepared, was printed upon paper with wide margin, and in this form transmitted to the different mints and assay offices, to the First Comptroller, the Treasurer, the Solicitor, the First Auditor, and to such other gentlemen as are known to be intelligent upon metallurgical and numismatic subjects, with the request that the printed bill should be returned with such notes and suggestions as experience and education should dictate. In this way the views of more than thirty gentlemen who are conversant with the manipulation of metals, the manufacture of coinage, the execution of the present laws relative thereto, the method of keeping accounts, and of making returns to the Department, have been obtained with but little expense to the Department and little inconvenience to correspondents. Having received these suggestions, the present bill has been framed, and it is believed to comprise within the compass of eight or ten pages of the Revised Statutes every important provision contained in more than sixty different enactments upon the Mint, assay offices, and coinage of the United States, which are the result of nearly eighty years of legislation upon these subjects."

The amendments proposed by the bill were as follows:

PROPOSED AMENDMENTS.

"The new features of the bill now submitted are chiefly: The establishment of a mint bureau at the Treasury Department, which shall also have charge of the collection of statistics relative to the precious metals; the consolidation of the office of superintendent with that of the Treasurer, thus abolishing the latter office and disconnecting the Mint entirely from the office of assistant treasurer; the repeal of the coinage charge, and authorizing the exchange of unparted for refined bars; a reduction in the amount of wastage, and the tolerance (deviation in weight and fineness) in the manufacture of coin; requiring the token coinage to be of one material of uniform value, and to be redeemed under proper regulations when issued in excess, and the expense of its manufacture to be paid from specific appropriations, and not from the gain arising in its manufacture, as heretofore; an entire change in the manner of issuing the silver (subsidiary) coinage: discontinuing the coinage of the silver dollar; limiting the amount of silver to be used as alloy, so as to make the gold coinage of uniform color; the destruction of the dies not in use annually; requiring vouchers to pass between the different officers of the Mint in all transfers of bullion or coin; requiring increased bonds from officers of the Mint, and authorizing each officer to nominate his subordinate before appointment; and also making it an offense to increase or diminish the weights used in the Mint."

The report of Mr. Knox called special attention to the discontinuance of the silver dollar as a standard, as may be seen from the following paragraph on page 11:

"SILVER DOLLAR—ITS DISCONTINUANCE AS A STANDARD.

"The coinage of the silver-dollar piece, the history of which is here given, is discontinued in the proposed bill. It is by law the dollar unit and, assuming the value of gold to be fifteen and one-half times that of silver, being about the mean ratio for the past six years, is worth in gold a premium of about 3 per cent (its value being 103.12) and intrinsically more than 7 per cent premium in our other silver coins, its value thus being 107.42. The present laws consequently authorize both a gold-dollar unit and a silver-dollar unit, differing from each other in intrinsic value. The present gold-dollar piece is made the dollar unit in the proposed bill and the silver-dollar piece is discontinued. If, however, such a coin is authorized, it should be issued only as a commercial dollar, not as a standard unit of account, and of the exact value of the Mexican dollar, which is the favorite for circulation in China and Japan and other Oriental countries."

The appendix to the report contained a copy of the English coinage act of 1870, and four tables giving (1) the existing coinage, including the silver dollar; (2) the proposed coinage in which the silver dollar was omitted; (3) a metric system of coinage suggesting the issue of a subsidiary silver coinage consisting of two half-dollars constituting in weight and fineness an exact equivalent to the French five-franc piece, and a quarter-dollar and dime with proportionate weight and fineness, which proposition was finally adopted; (4) a table giving a comparison of coinage existing and proposed. A note at the foot of this table states that the silver dollar, half-dime and three-cent piece are omitted in the proposed bill. Subsequently, on June 25, 1870, the Secretary of the Treasury transmitted to the House of Representatives a letter of the then Deputy Comptroller of the Currency, together with copies of the correspondence of the Department with the officers of the different mints, assay offices, and other experts in reference to the bill and report previously submitted.

The bill in its original form, which was transmitted to the correspondents throughout the country for consideration and comment, contained the following section, as appears from the manuscript copy at the Treasury Department:

"SEC. 15. *And be it further enacted*, That of the silver coins [the weight of the dollar shall be 384 grains] (now 412½ grains) the weight of the half-dollar or piece of 50 cents shall be 192 grains; and that the quarter-dollar and dime [and half-dime] shall be, respectively, one-half and one-fifth [and one-tenth] of the weight of said half-dollar. That the silver coin issued in conformity with the above sections shall be a legal tender in any one payment of debts for all sums [not exceeding $5, except duties on imports] *less than* $1."

If the words inclosed in [brackets] of the section as here given are excluded and the words in *italics* included, the section will conform precisely to the section which was transmitted to Congress and which passed the Senate on January 9, 1871.

The dollar of 384 grains was proposed in the rough revision of the bill for the purpose of obtaining an expression of opinion in reference to the proposed omission of the dollar piece and the words "except duties on imports" inserted for the reason that a regulation or usage at the custom-house in New York limits the payment of silver coins to the fractional parts of a dollar, except when the payment to be made is $5 or less. Several gentlemen in their criticisms upon the rough revision of the bill referred to this section.

Hon. James Pollock, the Director of the Mint at Philadelphia, said:

"SEC. 11. The reduction of the weight of the whole dollar is approved, and was recommended in my annual report of 1861." (Page 10.)

Mr. Robert Patterson, of Philadelphia, sent to Mr. Knox some notes on the bill suggesting amendments. He called attention to one of these in the following words:

"The silver dollar, half-dime, and three-cent piece are dispensed with by this amendment. Gold becomes the standard money, of which the gold dollar is the unit. Silver is subsidiary, embracing coins from the dime to half-dollar; coins less than the dime are of copper-nickel. The legal tender is limited to necessities of the case; not more than a dollar for such silver or 15 cents for the nickels."

Mr. Franklin Peale, formerly melter and refiner and chief coiner of the mint at Philadelphia, recommended the discontinuance of the three and one dollar gold pieces, and supplying the place of the latter with a proper silver coin to be used as change. Dr. H. R. Linderman, the present Director of the Mint, said:

"Section 11 reduces the weight of the silver dollar from 412½ to 384 grains. I can see no good reason for the proposed reduction in the weight of this coin. It would be better, in my opinion, to discontinue its issue altogether. The gold dollar is really the legal unit and measure of value. Having a higher value as bullion than its nominal value, the silver dollar long ago ceased to be a coin of circulation; and being of no practical use whatever, its issue should be discontinued."

Mr. James Ross Snowden, formerly Director of the Mint, said:

"I see that it is proposed to demonetize the silver dollar. This I think unadvisable. Silver coins below the dollar are now not money in a proper sense, but only tokens. I do not like the idea of reducing the silver dollar to that level. It is quite true that the silver dollar, being more valuable than two half-dollars or four quarter-dollars, will not be used as a circulating medium, but only for cabinets and perhaps to supply some occasional or local demand; yet I think there is no necessity for so considerable a piece as the dollar to be struck from metal which is only worth 94 cents. When we speak of dollars let it be known that we speak of dollars not demonetized and reduced below their intrinsic value, and thus avoid the introduction of contradictory and loose ideas of the standards of value."

Mr. George F. Dunning, formerly superintendent of the United States assay office in New York, proposed that the law in regard to the silver coinage should be in the following language:

"SEC. 11. *And be it further enacted*, That the silver coins of the United States shall be a dollar, a half-dollar, a quarter-dollar, a dime or tenth of a dollar, and a half-dime or twentieth of a dollar; and the standard weight of the silver coins shall be in the proportion of 384 grains to the dollar, and these coins shall be a legal tender in all payments not exceeding $5."

The officers of the San Francisco branch mint made the following suggestions:

"Section 11. Would not the proposed change in the weight of the silver dollar disturb the relative value of all our coinage, affect our commercial conventions, and possibly impair the validity of contracts running through a long period? Might not the dollar be retained as a measure of value, but the coinage of the piece for circulation be discontinued?"

Mr. E. B. Elliott, of the Treasury Department, gave a complete history of the silver dollar, and suggested the issue of a commercial dollar of nine-tenths fineness, and containing of pure silver just 25 grams, in place of the then existing silver dollar of 412½ grains, the proposed silver dollar being almost the exact equivalent of the silver contained in the older Spanish-Mexican pillared dollar, established in 1704 by proclamation of Queen Anne as a legal tender of payment and accepted as par of exchange for the British colonies of North America at the rate of 54 pence sterling to the dollar, or 4½ dollars to the pound sterling.

On December 19, 1870, the bill was reported from the Finance Committee of the Senate and printed with amendments.

On January 9, 1871, in accordance with previous notice, the bill came before the Senate, and was discussed during that day and the following day by Senators SHERMAN, Sumner, Bayard, STEWART of Nevada, Williams, Casserly, MORRILL, and others, and passed the Senate on the 10th by a vote of 36 yeas to 14 nays.

On January 13, 1871, on motion of Hon. William D. Kelley, the Senate bill was ordered to be printed. On February 25, 1871, Mr. Kelley, the chairman of the Committee on Coinage, reported the bill back with an amendment in the nature of a substitute, when it was again printed and recommitted. Mr. Kelley again on March 9, 1871, introduced the bill in the Forty-second Congress, when it was ordered to be printed, and referred to the Committee on Coinage, when appointed.

On January 9, 1872, the bill was reported by Mr. Kelley, chairman of the Coinage Committee, with the recommendation that it pass. The bill was read and discussed at length by Messrs. Kelley, Potter, Garfield, Maynard, Dawes, HOLMAN, and others. Mr. Kelley, in the opening speech, said:

"The Senate took up the bill and acted upon it during the last Congress, and sent it to the House; it was referred to the Committee on Coinage, Weights, and Measures, and received as careful attention as I have ever known a committee to bestow on any measure.

* * * * * * *

"We proceeded with great deliberation to go over the bill, not only section by section, but line by line, and word by word; the bill has not received the same elaborate consideration from the Committee on Coinage of this House, but the attention of each member was brought to it at the earliest day of this session; each member procured a copy of the bill and there has been a thorough examination of the bill again."—*Congressional Globe*, volume 100, page 322.

Mr. Kelley on the same day also said:

"There are one or two things in this bill I will say to the gentleman from New York, with his permission, which I personally would like to modify; that is to say, I would like to follow the example of England and make a wide difference between our silver and gold coinage. * * *

"I would have liked to have made the gold dollar uniform with the French system of weights, taking the gram as the unit." (Page 323, volume 100.)

On January 10, 1872, the bill after considerable discussion was again recommitted, and on February 9, 1872, it was again reported from the Coinage Committee by Hon. Samuel Hooper, printed and recommitted, and on February 13, 1872, reported back by Mr. Hooper with amendments, printed, and made the special order for March 12, 1872, until disposed of.

On April 9, 1872, the bill came up in the House for consideration. Mr. Hooper in a carefully prepared speech of ten columns, explained the provisions of each section of the bill. In this speech (page 2306, volume 102, of the Congressional Globe) he says:

"Section 16 reenacts the provisions of the existing laws defining the silver coins and their weights, respectively, except in relation to the silver dollar, which is reduced in weight from 412½ to 384 grains, thus making it a subsidiary coin in harmony with the silver coins of less denomination to secure its concurrent circulation with them. The silver dollar of 412½ grains, by reason of its bullion or intrinsic value being greater than its nominal value, long since ceased to be a coin of circulation, and is melted by manufacturers of silverware. It does not circulate now in commercial transactions with any country, and the convenience of these manufacturers in this respect can better be met by supplying small stamped bars of the same standard, avoiding the useless expense of coining the dollar for that purpose."

Mr. Stoughton, of the Coinage Committee, also made a speech of seven columns, in which he says:

"The silver coins provided for are the dollar, 384 grains troy, the half-dollar, quarter-dollar, and dime, of the value and weight of one-half, one-quarter, and one-tenth of the dollar, respectively, and they are made a legal tender for all sums not exceeding $5 at any one payment. The silver dollar, as now issued, is worth for bullion 3½ cents more than the gold dollar and 7½ cents more than two half-dollars; having a greater intrinsic and nominal value, it is certain to be withdrawn from circulation whenever we return to specie payment, and to be used for only manufacture and exportation as bullion."

The latter, in commenting upon the bill, says:

"Mr. Speaker, this is a bill of importance. When it was before the House in the early part of this session I took some objections to it which I am inclined now to think, in view of all the circumstances, were not entirely well founded, but after further reflection I am still convinced that it is a measure which it is hardly worth while for us to adopt at this time. * * * This bill provides for the making of changes in the legal-tender coin of the country and for substituting as legal-tender coin of only one metal instead as heretofore of two. I think myself this would be a wise provision, and that legal-tender coins, except subsidiary coin, should be of gold alone; but why should we legislate on this now when we are not using either of those metals as a circulating medium?

"The bill provides also for a change in respect of the weight and value of the silver dollar, which I think is a subject which, when we come to require legislation about it at all, will demand at our hands very serious consideration, and which, as we are not using such coins for circulation now, seems at this time to be an unnecessary subject about which to legislate." (Page 2310, volume 102.)

Mr. Kelley also said:

"I wish to ask the gentleman who has just spoken [Mr. Potter] if he knows of any government in the world which makes its subsidiary coinage of full value. The silver coin of England is 10 per cent below the value of gold coin, and, acting under the advice of the experts of this country, and of England and France, Japan has made her silver coinage within the last year 12 per cent below the value of gold coin, and for this reason: It is impossible to retain the double standard. The values of gold and silver continually fluctuate. You can not determine this year what will be the relative values of gold and silver next year. They were 15 to 1 a short time ago; they are 16 to 1 now.

"Hence all experience has shown that you must have one standard coin which shall be a legal tender for all others, and then you may promote your domestic convenience by having a subsidiary coinage of silver, which shall circulate in all parts of your country as legal tender for a limited amount and be redeemable at its face value by your Government. But, sir, I again call the attention of the House to the fact that the gentlemen who oppose this bill insist upon maintaining a silver dollar worth 3½ cents more than the gold dollar and worth 7 cents more than two half dollars, and that so long as those provisions remain you can not keep silver coin in the country."

On May 27, 1872, the bill was again called up by Mr. Hooper for the purpose of offering an amendment in the nature of a substitute, and the bill as amended passed that day—yeas 110, nays 13.

Just previous to the passage of the bill Mr. McNeely, of the Coinage Committee, said:

"As a member of the Committee on Coinage, Weights, and Measures, having carefully examined every section and line of this bill and generally understanding the subject before us, I am satisfied that the bill ought to pass." (Page 3883, volume 104.)

The substitute reported by Mr. Hooper and passed by the House, so far as it refers to silver coinage, was identical with the bill previously reported from the Coinage Committee by him. It was also identical with the bill introduced by Mr. Kelley, with the single exception of the provision authorizing the coinage of a silver dollar weighing 384 grains. The bill of Mr. Kelley, so far as it related to the silver coinage, was identical with the bill which was prepared at the Treasury Department, and which had passed the Senate, excepting that the latter bill made the silver coin a legal tender for all sums less than $1, while the bill of Mr. Kelley made the silver coins a legal tender for $5 in any one payment.

The bill was again printed in the Senate on May 29, 1872, and referred to the Finance Committee. Senator SHERMAN, in reporting it back on December 16, 1872, said:

"This bill has, in substance, passed both Houses, except that the Senate bill enlarged and increased the salaries of the officers of the Mint; it was passed by the Senate at the session of the last Congress, went to the House, and now, somewhat modified, has passed the House at this Congress, so that the bill has practically passed both Houses of Congress. The Senate Committee on Finance propose a modification of only a single section; but as this is not the same Congress that passed the bill in the Senate, I suppose it will have to go through the form of a full reading unless the Senate are willing to take it on the statement of the committee, the Senate already having debated it and passed it." (Page 203, volume 106, third session Forty-second Congress.)

After further debate, on motion of Mr. Cole, the bill was printed in full with amendments.

On January 7, 1873, it was again reported with amendments and again printed for the information of the Senate. It passed that body on January 17, 1873, after a discussion occupying nineteen columns of the Congressional Globe. In the course of the debate Senator SHERMAN said:

"This bill proposes a silver coinage exactly the same as the French and what are called the associated nations of Europe, who have adopted the international standard of silver coinage; that is, the dollar [two half-dollars] provided for by this bill is the precise equivalent of a 5-franc piece. It contains the same number of grams of silver, and we have adopted the international gram instead of the grain for the standard of our silver coinage. The trade dollar has been adopted mainly for the benefit of the people of California and others engaged in trade with China.

"That is the only coin measured by the grain instead of by the gram. The intrinsic value of each is to be stamped upon the coin. The Chamber of Commerce of New York recommended this change, and it has been adopted, I believe, by all the learned societies who have given attention to coinage, and has been recommended to us, I believe, as the general desire. That is embodied in these three or four sections of amendment to make our silver coinage correspond in exact form and dimensions and shape and stamp with the coinage of the associated nations of Europe, who have adopted an international silver coinage." (Page 672, volume 106, third session, Forty-second Congress.)

The bill was sent to the House, and on January 21, 1873, on motion of Mr. Hooper, it was again printed with amendments, and subsequently committees of conference were appointed, consisting of Messrs. Hooper, Houghton, and McNeely, of the House, and Senators SHERMAN, Scott, and Bayard, of the Senate. The reports of the committees of conference were agreed to, and the bill became a law on February 12, 1873, substantially as originally prepared at the Treasury.

The bill as prepared at the Treasury omitted the silver-dollar piece, and the report stated the fact of its omission three different times and gave the reasons therefor. The silver-dollar piece was omitted from the bill as it first passed the Senate. It was also omitted from the bills reported by Mr. Kelley; but in the bills reported by Mr. Hooper a new silver dollar was proposed equal in weight (384 grains) to two of the half-dollars then authorized.

The Senate substituted a trade dollar weighing 420 grains in place of the dollar of 384 grains, in accordance with the wishes of the dealers in bullion upon the Pacific coast, that being considered by them as the most advantageous weight for a coin to be used for shipment to China and Japan.

The weight of the subsidiary silver coin was increased about one-half per cent in value, making the half dollar, quarter dollar, and dime, respectively, of the weight of 12½ grams, 6¼ grams, and 2½ grams, or precisely one-half, one-quarter, and one-tenth, respectively, of the weight of the French 5-franc piece. All of said coins were made a legal tender in nominal value for any amount not exceeding $5 in any one payment. The bill was read in full in the Senate several times, and the record states on January 9, 1872, that it was read in the House. It was undoubtedly read at other times. The bill was printed separately eleven times, and twice in reports made by the Deputy Comptroller of the Currency, thirteen times in all, by order of Congress. It was considered at length by the Finance Committee of the Senate and the Coinage Committee of the House during five different sessions, and the debates upon the bill in the Senate occupied sixty-six columns of the Globe and in the House seventy-eight columns of the Globe.

The Secretary of the Treasury called the special attention of Congress to the bill in his annual reports for 1870, 1871, and 1872. In his report of 1872 he says:

"In the last ten years the commercial value of silver has depreciated about 3 per cent as compared with gold, and its use as a currency has been discontinued by Germany and by some other countries. The financial condition of the United States has prevented the use of silver as currency for more than ten years, and I am of opinion that upon grounds of public policy no attempt should be made to introduce it, but that the coinage should be limited to commercial purposes, and designed exclusively for commercial uses with other nations.

"The intrinsic value of a metallic currency should correspond to its commercial value, or metals should be used for the coinage of tokens redeemable by the Government at their nominal value. As the depreciation of silver is likely to continue, it is impossible to issue coin redeemable ingold without ultimate loss to the Government; for when the difference becomes considerable the holders will present the silver for redemption and leave it in the hands of the Government to be disposed of subsequently at a loss.

"Therefore, in renewing the recommendations heretofore made for the passage of the mint bill, I suggest such alterations as will prohibit the coinage of silver for circulation in this country, but that authority be given for the coinage of a silver dollar that shall be as valuable as the Mexican dollar, and to be furnished at its actual cost."

As a final answer to the charge that the bill was passed surreptitiously, I append, first, a copy of the section in reference to the issue of silver coins as printed in the report of the Treasury Department and as passed by the Senate; second, a copy of the section as reported by Mr. Kelley; third, a copy of the section as reported by Mr. Hooper; fourth, a copy of the section as finally passed by the Senate and agreed upon by the conference committee.

The following section was printed in the two reports of John Jay Knox, Deputy Comptroller of the Currency, to Congress; also in Senate bill 859, Forty-first Congress, second session, April 28, 1870; in Senate bill 859, December 19, 1870, and January 11, 1871, third session Forty-first Congress, as reported by Mr. SHERMAN:

"SEC. 15. *And be it further enacted*, That of the silver coins the weight of the half-dollar, or piece of 50 cents, shall be 192 grains; and that of the quarter-dollar and dime shall be respectively, one-half and one-fifth of the weight of said half-dollars; that the silver coin issued in conformity with the above section shall be a legal tender in any one payment of debts for all sums less than $1."

The following section was printed in Senate bill 859, Forty-first Congress, third session, February 25, 1871, and House bill No. 5, Forty-second Congress, first session, March 9, 1871, as reported by Mr. Kelley:

"SEC. 15. *And be it further enacted*, That of the silver coins the weight of the half-dollar, or piece of 50 cents, shall be 192 grains; and the quarter-dollar and dime shall be, respectively, one-half and one-fifth of the weight of said half-dollar; which coins shall be a legal tender at their denominational value for any amount not exceeding $5 in any one payment."

The following section was printed in House bill No. 2934, May 29, 1872; House bill No. 1427, February 9, 1872, and February 13, 1872, Forty-second Congress, second session, as reported by Mr. Hooper:

"SEC. 16. That the silver coins of the United States shall be a dollar, a half-dollar or fifty-cent piece, a quarter-dollar or twenty-five-cent piece, and a dime or ten-cent piece: and the weight of the dollar shall be 384 grains; the half-dollar, quarter dollar, and the dime shall be, respectively, one-half, one-quarter, and one-tenth of the weight of said dollar; which coins shall be a legal tender, at their denominational value, for any amount not exceeding $5 in any one payment."

The following section was printed in House bill No. 2934, December 16, 1872, January 7, 1873, and January 21, 1873, Forty-second Congress, third session, as reported by Mr. SHERMAN:

"That the silver coins of the United States shall be a trade dollar, a half-dollar or fifty-cent piece, a quarter-dollar or twenty-five-cent piece, a dime or ten-cent piece; and the weight of the trade dollar shall be 420 grains troy; the weight of the half-dollar shall be 12½ grains [grams]; the quarter-dollar and the dime shall be, respectively, one-half and one-fifth of the weight of said half-dollar; and said coins shall be a legal tender at their nominal value for any amount not exceeding $5 in any one payment."

The following section was contained in all of the different bills and the coinage act of 1873:

"SEC. 18. *And be it further enacted*, That no coins, either of gold, silver, or minor coinage, shall hereafter be issued from the Mint other than those of the denominations, standards, and weights herein set forth."

Copies of the different bills may be obtained at the document room of the Senate.

Statement showing the monthly receipts from customs at New York since January, 1889, and the percentage of each kind of money received.

[United States Treasurer's Report, 1892, page 50.]

Months.	Total receipts.	Gold coin.	Silver coin.	Gold certificates.	Silver certificates.	United States notes.	United States Treasury notes.
1889.		*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*
January	$14,037,625	0.1	0.1	83.0	6.2	10.6	.....
February	12,954,640	0.1	0.1	85.1	5.3	9.4	.....
March	13,422,511	0.1	0.1	87.5	3.1	9.2	.....
April	11,962,153	0.1	0.1	88.8	2.7	8.3	.....
May	11,096,791	0.2	0.1	81.5	5.9	12.3	.....
June	10,697,716	0.1	0.1	74.5	6.5	18.8	.....
July	13,791,000	0.1	0.1	85.6	3.8	10.4	.....
August	13,324,514	0.2	0.1	86.5	2.9	10.3	.....
September	12,015,653	0.2	0.1	89.7	2.1	7.9	.....
October	12,201,906	0.1	0.1	90.5	2.0	7.3	.....
November	11,175,885	0.2	0.1	92.6	1.3	5.8	.....
December	10,997,977	0.2	0.1	92.4	2.0	5.3	.....
1890.							
January	15,223,480	0.1	0.0	92.5	2.8	4.6	.....
February	13,888,075	0.1	0.1	95.0	1.8	3.0	.....
March	12,569,867	0.1	0.1	95.7	1.4	2.7	.....
April	13,617,857	0.2	0.1	95.4	1.6	2.7	.....
May	10,671,516	0.2	0.1	93.6	2.5	3.6	.....
June	14,492,128	0.1	0.0	94.5	2.7	2.7	.....
July	17,173,016	0.1	0.1	95.3	2.0	2.5	.....
August	12,978,335	0.1	0.0	91.7	1.7	3.0	3.5
September	15,767,331	0.1	0.1	85.5	1.4	1.9	11.0
October	16,093,061	0.2	0.0	80.9	1.3	2.1	15.5
November	10,154,328	0.3	0.1	80.4	1.7	2.9	14.6
December	10,704,055	0.3	0.1	87.8	1.9	3.0	6.9
1891.							
January	16,794,456	0.1	0.0	88.5	2.1	4.1	5.2
February	12,280,373	0.1	0.0	81.0	6.6	5.0	7.3
March	10,520,414	0.2	0.0	64.9	16.5	6.0	12.4
April	7,711,917	0.2	0.0	47.0	20.0	7.2	25.6
May	7,449,775	0.2	0.0	27.8	26.8	15.0	30.2
June	9,131,418	0.2	0.0	12.3	14.0	44.6	28.9
July	11,303,169	0.2	0.0	14.9	8.5	49.0	27.4
August	10,460,330	0.2	0.0	12.6	5.2	50.5	31.5
September	9,961,740	0.1	0.1	11.7	4.4	55.3	28.4
October	9,337,291	0.2	0.0	19.8	4.4	44.0	31.6
November	8,502,785	0.1	0.0	43.5	2.8	31.3	22.3
December	9,314,666	0.1	0.0	65.3	3.1	14.8	16.7
1892.							
January	11,960,445	0.1	0.0	66.1	4.3	15.0	14.5
February	11,628,815	0.1	0.0	25.8	9.3	36.2	28.6
March	10,871,923	0.1	0.0	[illegible]7	5.7	42.5	33.0
April	8,879,912	0.2	0.0	[illegible]	6.9	46.4	31.6
May	8,103,436	0.1	0.0	9.[illegible]	13.0	40.6	36.4
June	9,591,270	0.2	0.0	8.0	15.9	26.8	49.1
July	12,295,908	0.1	0.0	13.8	15.5	28.4	42.2
August	13,175,485	0.0	0.0	12.1	10.4	25.6	51.9
September	11,335,347	0.0	0.0	3.6	10.9	45.8	39.7
October	10,341,120	0.1	0.0	6.6	6.4	51.9	35.0
November	9,951,385	0.1	0.0	7.8	6.3	52.8	33.0
December	10,570,853	0.0	0.0	4.4	9.2	46.4	40.0
1893.							
January	15,291,892	0.0	0.0	8.9	15.8	42.1	33.2
February	12,439,280	0.0	0.0	9.2	20.7	33.3	36.8
March	12,805,673	0.0	0.0	7.8	15.7	28.0	48.5
April	9,717,539	0.1	0.0	2.9	23.3	41.0	32.7
May	9,067,707	0.1	0.0	0.0	37.8	26.2	35.9
June	9,337,798	0.0	0.0	0.0	12.0	53.0	35.0
July	10,220,733	12.5	0.0	4.6	12.3	55.6	15.0

Statement showing amount of gold coin and bullion in the Treasury, and of gold certificates outstanding, from latest returns received at the end of each month.

[United States Treasurer's Report, 1892, page 85.]

Date.	Total gold in Treasury, coin and bullion.	Gold certificates in Treasury cash.	Gold certificates in circulation.	Net gold in Treasury, coin and bullion.
1889.				
January	$325,641,856.12	$25,043,518	$130,986,502	$194,655,264.12
February	326,456,697.81	24,802,813	130,210,717	196,245,080.81
March	326,700,938.96	26,586,125	128,826,517	197,874,421.96
April	328,203,900.80	20,783,433	136,614,789	191,589,111.80
May	321,297,376.96	27,350,140	129,044,662	192,252,714.96
June	303,504,319.58	37,235,793	116,792,759	186,711,560.58
July	300,759,572.98	34,639,943	118,541,409	182,218,163.98
August	304,048,189.30	39,557,233	123,393,519	180,654,670.30
September	305,871,772.02	42,073,803	116,675,349	189,196,423.02
October	308,509,615.21	34,925,823	120,937,229	187,572,386.21
November	310,979,791.06	30,668,000	123,483,119	187,496,672.06
December	313,818,941.47	31,316,160	122,985,889	190,833,052.47
1890.				
January	316,043,454.19	20,452,870	138,657,169	177,386,285.19
February	318,593,752.14	28,222,835	130,604,804	187,988,948.14
March	320,225,794.87	24,614,210	134,938,079	185,287,715.87
April	320,878,411.60	24,142,200	134,642,839	186,235,572.60
May	321,333,253.10	27,473,120	130,788,399	190,544,854.10
June	321,612,423.49	26,162,960	131,280,019	190,232,404.49
July	316,536,823.28	27,577,120	132,444,749	184,092,074.28
August	310,220,120.43	33,005,730	124,382,539	185,837,581.43

Statement showing amount of gold coin and bullion, etc.—Continued.

Date.	Total gold in Treasury, coin and bullion.	Gold certificates in Treasury cash.	Gold certificates in circulation.	Net gold in Treasury, coin and bullion.
1890—Continued.				
September	$306,086,471.18	$16,058,780	$158,104,739	$147,981,732.18
October	294,489,603.03	36,482,690	138,173,979	156,315,624.03
November	293,755,879.85	43,755,570	131,316,499	162,439,380.85
December	293,020,214.20	31,384,690	144,047,279	148,972,935.20
1891.				
January	297,567,546.04	19,892,050	155,839,449	141,728,097.04
February	296,831,953.14	25,155,770	149,119,129	149,712,824.14
March	292,435,218.50	24,050,460	144,317,069	148,118,149.50
April	280,633,039.99	27,309,200	138,880,799	141,752,240.99
May	255,331,502.93	36,777,810	122,124,339	133,207,163.93
June	238,518,121.59	31,606,030	120,850,399	117,667,722.59
July	236,828,413.24	34,004,820	115,715,389	121,113,024.24
August	240,744,487.66	37,721,280	108,273,079	132,471,408.66
September	244,974,790.94	28,332,490	112,451,569	132,523,221.94
October	263,774,741.81	20,790,420	136,100,319	127,674,422.85
November	271,843,193.35	19,202,170	142,649,969	129,193,224.30
December	278,846,749.90	17,472,720	148,106,119	130,740,630.91
1892.				
January	282,753,863.24	17,486,810	163,178,950	119,574,904.24
February	282,123,391.53	18,150,140	160,001,279	122,122,112.53
March	280,144,269.34	23,673,770	154,329,229	125,815,040.34
April	273,623,455.45	21,931,180	153,713,699	119,909,756.45
May	271,527,091.86	14,470,520	157,295,209	114,231,882.86
June	255,577,705.23	15,363,590	141,235,339	114,342,365.23
July	247,306,220.66	17,738,500	136,861,829	110,444,391.66
August	242,543,695.63	23,847,210	128,387,379	114,156,316.63
September	240,605,908.58	25,345,590	121,210,399	119,395,509.58
October	244,261,468.91	23,187,990	120,255,349	124,006,119.91
November	247,598,465.89	19,632,830	123,188,809	124,409,656.89
December	238,359,801.29	24,254,750	117,093,139	121,266,662.29
1893.				
January	228,827,532.53	15,729,770	120,645,819	108,181,713.53
February	217,672,947.91	7,782,260	114,388,729	103,284,218.91
March	218,378,232.99	5,135,430	111,486,009	106,892,223.99
April	202,283,359.08	8,888,310	105,272,029	97,011,330.08
May	196,518,609.76	3,324,670	101,469,969	95,048,640.76
June	188,455,432.59	1,071,170	92,970,019	95,485,413.59
July	186,813,962.98	93,710	87,611,029	99,202,933.98

Product of gold and silver in the United States from 1792–1844, and annually since.

[The estimate for 1792-1873 is by R. W. Raymond, Commissioner, and since by the Director of the Mint.]

Years.	Gold.	Silver.	Total.
April 2, 1792-July 31, 1834	$14,000,000	Insignificant.	$14,000,000
July 31, 1834—December 31, 1844	7,500,000	$250,000	7,750,000
1845	1,008,327	50,000	1,058,327
1846	1,139,357	50,000	1,189,357
1847	889,085	50,000	939,085
1848	10,000,000	50,000	10,050,000
1849	40,000,000	50,000	40,050,000
1850	50,000,000	50,000	50,050,000
1851	55,000,000	50,000	55,050,000
1852	60,000,000	50,000	60,050,000
1853	65,000,000	50,000	65,050,000
1854	60,000,000	50,000	60,050,000
1855	55,000,000	50,000	55,050,000
1856	55,000,000	50,000	55,050,000
1857	55,000,000	50,000	55,050,000
1858	50,000,000	500,000	50,500,000
1859	50,000,000	100,000	50,100,000
1860	46,000,000	150,000	46,150,000
1861	43,000,000	2,000,000	45,000,000
1862	39,200,000	4,500,000	43,700,000
1863	40,000,000	8,500,000	48,500,000
1864	46,100,000	11,000,000	57,100,000
1865	53,225,000	11,250,000	64,475,000
1866	53,500,000	10,000,000	63,500,000
1867	51,725,000	13,500,000	65,225,000
1868	48,000,000	12,000,000	60,000,000
1869	49,500,000	12,000,000	61,500,000
1870	50,000,000	16,000,000	66,000,000
1871	43,500,000	23,000,000	66,500,000
1872	36,000,000	28,750,000	64,750,000
1873	36,000,000	35,750,000	71,750,000
1874	33,500,000	37,300,000	70,800,000
1875	33,400,000	31,700,000	65,100,000
1876	39,900,000	38,800,000	78,700,000
1877	46,900,000	39,800,000	86,700,000
1878	51,200,000	45,200,000	96,400,000
1879	38,900,000	40,800,000	79,700,000
1880	36,000,000	39,200,000	75,200,000
1881	34,700,000	43,000,000	77,700,000
1882	32,500,000	46,800,000	79,300,000
1883	30,000,000	46,200,000	76,200,000
1884	30,800,000	48,800,000	79,600,000
1885	31,800,000	51,600,000	83,400,000
1886	35,000,000	51,000,000	86,000,000
1887	33,000,000	53,350,000	86,350,000
1888	33,175,000	59,195,000	92,370,000
1889	32,800,000	64,646,000	97,446,000
1890	32,845,000	70,464,000	103,309,000
1891	33,175,000	75,417,000	108,592,000
1892	33,000,000	73,697,000	106,697,000
Total	1,937,881,769	1,146,869,000	3,084,750,769

Statement of the production of gold and silver in the world since the discovery of America.

[From 1493 to 1885 is from table of averages for certain periods compiled by Dr. Adolph Soetbeer. For the years 1886-1892 the production is the annual estimate of the Bureau of the Mint.]

Period.	Gold.				Silver.				Percentage of production.			
	Annual average of period.		Total for the period.		Annual average of period.		Total for the period.		By weight.		By value.	
	Fine ounces.	Value.	Fine ounces.	Value.	Fine ounces.	Coinage value.	Fine ounces.	Coinage value.	Gold.	Silver.	Gold.	Silver.
1493-1520	186,470	$3,855,000	5,221,160	$107,931,000	1,511,050	$1,954,000	42,309,400	$54,703,000	11.0	89.0	66.4	33.6
1521-1544	230,194	4,759,000	5,524,656	114,205,000	2,899,980	3,749,000	69,598,320	89,986,000	7.4	92.6	55.9	44.1
1545-1560	273,596	5,656,000	4,377,544	90,492,000	10,017,940	12,952,000	160,287,040	207,240,000	2.7	97.3	30.4	69.6
1561-1580	219,906	4,546,000	4,398,120	90,917,000	9,628,925	12,450,000	192,578,500	248,990,000	2.2	97.8	26.7	73.3
1581-1600	237,267	4,905,000	4,745,340	98,095,000	13,467,635	17,413,000	269,352,700	348,254,000	1.7	98.3	22.0	78.0
1601-1620	273,918	5,662,000	5,478,360	113,248,000	13,598,235	17,579,000	271,924,700	351,579,000	2.0	98.0	24.4	75.6
1621-1640	266,845	5,516,000	5,336,900	110,324,000	12,654,240	16,361,000	253,084,800	327,221,000	2.1	97.9	25.2	74.8
1641-1660	281,955	5,828,000	5,639,110	116,571,000	11,776,545	15,226,000	235,530,900	304,525,000	2.3	97.7	27.7	72.3
1661-1680	297,709	6,154,000	5,954,180	123,084,000	10,834,550	14,008,000	216,691,000	280,166,000	2.7	97.3	30.5	69.5
1681-1700	346,095	7,154,000	6,921,895	143,088,000	10,992,085	14,212,000	219,841,700	284,240,000	3.1	96.9	33.5	66.5
1701-1720	412,163	8,520,000	8,243,260	170,403,000	11,432,540	14,781,000	228,650,800	295,629,000	3.5	96.5	36.6	63.4
1721-1740	613,422	12,681,000	12,268,440	253,611,000	13,863,080	17,924,000	277,261,600	358,480,000	4.2	95.8	41.4	58.6
1741-1760	791,211	16,356,000	15,824,230	327,118,000	17,140,612	22,162,000	342,812,235	443,232,000	4.4	95.6	42.5	57.5
1761-1780	665,666	13,761,000	13,313,315	275,211,000	20,985,591	27,133,000	419,711,820	542,658,000	3.1	96.9	33.7	66.3
1781-1800	571,948	11,823,000	11,438,970	236,464,000	28,261,779	36,540,000	565,235,580	730,810,000	2.0	98.0	24.4	75.6
1801-1810	571,563	11,815,000	5,715,627	118,152,000	28,746,922	37,168,000	287,469,225	371,677,000	1.9	98.1	24.1	75.9
1811-1820	367,957	7,606,000	3,679,568	76,063,000	17,385,755	22,479,000	173,857,555	224,786,000	2.1	97.9	25.3	74.7
1821-1830	457,044	9,448,000	4,570,444	94,479,000	14,807,604	19,144,000	148,070,040	191,444,000	3.0	97.0	33.0	67.0
1831-1840	652,291	13,484,000	6,522,913	134,841,000	19,175,807	24,793,000	191,758,675	247,930,000	3.3	96.7	35.2	64.8
1841-1850	1,760,502	36,393,000	17,605,018	363,928,000	25,090,342	32,440,000	250,903,422	324,400,000	6.6	93.4	52.9	47.1
1851-1855	6,410,324	132,573,000	32,051,621	662,865,000	28,488,597	36,824,000	142,442,986	184,169,000	18.4	81.6	78.3	21.7
1856-1860	6,486,262	134,083,000	32,431,312	670,415,000	29,095,428	37,618,000	145,477,142	188,092,000	18.2	81.8	78.1	21.9
1861-1865	5,949,582	122,989,000	29,747,913	614,944,000	35,401,972	45,772,000	177,009,862	228,861,000	14.4	85.6	72.9	27.1
1866-1870	6,270,086	129,614,000	31,350,430	648,071,000	43,051,583	55,663,000	215,257,914	278,313,000	12.7	87.3	70.0	30.0
1871-1875	5,591,014	115,577,000	27,955,068	577,883,000	63,317,014	81,864,000	316,585,069	409,322,000	8.1	91.9	58.6	41.4
1876-1880	5,543,110	114,586,000	27,715,550	572,931,000	78,775,602	101,851,000	393,878,009	509,256,000	6.6	93.4	53.0	47.0
1881-1885	4,794,755	99,116,000	23,973,773	495,582,000	92,003,944	118,955,000	460,019,722	594,773,000	5.0	95.0	45.5	54.5
1886	5,127,750	106,000,000	5,127,750	106,000,000	93,276,000	120,600,000	93,276,000	120,600,000	5.2	94.8	46.8	53.2
1887	5,093,984	105,302,000	5,093,984	105,302,000	96,189,000	124,366,000	96,189,000	124,366,000	5.0	95.0	45.9	54.1
1888	5,316,412	109,900,000	5,316,412	109,900,000	109,911,000	142,107,000	109,911,000	142,107,000	4.6	95.4	43.6	56.4
1889	5,746,950	118,800,000	5,746,950	118,800,000	125,830,000	162,690,000	125,830,000	162,690,000	4.4	95.6	42.2	57.8
1890	5,473,631	115,150,000	5,473,631	113,150,000	133,213,000	172,235,000	133,213,000	172,235,000	4.0	96.0	39.7	60.3
1891	5,830,107	120,519,000	5,830,107	120,519,000	144,426,000	186,733,000	144,426,000	186,733,000	3.9	96.1	39.2	60.8
1892	6,328,272	130,817,000	6,328,272	130,817,000	152,062,000	196,605,000	152,062,000	196,605,000	4.0	96.0	40.0	60.0
Total			397,191,823	8,204,303,000			7,522,507,716	9,726,072,000	5.0	95.0	45.8	54.2

Table showing the amount of metallic reserve, circulation, and uncovered notes of the principal European banks.

Names of banks.	Gold.	Silver.	Notes.	Uncovered notes.	1893.
Bank of France	$334,172,822	$249,266,996	$771,722,995	$188,283,177	June 29
Bank of England	146,087,502		124,432,974		June 28
Sixty-six English private banks			4,379,329	4,379,329	May 27
Thirty-seven English joint stock banks			5,889,668	5,889,668	May 27
Irish banks	*15,579,769		31,639,219	26,059,450	May 20
Scotch banks	*24,689,847		32,895,097	32,895,097	May 20
Bank of Germany	163,504,067	81,751,573	234,857,290	10,399,050	June 24
Other German banks	*26,597,690		45,538,920	18,941,230	June 22
Belgium	*21,179,008		79,003,761	57,824,753	July 2
Netherlands	15,636,064	34,932,210	75,133,893	14,765,619	June 25
Bank of Spain	36,965,934	24,940,812	161,825,724	99,918,978	June 25
Bank of Austria-Hungary	28,804,813	80,667,104	193,745,098	84,273,181	June 22
Bank of Italy	39,815,900	21,527,413	116,014,616	54,671,303	May 10
Other banks of Italy	36,129,600	31,271,404	104,895,500	35,494,496	May 10
Imperial bank of Russia	190,954,897		096,661,411		May 27
Ottoman Bank	*8,287,613		4,818,438		Feb. 28
Bank of Roumania	*15,573,368		25,306,546	9,733,183	May 8
Bank of Portugal	2,354,600	4,207,400	53,383,800	46,821,800	May 24
National Bank of Denmark	*14,282,000		20,207,100	5,925,100	Apr. 30
National B'k of Greece	*424,600		21,731,800	21,307,200	Apr. 30
Bank of Sweden	4,496,900	984,300	10,827,300	5,346,100	Apr. 30
Other banks of Sweden	2,026,500	2,605,500	6,236,900	1,604,900	Apr. 30
Bank of Norway	*6,716,400		14,629,400	7,913,000	Apr. 30
Swiss banks	13,417,167	3,683,598	31,843,456	4,742,691	May 31
Bank of Servia	1,559,800	791,300	5,106,780	2,655,680	May 8
Bank of Bulgaria	907,100	125,100	212,300		Mar. 14

*Includes silver.

Coinage of nations of the world from 1792 to 1892.

Countries.	Years.	Gold.	Silver.
United States	1793-1892	$1,585,302,060	$611,358,811
Great Britain	1816-1891	1,160,960,074	151,925,944
France	1795-1891	1,689,785,518	1,025,314,200
Mexico	1792-1891	79,725,408	1,733,298,368
Belgium	1832-1891	115,538,049	103,128,149
Switzerland	1806-1891	3,201,184	6,910,027
Italy	1851-1891	92,965,850	113,250,035
Germany	1857-1891	623,291,883	277,769,824
Netherlands	1847-1891	31,488,365	189,719,348
Scandinavian Union	1873-1891	29,613,967	11,673,564
Russia	1800-1891	965,411,163	234,098,981
Japan	1871-1891	63,429,611	111,671,255
Chile	1872-1888	65,027,408	38,200,775
Australasia	1855-1891	550,418,328	1,479,416
India	1835-1891	11,710,832	1,575,343,309
Austria-Hungary	1857-1891	94,439,473	278,687,921
Spain	1876-1891	192,677,344	154,580,160
Portugal	1854-1891	8,185,138	20,813,755
Greece	1867-1885	2,316,000	5,098,732
Servia	1882-1885	1,930,000	868,500
Roumania	1879-1884	734,365	15,092,600
Bulgaria	1883-1885		2,160,120
Argentine Republic	1882-1888	26,438,817	2,710,639
Brazil	1849-1891	6,488,301	11,412,565
Egypt	1830-1891	13,529,113	9,219,605
Turkey	1844-1891	143,756,546	42,333,102
Central American States	1829-1877	2,313,281	373,919
Colombia	1868-1891	3,053,464	5,719,179
Venezuela	1874-1891	660,500	2,495,991
Total		7,564,307,452	6,736,784,794

TREASURY DEPARTMENT, *Bureau of the Mint, August 18, 1893.*

Value of merchandise imported into and exported from the United States from 1843 to 1892, inclusive; also excess of imports or of exports—specie value.

[Compiled from United States Statistical Abstract, 1892.]

Period—Year ending June 30.	Exports.		Total exports.	Imports.	Total exports and imports.	Excess of exports over imports.	Excess of imports over exports.
	Domestic.	Foreign.					
1843, 9 months-1852	$1,258,331,652	$81,421,729	$1,339,753,381	$1,380,127,002	$2,719,880,383		$40,373,621
1853-1862	2,373,822,537	169,375,911	2,543,198,448	2,905,205,742	5,448,404,190		362,007,294
1863-1872	2,861,812,207	158,225,322	3,020,037,529	3,986,821,828	7,006,859,357		966,784,299
1873-1882	6,509,165,121	149,733,511	8,658,899,032	5,572,700,559	12,231,599,591	1,086,198,473	
1883	804,223,632	19,615,770	823,839,402	723,180,914	1,547,020,316	100,658,488	
1884	724,964,852	15,548,787	740,513,639	667,697,693	1,408,211,302	72,815,916	
1885	726,682,946	15,506,809	742,189,755	577,527,329	1,319,717,084	164,662,426	
1886	665,964,529	13,560,301	679,524,830	635,438,136	1,314,960,966	44,088,694	
1887	703,022,923	13,160,288	716,183,211	692,319,768	1,408,502,979	23,863,443	
1888	683,862,104	12,092,403	696,954,507	723,957,114	1,419,911,621		28,002,607
1889	730,282,609	12,118,766	742,401,375	745,131,652	1,487,533,027		2,730,277
1890	845,293,828	12,534,856	857,828,684	789,310,409	1,647,139,093	68,518,275	
1891	872,270,283	12,210,527	884,480,810	844,916,196	1,729,397,006	39,564,614	
1892	1,015,732,011	14,546,137	1,030,278,148	827,402,462	1,857,680,610	202,875,686	
Total	20,775,431,634	699,651,067	21,475,082,721	21,071,734,804	42,546,817,525	1,803,246,015	1,299,898,098
Total excess of exports						403,347,917	

Monetary systems and approximate stocks of money in the aggregate and per capita in the principal countries of the world.

Countries.	Monetary system.	Ratio between gold and full legal-tender silver.	Ratio between gold and limited tender silver.	Population.	Stock of gold.	Stock of silver.			Uncovered paper.	Per capita.			
						Full tender	Limited tender.	Total.		Gold.	Silver.	Paper.	Total.
United States	Gold and silver	1 to 15.98	1 to 14.95	67,000,000	$604,000,000	$538,000,000	$77,000,000	$615,000,000	$412,000,000	$9.01	$9.18	$6.15	$24.34
United Kingdom	Gold		1 to 14.28	38,000,000	550,000,000		100,000,000	100,000,000	50,000,000	14.47	2.63	1.32	18.42
France	Gold and silver	1 to 15½	1 to 14.38	39,000,000	800,000,000	650,000,000	50,000,000	700,000,000	81,402,000	20.52	17.95	2.09	40.56
Germany	Gold		1 to 13.957	49,500,000	600,000,000	103,000,000	108,000,000	211,000,000	107,000,000	12.12	4.26	2.16	18.54
Belgium	Gold and silver	1 to 15½	1 to 14.38	6,100,000	65,000,000	48,400,000	6,600,000	55,000,000	54,000,000	10.66	9.02	8.85	28.53
Italy	....do	1 to 15½	1 to 14.38	31,000,000	93,605,000	16,000,000	34,200,000	50,200,000	163,471,000	3.01	1.62	5.27	9.91
Switzerland	....do	1 to 15½	1 to 14.38	3,000,000	15,000,000	11,400,000	3,600,000	15,000,000	14,000,000	5.00	5.00	4.67	14.67
Greece	....do	1 to 15½	1 to 14.38	2,200,000	2,000,000	1,800,000	2,200,000	4,000,000	14,000,000	.91	1.82	6.36	9.09
Spain	....do	1 to 15½	1 to 14.38	18,000,000	40,000,000	120,000,000	38,000,000	158,000,000	100,000,000	2.22	8.78	5.56	16.56
Portugal	Gold		1 to 14.08	5,000,000	40,000,000		10,000,000	10,000,000	45,000,000	8.00	2.00	9.00	19.00
Austria-Hungary	....do		1 to 13.69	40,000,000	40,000,000	90,000,000		90,000,000	260,000,000	1.00	2.25	6.50	9.75
Netherlands	Gold and silver	1 to 15½	1 to 15	4,500,000	25,000,000	61,800,000	3,200,000	65,000,000	40,000,000	5.55	14.42	8.89	28.88
Scandinavian Union	Gold		1 to 14.88	8,600,000	$32,000,000		$10,000,000	$10,000,000	$27,000,000	$3.72	$1.16	$3.14	$8.02
Russia	Silver	1 to 15½	1 to 15	113,000,000	250,000,000	$22,000,000	38,000,000	60,000,000	500,000,000	2.21	.53	4.42	7.16
Turkey	Gold and silver		1 to 15.1	33,000,000	50,000,000		45,000,000	45,000,000		1.52	1.36	.....	2.88
Australia	Gold		1 to 14.28	4,000,000	100,000,000		7,000,000	7,000,000		25.00	1.75	.....	26.75
Egypt	....do		1 to 15.68	7,000,000	100,000,000		15,000,000	15,000,000		14.29	2.14	.....	16.43
Mexico	Silver	1 to 16½	.....	11,600,000	5,000,000	50,000,000	.....	50,000,000	2,000,000	.43	4.31	.17	4.91
Central America	....do	1 to 15½	.....	3,000,000	.....	500,000	.....	500,000	2,000,000	.....	.17	.67	.84
South America	....do	1 to 15½	.....	35,000,000	45,000,000	25,000,000	.....	25,000,000	600,000,000	1.29	.71	17.14	19.14
Japan	Gold and silver	1 to 16.18	.....	40,000,000	90,000,000	50,000,000	.....	50,000,000	56,000,000	2.25	1.25	1.40	4.90
India	Silver	1 to 15	.....	255,000,000	.....	900,000,000	.....	900,000,000	28,000,000	.....	3.53	.11	3.64
China	....do	.....	.....	400,000,000	.....	700,000,000	.....	700,000,000	.....	.....	1.75	.....	1.75
The Straits	.....	.....	.....	.....	.....	100,000,000	.....	100,000,000	.....	.....	.....	.....	.....
Canada	Gold	.....	1 to 14.95	4,500,000	16,000,000	.....	5,000,000	5,000,000	40,000,000	3.56	1.11	8.89	13.56
Cuba, Haiti, etc	....do	1 to 15½	.....	2,000,000	20,000,000	1,200,000	800,000	2,000,000	40,000,000	10.00	1.00	20.00	31.00
Total					3,582,605,000	3,489,100,000	553,600,000	4,042,700,000	2,635,873,000				

TREASURY DEPARTMENT, *Bureau of the Mint, August 16, 1893.*

Highest, lowest, and average price of silver bullion, and value of a fine ounce, bullion value, of a United States silver dollar, and commercial ratio of silver to gold, by fiscal years, 1874 to 1893.

Fiscal years.	Highest.	Lowest.	Average London price per ounce standard .925.	Equivalent value of a fine ounce with exchange at par, $4.8665.	Equivalent value of a fine ounce based on average price of exchange.	Bullion value of a United States silver dollar, at average price of silver, exchange at par.	Commercial ratio of silver to gold.
	Pence.	*Pence.*	*Pence.*				
1873–'74	59⅜	57⅝	58.312	$1.27826	$1.23247	$0.98865	16.17
1874–'75	58½	55½	56.875	1.25127	1.25022	.96777	16.52
1875–'76	57½	50	52.750	1.15184	1.15954	.89087	17.94
1876–'77	58½	50½	54.812	1.20154	1.20191	.92931	17.20
1877–'78	55⅝	52½	52.562	1.15222	1.15257	.89116	17.94
1878–'79	52⅜	48⅝	50.812	1.11386	1.11616	.86152	18.55
1879–'80	53⅜	51⅛	52.218	1.14436	1.14397	.88509	18.06
1880–'81	52⅝	51	51.937	1.13852	1.13508	.88057	18.15
1881–'82	52 1/16	50¼	51.812	1.13623	1.13817	.87880	18.19
1882–'83	52 1/16	50	51.023	1.11826	1.11912	.86490	18.48
1883–'84	51⅝	50 5/16	50.791	1.11339	1.11529	.86115	18.56
1884–'85	50½	48¼	49.843	1.09262	1.09236	.84507	18.92
1885–'86	49 3/16	42	47.038	1.03112	1.03295	.79750	20.04
1886–'87	47⅛	42	44.843	.98301	.98148	.75929	21.02
1887–'88	45 1/16	41⅛	43.675	.95741	.95617	.74008	21.59
1888–'89	44½	41 1/16	42.499	.93163	.93510	.72055	22.18
1889–'90	49	42	44.196	.96883	.96839	.74932	21.33
1890–'91	54½	43⅞	47.714	1.04195	1.04780	.80588	19.83
1891–'92	46⅜	39	42.737	.93648	.93723	.72430	22.07
1892–'93	40 5/16	30½	38.375	.84123	.84263	.65063	24.57
July	34½	32⅜	33.000	.72471	.72037	.56052	28.52

TREASURY DEPARTMENT,
Bureau of the Mint, August 1, 1893.

Value of silver coin and bullion imported into and exported from the United States from 1843 to 1892, inclusive; also excess of exports.

[Compiled from United States Statistical Abstract, 1892.]

Period—Year ending June 30.	Exports.		Total exports.	Imports.	Excess of exports.
	Domestic.	Foreign.			
1843; 9 months–1850	$62,832,863	$33,874,235	$96,707,098	$30,253,698	$66,453,400
1851–1860	400,451,426	25,883,707	426,335,133	42,707,040	383,628,093
1861–1870	188,187,965	49,611,875	237,799,840	60,754,850	177,044,990
1871–1880	186,073,265	58,439,564	244,512,829	113,505,974	131,006,855
1881	12,702,272	7,517,173	20,219,445	10,755,242	9,464,203
1882	14,931,431	11,119,995	26,051,426	14,594,945	11,456,481
1883	21,634,551	12,119,082	33,753,633	16,550,626	17,203,006
1884	19,158,051	10,353,168	29,511,219	17,850,307	11,660,912
1885	17,005,036	9,291,468	26,296,504	17,260,191	9,036,313
1886	20,635,420	7,402,529	28,037,949	15,403,669	12,634,280
1887	25,284,662	11,404,586	36,689,248	18,678,215	18,011,033
1890	22,378,557	12,495,372	34,873,929	21,032,984	13,840,945
1891	14,033,714	8,557,274	22,590,988	18,026,880	4,564,108
1892	16,765,067	16,045,492	32,810,559	19,955,086	12,855,478
Total	1,022,074,280	274,115,520	1,296,189,890	417,327,708	878,862,092

Value of gold coin and bullion imported into and exported from the United States from 1843 to 1892; also excess of imports or exports.

[Compiled from United States Statistical Abstract, 1892.]

Year ending June 30—	Exports.		Total exports.	Imports.	Excess of exports over imports.	Excess of imports over exports.
	Domestic.	Foreign.				
1843 (nine mos.)–1852	.....	$25,602,569	$25,602,569	$58,465,192	.....	$32,862,623
1853–1862*	$31,044,651	32,264,862	63,309,513	86,506,255	.....	23,286,742
1863–1872	498,264,195	35,442,456	533,706,651	98,954,642	$434,752,009	.....
1873–1881	236,234,553	19,997,089	156,231,642	310,243,192	.....	54,011,550
1883	8,920,909	2,679,979	11,600,888	17,734,149	.....	6,133,261
1884	35,294,204	5,787,753	41,081,957	22,831,317	18,250,640	.....
1885	2,741,559	5,736,333	8,477,892	26,691,696	.....	18,213,804
1886	32,766,056	10,186,125	42,952,191	20,743,349	22,208,842	.....
1887	5,705,304	3,995,883	9,701,187	42,910,601	.....	33,209,414
1888	12,560,084	5,816,150	18,376,234	43,934,317	.....	25,558,083
1889	54,930,332	5,021,953	59,952,850	10,284,858	49,667,427	.....
1890	13,403,632	3,870,859	17,274,491	12,943,342	4,331,149	.....
1891	84,939,561	1,423,103	86,362,654	18,232,567	68,130,087	.....
1892	43,321,351	6,873,976	50,195,327	49,699,454	495,873	.....
Total	1,060,126,391	164,699,090	1,224,825,481	820,264,931	597,836,027	193,275,477
Total excess of exports	.....	.....	.....	.....	404,560,550	.....

*Report of domestic shipments commences with 1862.

Commercial ratio of silver to gold for each year since 1687.

[NOTE.—From 1687 to 1832 the ratios are taken from the tables of Dr. A. Soetbeer; from 1833 to 1878 from Pixley and Abell's tables; and from 1878 to 1892 from daily cablegrams from London to the Bureau of the Mint.]

Year.	Ratio.	Year.	Ratio.	Year.	Ratio.	Year.	Ratio.
1687	14.94	1714	15.13	1741	14.92	1768	14.80
1688	14.94	1715	15.11	1742	14.85	1769	14.72
1689	15.02	1716	15.09	1743	14.85	1770	14.62
1690	15.02	1717	15.13	1744	14.87	1771	14.66
1691	14.98	1718	15.11	1745	14.98	1772	14.52
1692	14.92	1719	15.09	1746	15.13	1773	14.62
1693	14.83	1720	15.04	1747	15.26	1774	14.62
1694	14.87	1721	15.05	1748	15.11	1775	14.72
1695	15.02	1722	15.17	1749	14.80	1776	14.55
1696	15.00	1723	15.20	1750	14.55	1777	14.54
1697	15.20	1724	15.11	1751	14.39	1778	14.68
1698	15.07	1725	15.11	1752	14.54	1779	14.80
1699	14.94	1726	15.15	1753	14.54	1780	14.72
1700	14.81	1727	15.24	1754	14.48	1781	14.78
1701	15.07	1728	15.11	1755	14.68	1782	14.42
1702	15.52	1729	14.92	1756	14.94	1783	14.46
1703	15.17	1730	14.81	1757	14.87	1784	14.70
1704	15.22	1731	14.94	1758	14.85	1785	14.92
1705	15.11	1732	15.09	1759	14.15	1786	14.96
1706	15.27	1733	15.18	1760	14.14	1787	14.92
1707	15.44	1734	15.39	1761	14.54	1788	14.65
1708	15.41	1735	15.41	1762	15.27	1789	14.75
1709	15.31	1736	15.18	1763	14.99	1790	15.04
1710	15.22	1737	15.02	1764	14.70	1791	15.05
1711	15.29	1738	14.91	1765	14.83	1792	15.17
1712	15.31	1739	14.91	1766	14.80	1793	15.00
1713	15.24	1740	14.94	1767	14.86	1794	15.37

Commercial ratio of silver to gold for each year since 1687—Continued.

Year.	Ratio.	Year.	Ratio.	Year.	Ratio.	Year.	Ratio.
1795	15.56	1820	15.62	1845	15.92	1870	15.57
1796	15.65	1821	15.95	1846	15.90	1871	15.57
1797	15.41	1822	15.80	1847	15.80	1872	15.63
1798	15.59	1823	15.84	1848	15.85	1873	15.92
1799	15.74	1824	15.82	1849	15.78	1874	16.17
1800	15.68	1825	15.70	1850	15.70	1875	16.59
1801	15.46	1826	15.76	1851	15.46	1876	17.88
1802	15.26	1827	15.74	1852	15.59	1877	17.22
1803	15.41	1828	15.78	1853	15.33	1878	17.94
1804	15.41	1829	15.78	1854	15.33	1879	18.40
1805	15.79	1830	15.82	1855	15.38	1880	18.05
1806	15.52	1831	15.72	1856	15.38	1881	18.16
1807	15.43	1832	15.73	1857	15.27	1882	18.19
1808	16.08	1833	15.93	1858	15.38	1883	18.64
1809	15.96	1834	15.73	1859	15.19	1884	18.57
1810	15.77	1835	15.80	1860	15.29	1885	19.41
1811	15.53	1836	15.72	1861	15.50	1886	20.78
1812	16.11	1837	15.83	1862	15.35	1887	21.13
1813	16.25	1838	15.85	1863	15.37	1888	21.99
1814	15.04	1839	15.62	1864	15.37	1889	22.09
1815	15.26	1840	15.62	1865	15.44	1890	19.75
1816	15.28	1841	15.70	1866	15.43	1891	20.92
1817	15.11	1842	15.87	1867	15.57	1892	23.72
1818	15.35	1843	15.93	1868	15.59	1893*	28.52
1819	15.33	1844	15.85	1869	15.60		

*For seven months ending July 31, 1893.

Wages and price of silver bullion per ounce in the United States for fifty calendar years, 1841 to 1891.

The average of wages from Report on Prices, Wages, and Transportation, Fifty-second Congress, second session, Senate Report 139, page 14; the price for silver bullion from International Monetary Conference, Treasury Department, October 12, 1892, page 42.

The average wages paid are expressed by the index number 100 in the year 1860, and in gold.

Year.	Average wages.	Price of silver.	Year.	Average wages.	Price of silver.
	Per cent.			*Per cent.*	
1841	88.0	$1.316	1867	117.1	$1.328
1842	87.1	1.303	1868	114.9	1.326
1843	86.6	1.297	1869	119.5	1.325
1844	86.5	1.304	1870	133.7	1.328
1845	86.8	1.298	1871	147.8	1.326
1846	89.3	1.30	1872	152.2	1.322
1847	90.8	1.308	1873	148.3	1.298
1848	91.4	1.304	1874	148.0	1.278
1849	92.5	1.309	1875	140.8	1.246
1850	92.7	1.316	1876	135.2	1.153
1851	90.4	1.337	1877	136.4	1.201
1852	90.8	1.326	1878	140.5	1.152
1853	91.8	1.348	1879	139.9	1.123
1854	95.8	1.348	1880	141.5	1.145
1855	98.0	1.344	1881	146.5	1.138
1856	99.2	1.344	1882	149.9	1.136
1857	99.9	1.353	1883	152.7	1.11
1858	98.5	1.344	1884	152.7	1.113
1859	99.1	1.36	1885	150.7	1.0645
1860	100.0	1.352	1886	150.9	.9946
1861	100.8	1.333	1887	153.7	.97823
1862	100.4	1.346	1888	155.4	.93897
1863	76.2	1.345	1889	156.7	.93512
1864	80.8	1.345	1890	158.9	1.04633
1865	66.2	1.338	1891	160.7	.98782
1866	108.8	1.339			

Table showing the amount, price paid, and present market value of silver bullion purchased under the laws of 1878 and 1890, stated separately; also the number of silver dollars coined since 1878 and their present bullion value.

[Compiled by the Acting Director of the Mint.]

	Fine ounces.	Cost.
Purchased under act of 1878	291,272,019	$308,199,262
Purchased under act of 1890	160,157,168	149,661,211
Total	451,429,187	457,860,473

Value of same at market price for silver, August 12, at 75 cents per ounce	$338,585,890
Depreciation	119,274,563
Silver dollars coined	419,332,450
Worth at to-day's market price (75 cents per ounce)	243,245,581
Difference between coin and bullion value	176,086,869

The only countries in which the coinage of silver is free are Mexico and Japan, and one or two of the South American states, which have an irredeemable paper currency.

BUREAU OF THE MINT, *August 12, 1893.*

Silver.

There can be no higher test of duty of a public officer than to faithfully perform the promises made to the people.

SPEECH
OF
HON. NICHOLAS N. COX,
OF TENNESSEE.

IN THE HOUSE OF REPRESENTATIVES,

Monday, August 21, 1893.

The House having under consideration the bill (H. R. 1), to repeal the part of an act approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. COX said:

Mr. SPEAKER: Certainly the most important thing in regard to the great questions involved in this discussion is a clear, comprehensive understanding of what is proposed by this bill, and if passed what will be its effects on the great masses of the people, and its effect either at the present or in the future upon the financial policy of the Government.

Much of this discussion has been technically for and against bimetallism, and this bill not only raises that question, but, in my judgment, confounds and confuses with it other important and vital measures, that are left in darkness and uncertainty, that should be clear and distinct beyond any doubt or ambiguity.

The sincerity of convictions is at once conceded to everyone; but this great question demands absolute frankness and candor.

THE PRESENT BILL.

It proposes to repeal what we call the purchasing clause of the act of July 14, 1890. This clause makes it the duty of the Treasurer to buy on the market four and one-half millions ounces of silver bullion each month, and in payment for the same execute and issue the notes of the Government in payment therefor. These notes are made legal tenders for all debts and dues, both public and private. This is exactly what the present bill proposes to repeal. If this was all that is proposed there can be no doubt of its meaning. The remainder of the act of 1890, so far as this idea goes, would be left untouched and no mystification whatever thrown on the subject in debate.

The remaining clauses of the act of 1890 remain so far untouched, and the two additional ideas in these remaining clauses, to wit, the coinage into legal-tender silver dollars out of the bullion, and the declaration in the act that its object is to preserve the parity of values between gold and silver, are still untouched and unrepealed. It is, however, an admitted fact that notwithstanding the act of 1890 requires the bullion to be coined into standard silver dollars, which are to be legal-tender dollars, there is in the Treasury belonging to the people bullion uncoined which will coin about one hundred and fifty million legal-tender dollars. This large amount of silver belongs to the people, and the notes which they have to pay are outstanding for it.

Now, your proposed bill goes further than the simple repeal, and declares that "this repeal shall not impair or in any manner affect the legal-tender quality of the standard silver dollars heretofore coined."

Do you mean that the standard silver dollars now coined are those that are legal-tender dollars only? This is exactly what your bill says, and if it was intended that all the silver dollars now coined or to be coined out of the bullion, why insert in this bill the limitation and apply it to the dollars heretofore coined. If this language was omitted from this bill, then the legal-tender quality of all standard silver dollars coined or to be coined out of our silver bullion would be legal-tender dollars. If it does not restrict the legal-tender quality of the silver dollars hereafter to be coined out of our bullion, then the language is superfluous. No such mistake as that has been made by the distinguished gentleman who framed this bill. He is too careful for that.

Then I ask some friend of the bill to explain to the House what will be the character of the silver dollars coined out of the bullion that we own?

Did you mean to reduce its value by forbidding that the dollars coined out of that bullion should be legal tenders?

Mr. TRACEY. Would the gentleman like to have an explanation from me, as I understand it?

Mr. COX. I would be very glad to have an explanation from the gentleman from New York.

Mr. TRACEY. Mr. Speaker, in answer to the gentleman's inquiry, I will say that I see nothing in the bill to interfere with

the legal-tender quality of the dollars which may be coined out of the bullion later on. The Wilson bill simply repeals the purchasing clause of the act, and affirms the legal-tender quality of the coin that may be out. It does not detract from the legal-tender quality of those coins issued under the act later on. I have not examined the question particularly, but it seems to me very clear.

Mr. COX. It does not seem clear to me. I repeat the clause in the bill again:

But this repeal shall not impair or in any manner affect the legal-tender quality of the standard silver dollars heretofore coined.

What do you do with the dollars to be coined hereafter?

Mr. RICHARDSON. Does this bill provide for the coinage of the bullion?

Mr. COX. It does not; and as to coining the bullion, it leaves it where it found it, heaped up in the vaults of the Treasury, with the declaration that the legal-tender quality of the standard silver dollars applies to those heretofore coined.

Mr. TRACEY. The further terms of the Sherman act made them legal tender.

Mr. COX. I beg the gentleman's pardon. The Sherman act did not make a dollar of them legal tenders. It was the Bland act that did this, and the Sherman act did not repeal that part of the Bland act.

Mr. TRACEY. Well, in reply to the gentleman, I will state that the Treasury notes given for the purchase of the silver bullion are legal tenders, and it provides for the payment of these Treasury notes in either gold or silver, on demand by the holders of Treasury notes. I can not see that the gentleman shows to us in a clear way that there is anything in the passage of the Wilson act which at all affects the legal-tender quality of any coins now in existence, or which will be coined, subject to demand for Treasury notes presented for payment by the redemption of these Treasury notes.

Mr. COX. Then, if I understand the gentleman, the present outstanding silver dollars that have been coined are legal tenders, and that the bullion in the Treasury, when coined, will also be legal tenders, because the notes issued in purchasing the bullion are legal tenders.

Mr. TRACEY. Well, there are a great many other statements that could be made, but I do not think it necessary to make them.

Mr. COX. I think I know a frank answer. There is nothing in this proposed bill directing the coinage of the bullion. The limitation is on dollars hereafter coined.

Mr. VAN VOORHIS of New York. Then amend the bill.

Mr. COX. You can not amend it under the rule adopted. I have called for a full, frank explanation, and the point is clear that by this legislation you limit the legal-tender quality of the silver dollars now coined, and you leave the silver bullion where you found it, and if it should be coined into dollars they are not legal tenders.

Mr. TRACEY. Now, Mr. Speaker, we leave the law exactly as it is. There is nothing in that law for coining the bullion, except on demand of holders of Treasury notes.

Mr. COX. Then you do not intend even to coin it unless a holder of the Treasury notes demands it. Do you expect such a demand when he can get gold for his notes? But why did you insert this in the bill?—

But this repeal shall not impair or in any manner affect the legal-tender quality of the standard silver dollars heretofore coined.

Mr. TRACEY. Because we wanted to allay fear and to prevent excitement upon the part of the gentleman from Tennessee and those who feel like him, and wanted to assure him that we did not wish to discredit silver but to relieve the country from its present distress.

Mr. COX. I must confess my gratitude to the gentleman from New York that in the consideration of so important a bill as this the gentleman took into consideration my personal feelings in regard to the matter. [Laughter.]

Mr. TRACEY. I am always happy to do so.

Mr. COX. Now, Mr. Speaker, is this the kind of legislation that should favorably impress this House? I venture the assertion that no two men who are advocating this bill will give the same construction and legal effect to this clause. You are attempting to put on the statute book a law equal in importance to any passed since the civil war, and yet it is so ambiguous and uncertain that no one can tell the legal condition of $150,000,000 belonging to the Government in bullion. If you place upon the bill the construction that the silver dollars hereafter coined out of the bullion in the Treasury are legal-tender dollars, you have to do so in plain violation of the plain language of this bill.

THE PARITY AFFIRMATION IN THIS BILL.

I now desire to call my friend's attention to another proposition in this bill, and to relieve him as far as I can. He need not take into consideration my personal feelings. It is this clause:

And the faith and credit of the United States are hereby pledged to maintain the parity of the standard gold and silver coins of the United States at the present legal ratio or such other ratio as may be established by law.

It has been announced so often on this floor by the gold-standard men that the present silver dollar is worth but 58 cents; that it is a debased dollar, a dishonest dollar, and a fraud on labor, that the saying has become stale with age. Now, if this is the truth you have asserted and you believe what you say, are you willing to continue the circulation of five hundred millions of these debased and fraudulent dollars that are a fraud on labor? Are you willing to add one hundred and fifty million more of these debased dollars by coining the bullion and send out a new brand of cheap, debased, and lying dollars? Are you willing, not only to remain passive to such a fraud, but to become active in its perpetration?

You have an opportunity here to show your great admiration for labor and protect it from such an outrage. We offer to you to increase the ratio. Put silver into the dollar until there can be no doubt. Destroy your 58-cent dollar, and make every one of them worth 100 cents. Not one of you will vote for it. You mean to bring this country to a gold standard, and thereby curtail the money of the country, so that what remains may be increased in value.

You refuse to increase the ratio, yet you in this bill declare the parity must be maintained, and you invoke and pledge the honor of this great nation as security that it shall be performed. I ask my friend from New York, if he refuses to increase the ratio so as to bring up what he calls a debased dollar, How do you propose to preserve the parity?

Mr. TRACEY. I shall probably find occasion to answer the inquiries of the gentleman in my own time. It would hardly be fair to occupy his time in making a speech in reply to him.

Mr. COX. I shall be content for the gentleman to select his own course.

Mr. TRACEY. I wish to say, however, to the gentleman that I do not change my opinion that he is somewhat in error, but if it should happen that we should legislate in this Congress in a way that would require some amendment, we could amend it. We want first to repeal this Sherman act and then after that we want some legislation that will satisfy the country generally, and we hope satisfy the gentlemen who are clamoring for silver.

Mr. COX. Mr. Speaker, the point is that the country demands more than the repeal of the Sherman act. Why not give it to it. [Applause.] But the gentleman has failed to tell us how he proposes to raise up the five or six hundred millions of debased dollars and preserve their parity. Suppose a citizen should bring any sum of silver dollars to the Treasury; these debased dollars, worth only 58 cents, and demand the gold for them. Our honor is pledged to redeem them. They must be in value equal to gold. You will not increase the ratio. You must give gold for them. You have adopted that idea in redeeming the notes issued for silver; now, will you refuse it for the silver, debased and a fraud you claim, after you have pledged all that is sacred with a nation to make and maintain the parity?

You must have the gold; you have but one way to get it—thrust this nation and our people into debt by the issuance of bonds. You dare not deny it. [Applause.]

WHAT HAVE WE TO MEET?

I have no desire whatever to attempt to discuss the views of different writers, and to try and apply their theories to existing facts. It is facts that we have to meet, and the conditions which stare us in the face. The error that lies beneath our financial system is the fact that the Government is forced to meet results brought about by combinations utterly foreign to the wishes of the people. The United States can not and does not control its own financial system, and often bends to combined power that often brings disaster to the many and profit to the few.

As the gentleman from Alabama puts it, let us address ourselves to the facts. No speaker has gone so far as to deny this proposition. As money becomes scarce, either by hoarding or combinations to reduce the amount in circulation, or by legal reduction of the circulating medium property, the true and useful wealth, depreciates in value. A full, healthy, good circulation holds property to a reasonable value, and its capacity to pay debts is maintained. The difficulty is increased and the amount of labor increased in paying a debt when the volume of money is reduced after the debt is contracted.

The justice of the entire matter lies in holding the circulating medium as near the same thing when the debt is to be paid as it was when contracted. This treats the debtor and creditor properly. It would be a gross injustice to afford the debtor the legal right to discharge his obligations in an inflated and almost worthless currency, totally different in its purchasing power from the basis on which the debt was contracted.

It would be a greater outrage, if possible, to legally demand of the debtor the payment of his obligation in a currency that doubled his labor to obtain it. The wrong becomes more ag-

gravated when you do this, because the interest on the debt is also doubled, or the labor required to pay this interest is doubled.

This plain justice is admitted; but some gentlemen have contended that from this sound principle the debtor should not be allowed to pay in a debased, cheap silver dollar. There is no debased silver dollar in the United States in transactions between her citizens. It requires as much labor to get a silver dollar as it does a gold dollar. It is the foreigner who demands the gold and brings the disparity, if any exist, between the two dollars. The gentleman from Kentucky [Mr. MCCREARY] frankly confesses that England stands in our way and prevents us the free use of both metals as money. She is the wall erected by her own selfishness that forbids us to use the money of the Constitution and of our fathers. She it is that presses this great nation, against the protest of our own people, to abandon the use of a metal as money which has been used from the birth of civilization. She it is that discredits our silver and demands our gold. Are we trying to follow the wishes of England or of America?

When we announced the doctrine of individual liberty, and that all men are free and equal before the law, England said no. When we announced the doctrine of protection to our sailors on our own ships, England said no. When we announce the doctrine of the use of both metals for money without any privileges to either, England says no. I challenge any gentleman on this floor, who loves England so well that her assent must be obtained before we move, to tell me in what war or conflict England ever fired a shot for the liberty of the individual. When and where has her artillery been heard for the independence or the sovereignty of republican government? As for me, as a meek individual trying to represent a proud and free people, I shall obey their will, and as far as that is necessary, defy the wishes of England. [Applause.]

WHAT THE GOLD STANDARD DOES FOR THE SOUTH.

Let me in no sectional feeling call the attention of gentlemen to the unprovoked and unjust course you are pursuing toward our people. The war left our country in ruins; our farms unfenced; our stock all destroyed; our court-houses, churches, and educational buildings in ashes; our railroads almost useless; no money, no property, but a firm and unyielding will. The stocks and bonds of our railroads you purchased at your own price. We borrowed money from you to replace our losses and rebuild our country; we promised to pay you in silver or gold; we refunded our State debts into new obligations which you had purchased for a trifle, and promised to pay you in silver or gold. In the State of Tennessee you purchased what we called State bank money for fifteen and twenty cents on the dollar. We have paid you every dollar of it in silver and gold. You laid on us a pension expense that cost us from thirty to fifty millions every year in the South. This we pay you in silver and gold.

Our rural banks rediscount our notes with you and pay you the principal and interest in silver and gold. You collect your interest on your railroad bonds and dividends on your stocks in silver and gold. We in Tennessee pay you your interest on our State debt twice every year, collected by direct taxation, in silver and gold. You have for thirty years filled our statutes with class legislation in tariff laws, and this, the greatest of all burdens, is collected from us for the benefit of your favorite classes, this we pay you in silver and gold.

Will you Republicans add any more to our burdens? Will you, brother Democrats—Southern Democrats—with a swoop of your pen change all these obligations into gold debts, and by your votes increase and double the labor necessary to pay them?

Not one cent of an honest debt would I repudiate. I have spent much of my time to prevent such a calamity; but, sirs, there is a limit to our endurance, and I, for one, will never cast my vote to add another feather's weight to the onerous burdens of my people. No, never. [Applause.]

OUR NATIONAL AND STATE OBLIGATIONS.

For a moment let me call your attention to another result that must follow when you bring this country to a gold standard. The various obligations of the Government issued to raise means to prosecute the war, as a rule stated on their face to be paid in lawful money. The Supreme Court decided "greenbacks" were lawful money and a valid legal tender for the payment of debts. You remember at one time in our history the great depreciation of this paper money compared with coin. The act of 1870 provided for the funding of the public debt into a series of bonds stated in the act.

The bonds that fall due in 1907 form the great bulk of our present indebtedness. These bonds, issued under the act of 1870, drew 4 per cent, and the interest paid every four months. The original cost of these bonds varied, but were bought at a great discount from the Government. The holders were anxious to place them on a coin basis, and the act of 1870, under which the new bonds were issued, obligated the Government to pay them in coin at the then standard value. Silver was equal to gold, and the bonds were payable in either metal as the standard existed when the act was passed. It is easy to understand why the clause was inserted in the act. That was to assure the bondholder who funded under the act that his new bond should not only be paid in coin, but that neither of the coins, gold or silver, should be reduced in their standard.

The amount of pure gold and pure silver should remain the same in the dollars, and the then standard should be complied with in their payment. This was the contract and agreement; to this the bondholder agreed and accepted the terms of the act. In 1873 the act destroying the legal-tender quality of silver for all sums above $5 was passed. This converted the bonds into gold bonds and destroyed the privilege of the people, agreed to in solemn contract under act of 1870, to pay them in either gold or silver as they wished. These bonds reached the enormous premium of 30 cents on a dollar—a dollar in bonds worth nearly a dollar and one-third in money. This almost destroyed the bank circulation. It had reached the sum of over two hundred and eighty millions in 1882, and in 1892 had been reduced to about one hundred and forty millions, a loss in circulation of over one hundred and forty millions, a reduction of over fourteen millions each year.

In this serious contraction what was the relief? What filled this vacuum and held the money of the country up to a reasonable and sensible volume as compared with business? It was the Bland act that restored the legal-tender quality of the silver dollar and compelled the coinage of not less than twenty-four millions of legal-tender silver dollars every year. They went into circulation through the certificates or the actual money, and the prosperity of the country was maintained.

Now, what, in effect, is the proposition you propose to pass? Restore the bonds of the Government back to gold bonds, just as the act of 1873 did. Not coin bonds, but gold bonds. If it is answered that we do not go as far as the act of 1873 in destroying the legal-tender power of the silver dollar, but maintain in it that quality as to all in circulation, let me reply: You have converted the debts of the United States, every dollar of these that are technical debts, into gold debts. You have cut off an increase of circulation of about forty millions annually and declared to the world that you will not increase the amount of money in circulation one dollar.

Is there a man so blind that he can not see this unwarranted and abominable wrong perpetrated on the taxpayers of this country?

Connect with this the idea that these bondholders who agreed to take silver or gold for their bonds have not only been paid their face value in interest, but have been permitted to draw interest, by taxation, through our national-bank system, at the rate of 4 per cent, on eighty-five dollars for every hundred of their bonds used in banking, and then loan and use the eighty-five with their customers, charging in some places as high as 15 per cent for the use. These bonds thus legislated into gold debts and obligations to be paid in gold by the people are above the taxing power of either Federal or State legislation.

This bonded debt the people owe, amounting to about one billion, absolutely converted into a gold debt in violation of the contract made between the whole people and the bondholders. The entire sum due in fourteen years, and the currency contracted about forty millions annually, and no outlet for silver as money even proposed. Do you think, gentlemen, our people will endure this, and the wrong done in violation of express promises? [Applause.]

Let me add to this the amount of gold needed to discharge our interest on our securities, both public and private, held abroad, reaching in interest alone near one hundred millions annually; the expenses of your Government, near one-half billion annually: these two items covering every dollar of gold in the United States. Now add to these your individual debts, secured by mortgages and otherwise, your railroad debts, your municipal debts; your county debts; your State debts; all, all converted into gold debts by less than twenty lines of legislation, and one of our great money metals forever retired from our mints, where it has maintained itself against adverse legislation for a hundred years. It is to me appalling.

I wonder if there is a member here who told his people if they would honor him with a seat he would vote to convert even the national bonds into gold. If there is such, let him rise and announce it from his place.

Mr. BRETZ. He is not here.

Mr. COX. No; and if he had told his people that he would cast such a vote he would never have been here. [Laughter.]

I am sure if gentlemen from my State, at least in my portion, had told his people that he would vote to close the mints to sil-

ver, and especially so regardless of ratio, he would not have had the privilege of casting such a vote.

Mr. BRETZ. That is certainly true in my country.

Mr. COX. In leaving this point let me say I am the servant of my people. "A public office is certainly a public trust." I admire the great man that so fully announced that idea. I admire him for his strong convictions of duty and honesty, but I owe an obligation to higher powers than any officer of this Government, great or small. I know of no higher duty than to faithfully do what I think is right. That is one great reason I admire the President. I shall try and do the same though the heavens crash; and I had rather have the words from my people, "Well done, good and faithful servant; you have kept every promise and performed every pledge," than to have the praise of every other potentate or power on this earth. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. BRETZ. I ask that the gentleman from Tennessee may be permitted to proceed indefinitely until he concludes his remarks.

Mr. TRACEY. Mr. Speaker, the gentleman from Tennessee and I had some conversation before when the gentleman from Connecticut was speaking as to the extension of time, and the understanding was that the time should not be extended, because another gentleman was waiting to speak. I hope, therefore, the gentleman from Tennessee will limit his time.

Mr. PATTERSON. Oh, I hope the gentleman from New York will not object.

Mr. COX. The conversation was not of that character, but it was stated that if you would induce your friend to stop talking, I would not want any extension. [Laughter.]

Mr. TRACEY. But the gentleman from Connecticut very soon concluded his remarks. If the gentleman will indicate time, say fifteen minutes.

Mr. COX. Mr. Chairman, I think I will get done sooner if I am not hampered that way.

Mr. TRACEY. Very well.

FOREIGN SECURITIES.

Mr. COX. The gentleman from Ohio [Mr. HARTER], who undertook to convince the House that the use of money amounted to little in the business world, also told us our securities held abroad were returning to us for sale and payment, because the holders feared they would be paid in a debased dollar. Why is the gentleman so much exercised about our foreign securities? If he means the Government's obligations, then none of them are due, and certainly the holder has not got scared fourteen years before they are due. But suppose he has, must the United States change its financial policy of one hundred years' use to remove the scare of a foreign bondholder?

Truly the gentleman has tender feelings for these foreign bondholders. If he means private securities they will be governed by the contract and the law. Does he mean to convert all these debts in foreign countries into gold debts to appease the fear of these foreigners? Would it not be better to consult our own people?

LABOR.

My friend from Connecticut who preceded me pressed the point that the laborers of this country were receiving higher wages than ever before. He had left us Democrats for a short time in his argument and got that idea from the Republicans. What kind of laborers is he talking about? They are the skilled laborers in the protected industries, who ought to have a liberal divide. They get special privileges under the law, and their gain is our loss. But when he states that his laborers get $3 a day in gold how sad is the comparison with our working people engaged on the farms. That is more than they get for a week, six days' work, with thirteen hours in a day.

Does he think the protected class should feed on the small pittance of the other class? Certainly he has reference to mechanics. Fifty cents a day on the farm is about the wages in my country, and this is labor generally of the colored people. While we may not extol them as politicians and statesmen, as some of our Republican friends used to do, no man, no Southern man that is a gentleman, would rob them of a crumb of their support.

The stupidity and ignorance of a man, formerly fettered with the loss of liberty and deprived it may be of the advantages of education and training, whatever may have been the reason, excites in the breast of the philanthropist pity, and indulgence; but arrogant avarice, clothed in purple without, and bigoted ignorance within, excites no pity, but the scorn and contempt of a noble man.

There is not a drug in the cup of labor I have not tasted, and there is not an honest laborer in the broad fields of my loved country I do not sympathize with, and I had rather legislate to add some little comforts to his hard life than to increase the luxuries of the already gorgeous rich. Mr. HARTER gave us his knowledge on checks and balances and announced that 92 per cent of the business was done without money. Did he not know that this statement is in amounts and not in transactions. There were 92 per cent of the transactions in business done with money. True they do not involve large sums, but every moment of our existence is full of thousands of transactions involving the use of money. They are transacted by the rich and the poor, but the poor are entirely confined almost to the use of money. Is not the little transaction as sacred in our laws as the larger? Are the laws to be made for the rich and independent, and the poor neglected? It is the weak that need assistance from the Government, the strong generally can take care of themselves.

I want to put Mr. HARTER'S plan in practical operation among our laborers in the South. He must have his money every week, at least every month. Suppose you offer him a draft or clearing-house certificate. He does not understand how he is to get food with that. Suppose you tell him the balances will all come out right. Do you think that will appease his hunger and provide for his family. Take, if you please, your wards, gentlemen on the Republican side of the House—the colored laborer of the South. He knows what a silver dollar is; he understands that is money. He works for it and earns it. Now give him one of Mr. HARTER'S bills of exchange, a draft, a certificate, do you think you would treat him right?

Mr. BLANCHARD. A sort of sleight-of-hand proceeding.

Mr. COX. Yes, a legerdemain sort of proceeding; but if you were to offer one of your laborers on your plantation in Louisiana one of HARTER'S balances or clearing-house certificates in payment for his wages, you would certainly, and properly so, be minus a laborer. [Laughter.]

These people are learning who are their friends, and may vote with us Democrats.

Mr. CHICKERING. Do you think more of them for that?

Mr. COX. Certainly; they were once the best part of the Republican party. [Laughter.]

Will you take away the money he is familiar with? Or will you pay him with a debased, fraudulent coin? Is any one so mean that he will cheat a negro? [Laughter.]

PANIC.

Mr. Speaker, in drawing to a conclusion of these remarks let me say that in the present condition of finance in this country I am not surprised at what we call a panic. The fundamental error lies deep in our system of finance. Every great power on this earth has done just what our country has failed to do. Under our Constitution the power is conferred "to coin money and regulate the value thereof." Who is regulating the value of money to-day? Thirty per cent has been offered for money in the great money center, New York. Does this Government impose and sanction such a value to money? Is it possible that the rulers of this great people mean to say that for the use of $1 for one year you shall pay 30 cents?

Does it mean to say that the dollar in silver, issued by authority to be used in exchange of property and real values, used alone for the purpose of aiding trade and exchanges of useful articles, shall by any sort of combination be increased above the value given to it by the Government, and, like silver bullion, be sold for its market value, bringing above its stamped value in other money impressed like it with the stamp of the Government? Shall this great Government control its finances, or surrender them to combinations and tricks that send disaster all over the land? Will Congress, when the nation is on its knees begging for the means of exchange, and pledging its labor for the means of commerce and trade, begging for currency, be answered with the cry, England must be consulted? Will Congress sit here and by law answer the people when they cry for more money and say, "You have too much," and cut what they have into half for a reduction?

Mr. HENDRIX, who sits just in front of me, delivered his defense of his position for this repeal. I charge here in his presence that nearly one year ago there was issued from the Bankers' Association at New York a circular to the rural banks all over this country, asking for a contribution to procure the repeal of the Sherman act. Does he or any man from New York City deny it? That was before the panic. True, a second circular followed, condemning the clerk of that association for issuing that circular, and probably discharged him; but have you retracted the purpose announced? I want a reply if I have done anyone injustice.

Did you tacitly agree or discuss the question in New York that you would not rediscount notes from the South unless we would vote for the unconditional repeal of the Sherman act? Did not one of your speakers in one of your bankers' meetings openly declare that you could and would control the finances of this Government?

Did your papers not boast that you had in your city two hundred millions of gold hoarded in your vaults?

If I do any man injustice, I pause for correction. Here is the fundamental error. Let this Government rule for the people. Let it rule its finances for the purposes of trade and commerce, and forever let it put its everlasting stamp of indignation and condemnation on legislation that legislates one man's property up and another's down. Give us a fair and equal fight for human happiness. [Applause.]

PLATFORM.

Mr. Speaker, the Sherman law is no favorite of mine. It was passed by Republicans, and is their child. Standing by itself without reference to conditions that existed when it was passed, I heartily condemn it. I condemn it, because it made silver an article of trade, and disowned it as a metal for money. It was a "cowardly makeshift" to despoil silver of its monetary place, and when our party met in Chicago it so denounced it; and it proclaimed that both metals should be used for money, not for barter or trade; it further proclaimed that all our dollars should be equal in value: not in England, but in our own country. It further proclaimed that equal advantages should be given at our mints for each metal.

On these principles I stand, and I protest against this repeal that cuts our platform in twain, severs the last link that ties silver to coinage, and places this people on a gold standard. If the silver dollar is too weak and depreciated, put more silver in it, and make our dollars equal. It is an ordeal through which our party is passing. I have no other to go to, neither do I want to do so. We will succeed if we keep our pledges and stand by our promises; but I shall stay with it, let what come that may, and if in this, our first hour of success for thirty-three years, we strand the grand old ship, I shall stay with her until there is not a piece of floating mast on the surface.

I most sincerely thank the House not only for its kind indulgence, but for the attention you have so kindly given me. [Loud applause.]

Silver.

SPEECH
OF
HON. THOMAS R. STOCKDALE,
OF MISSISSIPPI,

IN THE HOUSE OF REPRESENTATIVES,

Monday, August 21, 1893.

The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. STOCKDALE said:

Mr. SPEAKER: The attitude that we occupy here has been often commented upon. I do not believe that we were called here to peform a job assigned us, and then quit. The oath of office that we took was to discharge the duties of the office upon which we were about to enter. Our business here, as I believe, is to try to relieve the stringency of this country in some manner or other. How that shall be done is for each member to decide for himself, with that degree of wisdom and faithfulness for the exercise of which he is willing to answer to his constituency. To them and the country he is responsible.

The money system of any nation is that which vitalizes its prosperity. Either congestion or paucity is injurious. Gluttony and starvation are injurious. Enough to sustain vigorous life and health is the food to take. Money is an important factor in, and necessary to, civilization.

The United States Monetary Commission of 1876 denominated it "as essential to the existence of civilization as oxygen to animal life." Like every other great power and resultant force, it may become an engine of destruction to human liberty or its greatest bulwark. The joys and sorrows of the world are the trophies of its proper or improper use.

This vital and delicate question is what we are dealing with now. It ought to be handled with care, with caution, with intelligence, and with honesty—moved by the highest patriotism. To handle this question with a view to private speculation is necessarily a crime against humanity, against liberty, against civilization.

With due respect to eminent gentlemen who have preceded me, I submit that the financial policies of three thousand years ago are hardly proper precedents to follow in this pressing exigency.

Not having time within the hour to present even a synopsis of the financial legislation of our own country and its effects, I will quote the opinions of two gentlemen who are nearer our own time and know more of our needs than Moses or Lycurgus. I will have read the opinions of two of the brainiest men this nation has produced, always in opposite political parties, and powerful and earnest advocates of their respective creeds. I will ask the Public Printer to put them side by side in the RECORD if convenient.

They are as follows:

HON. J. G. CARLISLE.

I know the world's stock of precious metals is none too large, and I see no reason to apprehend that it will ever become so. Mankind will be fortunate indeed if the annual production of gold and silver coin shall keep pace with the annual increase of population, commerce, and industry.

According to my view on the subject, the conspiracy which seems to have been formed here and in Europe to destroy by legislation and otherwise from three-sevenths to one-half of the metallic money of the world is the most gigantic crime of this or any other age. The consummation of such a scheme would ultimately entail more misery upon the human race than all the wars, pestilence, and famine that ever occurred in the history of the world. The absolute and instantaneous destruction of half the entire movable property of the world, including houses, ships, railroads, and all other appliances for carrying on commerce, while it would be felt more sensibly at the same moment, would not produce anything like the prolonged distress and disorganization of society that must inevitably result from the permanent annihilation of one-half of the metallic money in the world.

HON. JAMES G. BLAINE.

On the much-vexed and long-mooted question of a bimetallic or monometallic standard, my own views are sufficiently indicated in the remarks I have made. I believe the struggle now going on in this country and in other countries for a single gold standard would, if successful, produce widespread disaster in and throughout the commercial world. The destruction of silver as money and establishing gold as the sole unit of value must have a ruinous effect on all forms of property except those investments which yield a fixed return in money. These would be enormously enhanced in value and would gain a disproportionate and unfair advantage over every other species of property. If, as the most reliable statistics affirm, there are nearly $7,000,000,000 of coin or bullion in the world, not very unequally divided between gold and silver, it is impossible to strike silver out of existence as money without results which will prove distressing to millions and utterly disastrous to tens of thousands. * * *

I believe that gold and silver coin to be the money of the Constitution, indeed, the money of the American people anterior to the Constitution, which the great organic law recognized as quite independent of its own existence. No power was conferred on Congress to declare either metal should not be money. Congress has, therefore, in my judgment, no power to demonetize either any more than to demonetize both. * * * If, therefore, silver has been demonetized, I am in favor of remonetizing it. If its coinage has been prohibited, I am in favor of having it resumed. If it has been restricted, I am in favor of having it enlarged.

I do not quote Mr. Carlisle for the purpose of criticising him. I do not believe that he has changed his opinion upon these questions. He has made no utterance to justify that assumption. He is not in a position to take a hand in this discussion, and it would be inconsistent with his high sense of honor for him to undertake to influence members except when approached for information.

I do not call in question the acts of the President of the United States in this discussion. It does seem to me that he has acted on as high a plane as any man could act in his high office. He called Congress together at the request of the nation. He presented to us his message. In that he expresses his opinion of what will relieve the stringency in the condition of the country and then he leaves the city and busies himself about other matters that are to come before us later, and in recruiting his health.

No voice of his, no act of his that I know of, has been put forth to try to influence any member on this floor. He simply said, Here is my opinion and recommendation; you, the people's representatives, must solve the problem for yourselves. That he is honest and earnest in all his acts, I think is conceded: that his intellect is as grand as any man who lives on this continent, I believe. That he is infallible, he does not claim. Jupiter, it is said, did sometimes nod. The assertion that he will crucify men who think differently is, as I believe, without authority. He can not descend to such a plane. And if there are gentlemen—I do not say there are—whose convictions have led them away from the ranks of silver coinage to those of absolute gold standard and have wielded the ax at the throat of silver with conspicuous vigor, to keep step with the Administration, they may yet be surprised to find themselves far in advance of the line when it shall be determined, if it shall be, to coin all the bullion in the Treasury at the present ratio of 16 to 1. They will have to retrace many steps or mark time until the President advances. Gentlemen who desire to cast loose their moorings from all their own convictions are not subjects for the censure of their fellow members. Good soldiers sometimes transfer from the pioneer corps to that of bridge burners. It is easier and safer sometimes to follow a trodden path than to blaze the way.

I have no criticism to make upon gentlemen who strongly ad-

vocated silver coinage heretofore and vigorously oppose it now. They had the courage of their convictions both times. They know better than anyone else what their constituents want.

I have no quarrel to make with these men of the gold standard. They, too, obey their constituencies. I have no personal dispute with the East, but rather with the West and South. If ten States can control thirty-four—if eighteen millions of people can control forty-seven on a great national question like this—I say they have a perfect right to do so, and we of the forty-seven millions should sit down in shame and confusion and say to these people, "Abba, father!"

The Sherman act all told has caused the purchase of silver and the issuing of Treasury notes to the amount of a little less than $150,000,000. Now, let us look over this country for one moment and take the testimony of gentlemen who have come here from all its parts. There comes from all the Western States one voice—depression in business, starvation and suffering in a country of which you have but to touch the soil and it brings forth fruits in abundance. So from all the States on the South Atlantic, South Pacific, and upon the Gulf—you hear the same tale a thousand times told; and even in the East, where more than one-half of the money of the United States is to-day—in the eleven States east of the Alleghany Mountains and north of the Potomac River is largely more than one-half of the money—people are turned out of employment and there are almost bread riots in the city of New York.

Sixty-five millions of people are suffering on account of a money stringency that has never been equaled before in this country. That, too, in a country so vast in area, so rich in soil, that the world may be fed from her granaries and clothed by her staples. With mountains and hills bursting with wealth; begirt and traversed with railroads; great rivers in her valleys, inhabited by a race whose inventive genius and high endeavor rank it in the vanguard of civilization; ships from all climes thronging her ports to bear away her surplus products; with more seacoast than all Europe; controlling $70,000,000,000 of property; with a business so vast and varied that $500,000,000 expenses are annually incurred by her Government; with $1,600,000,000 circulating medium, and that too small, and $484,000,000 gold coin, a large amount of gold bullion, and nearly 5,000 tons of silver bullion in the Treasury to support it; the richest nation of the world, it is said; a nation which claims that its people are the most intellectual, the most energetic, and the most enterprising in the world, the most dauntless and courageous in the world—that great population have done their full duty.

The President's message says truthfully:

Our unfortunate financial plight is not the result of untoward events nor of conditions related to our natural resources; nor is it traceable to any of the afflictions which frequently check national growth and prosperity. With plenteous crops, with abundant promise of remunerative production and manufacture, with unusual invitation to safe investment, and with satisfactory assurance to business enterprise—

Amid this marvelous concurrence of God's bounties and beneficence, in the presence of this amazing phenomenon that attracts and fastens upon itself the astonished admiration of the nations of the earth—

suddenly—

Says the message most truthfully—

suddenly financial distrust and fear have sprung up on every side. Numerous moneyed institutions have suspended because abundant assets were not immediately available to meet the demand of frightened depositors.

And he might have added that the food and staple producers of this country are well nigh in despair at the prospect of selling below cost the fruits of their farms on account of the mismanaged finances; our vessels reefing sails and banking fires in our ports, and the great fleets that come from every clime to bear away our surplus production seeking other seas, and a suspicion engendered among the people that the financial system of the country is either radically defective or dishonestly managed. This wondrous race, always so self-reliant, stands awe-stricken in presence of the situation—a mighty nation on the eve of financial convulsion, prosperity withering as in the simoon's breath, and values shriveling up. The people who had $2,022,000,000 and still have over $1,800,000,000 on deposit can not get it; the producers who see no sale for crops ask in consternation, "What engine of destruction is abroad causing this havoc? What Nemesis broods over the land that business shall stand still in dread? What Upas roots permeate the soil that agriculture shall be stifled? What convention of ills is it that the great business men of America retreat from, and the Administration can not cope with, but at the nation's earnest demand hastily convenes Congress to lead the forlorn hope against it. Sixty-five millions of people wait with bated breath for the answer?" And their ears will soon be astonished to hear the voice of the assembled wisdom of the greatest nation of the world after fourteen mortal days of discussion and consideration issuing from the Halls of the nation's Capitol, that all these stupendous disasters are due to the Sherman law. The inquiry will follow, "What were its weapons and its mode of destruction?" There is one response, and only one, and in that all the gold monometallists concur, and rest their case upon it, to wit: "The Sherman law has destroyed confidence by driving gold out of the country."

The answer is found in the President's message and a letter which I will insert in my remarks.

The message, speaking of the Treasury notes issued in pursuance of the act of July 14, 1890 (Sherman law), says:

Up to the 15th day of July, 1893, these notes had been issued in payment of silver bullion purchases to the amount of more than $147,000,000. While all but a very small quantity of this bullion remains uncoined and without usefulness in the Treasury, many of the notes given in its purchase have been paid in gold. This is illustrated by the statement that between the 1st day of May, 1892, and the 15th day of July, 1893, the notes of this kind issued in payment for silver bullion amounted to a little more than $54,000,000, and that during the same period about $49,000,000 were paid by the Treasury in gold for the redemption of such notes.

Again the message says:

Between the 1st day of July, 1890, and the 15th day of July, 1893, the gold coin and bullion in our Treasury decreased more than $132,000,000.

LETTER OF SECRETARY CARLISLE.

TREASURY DEPARTMENT, OFFICE OF THE TREASURER,
Washington, D. C., August 21, 1893.

SIR: I am in receipt of your letter of the 14th instant asking to be informed as to the proportion of the gold that was taken from the Treasury since March 4, 1893, was for payment of Treasury notes of 1890, and in reply I beg to say that $14,986,170 in gold coin was paid out in exchange for Treasury notes of 1890 from March 1 to July 31, 1893.

Respectfully yours,

D. N. MORGAN,
Treasurer U. S.

Hon. T. R. STOCKDALE,
House of Representatives, Washington, D. C.

Therefore, the whole career of the Sherman law consists in its having increased the circulating medium of the country $147,000,000; that $49,000,000 of the notes issued for the purchase of silver have been redeemed in gold, nearly all of which have been reissued, I think.

That law, then, can not be charged with the decrease of $132,000,000 gold in the Treasury to more than $49,000,000, nor can it be charged with the exportation of $87,000,000 to any greater extent, and if it be charged with driving gold out, it must be credited with bringing back the $29,000,000 gold that has returned and on the way, so that it is only chargeable with $20,000,000, as was said by the gentleman from Ohio [Mr. GROSVENOR].

Mr. Speaker, it looks like a small thing to swallow a nation's prosperity and to destroy its business and make the wheels of industry to stand still over a continent. It is hardly a respectable ambuscade to lure silver to its death.

Next Monday this House, after fourteen days of anxious labor, will vote its repeal as the only means the assembled wisdom can devise for a nation's woe, and present that act to the American people as a specimen of its statesmanship.

The mountain will have labored and a great birth will be recorded.

It is whispered as a State secret that after we shall have done that we are to adjourn and go home. Yes, go home and tell our constituents who killed cock robin.

The Republicans have a different reason for its repeal, and are consistent. They not only admit but boast that it was a trick to defeat free coinage of silver. Having served its purpose, with the aid of Democratic votes they are willing it shall go to the wastebasket.

That was an admission that a free-coinage bill would have passed the Congress, and that the Republican party was afraid of public sentiment in its favor, and dared not put the President on record with a veto of such a measure before the election of 1892, and therefore they invented this scheme to defeat silver coinage and placate public opinion at the same time. It did look like a makeshift to the West and South, knowing as they did that the majority of the American people were in favor of free coinage, but it was a skillful advance by the men who had sworn to destroy silver at any cost, by whatever strategy they could invent, and if they succeed it will be to them the means of a triumph that will put into the hands of the creditor class the long coveted scepter beneath which all debtors must bow. That being accomplished, they will not care how much we scout it as a makeshift.

The Republican party will be one suppressed chuckle at the spectacle of the heroes of the Revolution of 1892, hastily summoned to the nation's Capitol to arrest the nation's ruin, pursuing for fourteen days with seeming great earnestness this poor little *nullius filius*, and trampling to death in the mimic fray the cherished friend of the people—silver coinage. You will secure the scalp of the Liliputian, but you will have performed an equal feat to the Ohio man who a few months ago burned to the ground his full barn to kill a snake that had escaped from a menagerie. He killed the snake; and you will find here when the smoke clears that you have burned the barns of the West

and the cotton gins of the South, and your trophy will be the skeleton of the Sherman law.

Let us look into the history of events a little. The letter of the Secretary shows that only $14,936,170 of the notes issued under the Sherman law were redeemed after March 1, 1893; all the balance of the $49,000,000 were redeemed before then. The gold in the Treasury was reduced before then. On the 9th of February, 1893, this House refused to repeal the Sherman law, and adjourned March 4 *sine die*, adhering to that action, and no panic came then, nor in April, nor in May. The cause for it existed in the condition of the banks, but depositors did not know of it, nor did the masses of the people.

Why did not the panic come then? The answer, I think, may be found in the fact that the Senate had passed a free-coinage bill—showing a disposition to obey public sentiment—on July 1, 1892, and has not receded from that position. True, the vote in this House was a tie; but it was thought it was only a precaution, as the people were soon to make an expression. Soon after that the Democratic party, in national convention, declared for the coinage of both gold and silver; the people so declared by electing the candidates who stood on that platform, and a large majority in this House and a majority in the Senate, and the country felt sure—they had no doubt—not only that the circulation would not be decreased, but that it would be largely increased, and the coinage of silver, which the Sherman law had destroyed, would be restored. The people not only had confidence, but were buoyant with hope of better times, which would enable the banks to pay depositors and relieve business stringency. But, along in May and June, when the money-owners and bankers, trust companies and exchanges, and money centers, generally, began to advocate repeal without any substitute, and thereby destroy half the basis of the money of the country, the people began to look into the matter to ascertain the probable effect of such a movement.

The great journals of the East—and it was taken up by some of the West and South—broke forth almost simultaneously, and with a similarity of expression that showed preconcertation, in the clamor that a great financial stringency was upon the country and disaster was approaching. Then the exchanges and every money institution that was dependent upon the money-owners met and passed resolutions of such sameness of expression as indicated a common source, announcing as oracles the imminent danger of a financial panic, to avert which the Sherman law must be repealed. The people did not believe the Sherman law, that had lain quiet and harmless for nearly three years, had awoke into such form and power as to blow its breath upon and wither the prosperity of a great nation, but that there must be a greater cause that financiers could see, but not visible to the people, and the scare spread like a storm over the land. In the terse and graphic language of the President's message, "Suddenly financial distrust and fear have sprung up on every side. Numerous moneyed institutions have suspended because abundant assets were not immediately available to meet the demands of frightened depositors."

In that last expression the whole chapter is written. What frightened depositors? Not the Sherman law; but the clamor came from all money centers like a tocsin to the ears of depositors and they began to fear for their savings, and looked into the situation, and what did they find?

I can not answer that inquiry better than to quote from a report made by myself as chairman of a subcommittee of the Committee on the Judiciary of this House in the Fifty-second Congress to the full committee, and by its request printed as a minority report.

After showing the status of the United States banks for 1890, the report proceeds:

The banks owed depositors on the above date $1,485,095,885, and other items to the amount of nearly $500,000,000 more.

The United States Treasury came to the relief of the banks and put out over $70,000,000 in a few weeks. Secretary Windom said, in his last speech, had it not been for this help "the stringency would have resulted in widespread financial ruin."

The last report of the Comptroller of the Currency of December, 1891, volume 1, pages 154, 155, shows the total volume of money in all the national banks in the United States is—

Specie	$183,515,075
Legal tender	97,615,608
United States certificates	15,720,000
Total held	296,850,683
Reserve required by law	216,899,737
Available working cash	79,950,946

Suppose the United States Treasury in 1890 had been in the condition that it is now, unable to furnish the relief of $70,000,000, a panic such as would have dwarfed all preceding panics would have blighted this country, and the depositors, who are generally people of moderate means, would have lost their money; for it is the history of this country that securities taken for loans of deposit money or other money, by banks, will not sell in times of panic except at a great discount. The report of the Comptroller of the Currency for 1892, page 214, shows that the assets of 181 insolvent national banks amounted to $108,633,186; of that sum were estimated as good $45,046,031, as doubtful $36,862,327, and as worthless $26,724,828. These banks were liquidated in ordinary times; and then the same report shows that the loss on claims, compounded or sold by order of court, was $26,372,544. Had these banks been liquidated in times of panic the assets would have been practically worthless to creditors after the expenses were deducted.

The bank reserve of the United States banks, as shown by the Report of the Comptroller of the Currency for 1892, pages 160, 161, are—

Specie	$209,116,379
Legal tenders	104,267,945
United States certificates	13,995,000
Total	327,379,324

Of that sum the reserve required by law to be always in the banks at that date is $252,177,675, leaving in the banks to meet emergencies $75,201,649.

The same report (page 160) shows that there is on deposit in the United States banks $2,022,479,824. In this condition of the banks suppose a scare should come (and it would come now if the depositors knew the condition of the banks) and a run by depositors should be made. The banks have $75,000,000 available cash to pay depositors, and doubtless have securities to the amount of deposits loaned out and denominated "cash assets" by banks, and may make them available if no crisis comes; but such a scare as came in 1890, without assistance from the Treasury, would precipitate a run by depositors and a panic would follow such as this country has never seen.

The failure of a few great firms would precipitate it at any moment.

Amidst such a panic the cash assets of banks would not sell for 50 cents on the dollar—for a time would not sell at all. Men who own them could not pay them for lack of money, and depositors would lose their deposits, and suffering and distress follow, and general depression follow that. It has been said that the depreciation of stocks and property in New York alone amounted to $100,000,000, owing to the scare of 1890, and to fabulous sums throughout the United States. Such a panic as is now threatened on account of the faulty system of the currency would cause a depreciation of property in America that can not be estimated, but would surely reach to thousands of millions.

That report was written during the first session of the Fifty-second Congress, though not acted on by the full committee until late in the second session. We are now at the place foreshadowed in that report.

There was no panic then, but deeply imbedded in our defective monetary system and vicious management of banks lay the causes that needed only to be seen and known to produce a scare and a panic.

Anyone, however dull, could see that seventy-five millions could not pay two billions. Of course, the banks could pay out the pro rata of the deposit reserve as they paid the deposit; but that would not give them more than $150,000,000 to pay $2,022,000,000—$150 with which to pay $2,022—one dollar with which to pay thirteen.

That was the balance sheet the depositors found. They were told they could not get their money because it had been used by the banks or in speculation or loaned out. They drew out what they could get, but still the United States banks owe depositors over $1,800,000,000. No bank will loan money now even on United States bonds as security. Every one of them will tell you the reason it can not loan is because it fears a run by depositors. The banks are all gathering every dollar they can rake and scrape and putting out none, making money scarcer all the time, putting it more and more out of the power of those who have borrowed depositors' money to pay it back. Money-owners who have large sums of money to invest are holding it waiting for property to go to bottom prices—waiting until people are compelled to sell at 50 cents on the dollar. We are advised by these gentlemen to take a recess after the Sherman law shall be repealed. Certainly, destroy silver coinage, reduce property to still lower prices, and then, like obedient servants, go home and leave the panic on the farmers, until speculators can buy their wheat at 40 and 50 cents a bushel and then come back and make good times for the speculators to sell it in. Perhaps it may last long enough to enable them to get the cotton crop at 5 or 6 cents per pound.

The President's message puts it briefly but strongly when it says:

At times like the present, when the evils of unsound finance threaten us, the speculator may anticipate a harvest gathered from the misfortune of others, the capitalist may protect himself by hoarding, or may even find profit in the fluctuation of values.

The harvest is not yet quite ripe enough for the speculators and the capitalists. When the scarcity of money shall have reduced prices so that the capitalists can own the securities and property upon which they have advanced half the value, and speculators can buy at their own offers, then the sickle will be put in and the harvest gathered.

Then, when the silver and silver mines shall have been purchased by English and American syndicates, these same people will favor free coinage of silver. England will open the Indian mints to free coinage, and again the people of both nations will be robbed by legislation dictated by the Bank of England.

It is not wonderful that depositors become frightened with all the Eastern bankers and moneyed institutions proclaiming the approach of financial ruin; the great journals of the country, with flaming headlines, announcing the same thing, and both in concert assuring the country that all the gold was being exported to pay foreign debts and because the balance of trade was against us. It is estimated that deposits average about $100 to the depositor; $1,800,000,000 of deposits still owed by the United States

banks—that means 18,000,000 depositors. These people put away small savings against a rainy day, against sickness, against hard times, against such times as these, and now they are starving with certificates of deposit in their pockets. They are told they can not get their money until public confidence is restored.

The reply is on every poor sufferer's tongue: "We had confidence in you when we deposited our earnings with you to guard against distress, and now deep distress is upon us, and we are about to die of too much confidence. Men who take our money, knowing these facts, with the promise to return it on demand, and then deliberately use it in such a way that they know they can not return it to us, then tell us to wait until we get confidence in them by act of Congress, are unworthy of confidence, and no act of Congress can delude us into it, and it is unworthy of Congress to try to deceive us, and it ought not to be a party to this 'confidence' game."

No matter, say grave legislators and financiers, that the Sherman law is not the cause of the stringency: the people think it is, and we must repeal it, and they will think it is all right, and their confidence in the banks will be restored. Then we have been called here to treat the nation for hysterics by the faith method, and must be a party to a deception and a fraud.

The Chinese, it is said, beat tom-toms on the house tops to scare the fiend from the face of the moon when it is eclipsed, and the people rejoice as it passes off.

But we underrate the intelligence of the American people when we undertake to inspire their confidence by rattling the Sherman law in these Halls to drive this fiend from the face of this land. Why not be honest with the people, and go straight to the root of the evil and eradicate it? To see us honestly at work in a sensible way will give them confidence, and they will wait with manly patience in hope of relief and that some day they will get their money; but this deception will only increase their suspicion of Congress as well as of the bankers. They know there is not money enough now to pay them; and we go to work to destroy half of what there is in order to inspire their confidence, and to that extent put it out of the power of the very people to whom the banks loaned the depositors' money to pay it back. What a superb set of financiers we are, anyhow!

I believe it is within the power of this Congress, aided by the Administration, to relieve the stringency, revive business, and restore the country to prosperity within sixty days, by restoring silver coinage in some form and increasing the circulation $20 per capita, or more, in Treasury notes; which can be done in a very short time. The day such a bill would become a law business would commence to revive; enterprises could resume in confidence of getting money without paying a premium; workmen would return to work; farmers would revive their hopes of fair prices and prepare to ship; freights would move; depositors would see a chance to get some money from circulation, and cease to depend upon and clamor for their deposits; money-hoarders would loosen their grasp, and even hurry their money into circulation, in the hope of stopping the issuance of more; they would take the lash from over the shoulders of Congress and the Administration, and say they did not mean to hurt the country so badly.

What a spectacle it is for a great government to have complicated its monetary system so that a few men, however wily, can dictate its legislation and policy. And what a humiliating confession it is that the Government is powerless to relieve this unexampled distress except by coaxing the money out of the hands of Shylocks by granting them legislation to first increase the value of the money they have by destroying that which the people have. It is the imbecile confession that this Government is unable to protect the weak against the strong. Money is the vitalism of prosperity and the chief element in the machinery of civilization; the happiness of the people depends upon it; they have a right to have a sufficient quantity to transact business, and the government that withholds it, or enables others to do so violates its duty to the people, to liberty, and to God, and is unworthy. To admit that it is so enmeshed in a web of its own weaving that it can neither extricate itself nor its people, is to admit that centralization of power has already triumphed. The Republicans announced that to the people and they undertook to elect a President and a Congress that could extricate them, and thought they had done so.

The people sent here the new management to undo the mischief wrought by years of Republican legislation. Let it not suggest its own abdication in confessing its inability to accomplish the task, by attempting no departure but hastening to complete the work of silver demonetization, a feat that the Republicans failed to accomplish in twenty years' assiduous labor. If the knot can not be loosed, better to cut it and give to the people money to do business with and relief and prosperity with it, even if the great manipulators should fail to reap the anticipated harvest of their colossal scheme to the full extent of their plans. Then will business revive, then will the unemployed go to work, the people will take heart, and depositors will hope that some day they will get their money, which they want more than confidence. As I said a while ago, this Congress, aided by the Administration, can relieve this stringency at once and put it beyond the power of combinations to further strangle business; and if it fails to do so I fear it will require more than one act of Congress to restore confidence of the people in its members.

Mr. Speaker, it is a familiar strategical movement for a commander to make a furious attack, with much noise and flourish of banners and trumpets, at one point while he as secretly as possible moves to strike his enemy a fatal blow at another. The silver men have uncovered this movement by asking that silver be restored at least to where the enactment of the Sherman law found it. Every man who favors repeal strikes viciously at that proposition. So that the vote on Monday next will divide unerringly the monometallists from the bimetallists on this floor. The great contention between the two metals commenced in 1873, in a piece of knavery that required the courage of conviction to perpetrate.

The great force behind the movement still is the Republican party, vigilant, skillful, and daring, and while Eastern Democrats and a few from mining districts and cities of the South and West favor it, the great Democratic party does not favor it.

This is simply the home stretch in a great race. It is the last charge of the twenty years' battle. It is managed with skill. Napoleon, nor Grant, nor Hood, never drove their columns upon opposing lines with more reckless disregard of human life than do these gentlemen trample upon the slaughtered prosperity of this country—not for the purpose of rehabilitating it, but for the purpose of accomplishing what they started out to do twenty years ago; and that must be done, no matter who falls, no matter who suffers. The ruined prosperity of this country is regarded as but a trifle in their way. Human sympathy is sneered at; and the rights and liberties of the people are denominated by the accomplished, and educated, and highly cultured gentleman from the City of Churches [Mr. HENDRIX, of Brooklyn, N. Y.] as "rot." Thus culture answers argument.

The gentleman from Massachusetts has another remedy to put a stop to the demands of you Western gentlemen. Reduce the representation. That is the way to get at it. Several other gentlemen concurred in this view. They say that "these Western people have too much representation anyhow." That is their doctrine; and directly we shall find every Eastern Democrat joining in that cry, I presume. The nearest that the gentleman from Massachusetts could come to the present financial condition was the financial policy of Moses. Moses, as he told us, had discovered the principle and commanded "Thou shalt not steal." I wish to say that if such literature had been disseminated in tract form in the East awhile ago, the West and South would have been better off. [Laughter.]

The gentleman from Ohio [Mr. HARTER] has been pretty well discussed. The nearest that he came to the present situation was "Lycurgus!" [Laughter.] But there is some similarity between Lycurgus and our present situation as represented by the gentleman from Ohio and his associates. One point is that Lycurgus is supposed by the best historians to have been a myth. Plutarch gives us most of the information we have about Lycurgus, and he says he never heard anything or learned anything about Lycurgus that was not absolutely controverted. Modern historians and critics relegate him entirely to the realms of myth. But there is another real similarity between that country and this, now. Sparta was the ruler of the surrounding provinces and people. By laws accredited to Lycurgus, the people who dwelt around the cities (New York and Boston and Philadelphia, for instance) had a freehold right; they had something to say in the making of the laws; but the people who lived beyond in the provinces (the trans-Allegheny people, the trans-Potomac people, for instance) were the Helots; they had no rights but to serve and to bring the rents of their land to the people of Sparta, amounting to half the products of their lands. No doubt the Spartan code has charms for the gentleman and his confreres.

Pursue the present policy; and while the people around the cities may have some say for a while; yet let them cross into the valley where the farms are all mortgaged so that the reduction of prices to result from the legislation now proposed will pass them into the hands of the mortgagees at 50 cents on the dollar; and then the idea of the gentleman from Ohio will be carried out; and the Mississippi Valley and the South and the Western Slope will be inhabited by Helots, bringing half the products of their lands to Sparta. So that we must come to something nearer home for elegant diction than the gentleman from the City of Churches; we must come to something nearer the present time than the teachings of this Moses from Massachusetts and Lycurgus from Ohio. [Laughter.]

This contest is not between the East and the West, as sectional

dividing lines; it is between the creditor and the debtor classes; it is between that class who by means of vicious legislation hold mortgages on human effort and the masses of the people who exert that effort in the production of the wealth of this country. The gentleman from Massachusetts said he looked upon the opposition to the demonetization of silver as evidencing the disposition of the debtor to get out of paying a part of his debt. Why, sir, the men in the West and South borrowed the silver and the silver certificate; they are as honest as any man even from the State of the *polished* gentleman from Massachusetts. [Laughter.] They are willing to pay dollar for dollar of their indebtedness. They are willing to pay back the same dollar with interest and costs.

But when they received silver and when in return for the silver you took the mortgages upon their farms and other property, they are not willing, and they never will be willing, to return a dollar of double value for every dollar that they received; that is the English plan to absorb profits in America. That they can not do; and it is not expected. It *is* expected the property of those men will go into the hands of the creditor class and the farmers of the West and the farmers of the South will become tenants on their own domain. There is the ultimate object of this move.

Mr. BRYAN. May I interrupt the gentleman for a moment?

Mr. STOCKDALE. Certainly.

Mr. BRYAN. Do you not think it rather hard, after loaning us the money taken from us by a high tariff system, to try to get back twice as much now?

Mr. STOCKDALE. Yes, I do think it is hard on us; but they do not seem to think it hard. Why, the very manner of these gentlemen we see here indicates their opinion that the debtor class have no right to object to anything that the creditor class demand. If they do, these gentlemen seem to regard them as refractory. [Laughter.] They boastingly refer to the crushing of the banks of the silver States, because the people talked not to suit them, and threaten other localities where banks exist. Was there ever such a despotism?

These manipulators of money have so managed as to reap the profits of the cotton and sugar and rice crops of the South, and now they are turning to the fatter lands of the great West, and you gentlemen of the West dare not be refractory, or you will not get any money for your business purposes there in future. It seems, too, from the declarations of the gold men, that with all our vaunted wealth and independence we are a dependent nation of borrowers. There is no terror to the East like the fear that we may offend European money-lenders and they may stop credit. You tell them that in Boston, in New York, in Philadelphia, and other places, and you at once drive the people to their knees.

But we are told by these gentlemen that they are "bimetallists." Well, I did not know that there was such a variety of them. [Laughter.] They tell us absolutely that they are bimetallists, and that the way to keep the two on a parity is to demonetize silver. The way to keep two things on a parity is to kill one and embalm the body. But the grimest sarcasm I have seen is made up by the Sherman law and the pending bill for repeal and the Senate bill.

The act of July 14, 1890—the Sherman law—provides that the Secretary of the Treasury shall coin 2,000,000 ounces per month until July 1, 1891, "and after that time he shall coin of the silver bullion purchased under the provisions of this act as may be necessary to provide for the redemption of the Treasury notes herein provided for." It also provides that these notes be paid in coin, leaving it in the discretion of the Secretary as to what proportions of gold and silver. The language of these provisions is mandatory, and it was obeyed as to the coinage of two millions per month up to July 1, 1891, but the same language, "shall," in the other clause was regarded either directory or void on account of the last clause, which is in these words:

It being the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio or such other as may be provided by law.

The construction of that clause and the practice of the Treasury Department under it is given in the President's message, as follows:

This law provides that in payment for the 4,500,000 ounces of silver bullion which the Secretary of the Treasury is commanded to purchase monthly, there shall be issued Treasury notes redeemable on demand in gold or silver coin, at the discretion of the Secretary of the Treasury, and that said notes may be reissued. It is, however, declared in the act to be "the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio or such ratio as may be provided by law." This declaration so controls the action of the Secretary of the Treasury as to prevent his exercising the discretion nominally vested in him, if by such action the parity between gold and silver may be disturbed. Manifestly a refusal by the Secretary to pay these Treasury notes in gold, if demanded, would necessarily result in their discredit and depreciation as obligations payable only in silver, and would destroy the parity between the two metals by establishing a discrimination in favor of gold.

From this it appears that the declaration in the Sherman law that gold and silver must be kept at a parity prevented absolutely the use of any silver unless called for, and took away entirely the discretion of the Secretary conferred by the act and made the law the same in effect as though it had declared that no silver be used in the redemption of those notes, whereas the contrary was declared. That part of the Sherman law is not to be repealed, but remain in force, and the Senate bill enlarges the declaration of policy; and when either bill shall become law the Secretary will be absolutely prohibited from using a dollar of silver unless it is called for. And yet they tell us with straight faces that they are bimetallists.

The SPEAKER *pro tempore*. The time of the gentleman has expired.

Mr. BRYAN. I move that the gentleman have leave to conclude his remarks.

There was no objection.

Mr. STOCKDALE. I will not trespass upon the time of the House. I did not know that I had occupied so much time. I was talking of bimetallists. I thank the gentleman from Nebraska and the House for this courtesy.

Mr. PENCE. Will the gentleman permit a suggestion?

Mr. STOCKDALE. Yes.

Mr. PENCE. Speaking of bimetallists, and what you think of the anomalous position of some members of this House and those throughout the country who claim to be bimetallists, might not this be an interpretation: simply as to the pronunciation of the word? Some members have got to believe that a man who is in favor of one metal with which to buy another, makes him a bimetallist. [Laughter.]

Mr. STOCKDALE. Well, it would be as creditable to the good sense of these gentlemen as their position is when they claim to be bimetallists and support the pending bill and oppose the coinage of silver. I do not mind a man playing a farce before me, but I do not like him to show me the greenroom. The idea of men wishing to demonetize silver, in order that we must be reduced to a gold standard, and saying we are in favor of maintaining both these metals, is showing me a very shabby greenroom. [Laughter.]

It was said on the floor the other day by the gentleman from Kentucky [Mr. McCREARY] that this was a matter for international agreement. Knowing that the gentleman from Kentucky had been a member of the Brussels monetary conference, I desired to ascertain the impression he received there, he having been a bimetallist heretofore, and knowing the gentleman's ability and fairness. He spoke as follows, in answer to my inquiries:

Mr. STOCKDALE. Will the gentleman from Kentucky allow me to ask him a question?

Mr. McCREARY of Kentucky. Yes, sir.

Mr. STOCKDALE. Was the gentleman a member of the International Monetary Conference?

Mr. McCREARY of Kentucky. Yes, sir; I was one of the commission who represented the United States at the International Monetary Conference held in 1892 at Brussels, in Belgium.

Mr. STOCKDALE. Will the gentleman give the House his opinion, before he sits down, as to when we shall arrive at the free coinage of silver through an international commission?

Mr. McCREARY of Kentucky. I will be very glad to attempt to give what information I have on the subject in answer to the question of my friend from Mississippi.

There have been three international monetary conferences held, two of them by request of the United States, one by the request of the United States and France. The first one was held in 1878, the second in 1881, and the last in 1892.

When the first conference assembled, in 1878, there were but twelve nations represented. When the second conference assembled, in 1881, there were but thirteen nations represented. When the conference was held last year twenty nations were represented and all the delegates were in their seats the very day that the conference was called together. What does that show? It shows the deep interest that all the nations were taking in monetary questions. It shows that that interest had increased as the years had advanced. When that conference assembled at Brussels it was welcomed by the minister of finance of Belgium, Mr. Beernault, who, in his address inaugurating the conference, declared that "those who will find a remedy for the difficulties and perils of the actual monetary situation will certainly merit well of humanity."

And the able and distinguished president of that conference, Mr. Montefiore Levy, in accepting his high office, said, with much force, "that the delegates had assembled to find, if it exists, a means of palliating by a more general use of silver in monetary circulation the serious inconvenience from which every civilized nation suffers to a more or less degree."

I refer to these statements because when that conference met the minister of finance of Belgium who greeted us, the president of the conference who addressed us, and every member who made a statement on that floor, speaking for either of the twenty nations there represented, admitted that there was a serious monetary condition in Europe.

Mr. STOCKDALE. Will the gentleman permit another question for information?

Mr. McCREARY of Kentucky. Yes, sir.

Mr. STOCKDALE. Is it true that during this increasing interest in this subject of which the gentleman speaks those nations have been demonetizing silver?

Mr. McCREARY of Kentucky. I will show the gentleman from Mississippi [Mr. STOCKDALE] that the demonetization of silver by European nations was mainly done twenty years ago. They are now beginning to feel the evil effects of their course, and have therefore willingly attended monetary conferences. England legally adopted the gold standard in 1816. Germany, taking advantage of the immense sum of gold paid her as the French war indemnity, started to demonetize silver in 1871, and the law, I believe, was passed in 1873. The Scandinavian states of Sweden, Denmark, and Norway changed to the gold standard in 1874, and the countries forming the Latin

Union, consisting of France, Belgium, Italy, Switzerland, and Greece, in 1876 were compelled to suspend the coinage of silver, though silver still circulates there in large quantities. Holland and Spain took similar action about the same time, and Austria-Hungary changed from silver to the gold standard in 1872, and India has lately closed her mints to the free coinage of silver, but the Government still has the right to coin silver.

England has always like a lion blockaded the way to international bimetallism, but the feeling among her people in favor of international bimetallism has greatly increased in the last few years, and if England would lead the way I believe there is no doubt but that the Latin Union countries would unite with the United States in an international agreement.

I have great admiration for Mr. Gladstone as a statesman, as a scholar, and as a leader, but he became attached to the gold standard more than a half century ago and he will not modify or change his views now.

The day will come when he will cease to be prime minister of England; then friends of bimetallism, with such leaders as Balfour, Goschen, Houldsworth, Thompson, Chaplin, Archbishop Walsh, and many others, will show to the world that they appreciate the value of international bimetallism, and a new monetary policy will be inaugurated in England which other countries in Europe will follow, and that is the time, I will say in answer to the question of my friend from Mississippi [Mr. STOCKDALE], when the chance for free coinage will come through international action.

I interrogated the distinguished gentleman from Kentucky [Mr. MCCREARY] because he is one of the best informed men in this country on that subject and believes in that plan to solve this most vital question, and he certainly gave a comprehensive view of the situation in few words in his answer; and it shows that the sentiment of the civilized nations is for bimetallism; that the financial condition in Europe is perilous on account of the demonetization of silver; that European nations have demonetized silver under the influence of England; that their experience has taught them it is wrong; that the American Congress is now engaged in a movement to degrade the United States into their ranks at the behest of English policy—and we shall not be released and allowed to resume American policy until England shall take the lead. I assent to the declaration of the honorable gentleman from Kentucky that England has always blockaded the way to bimetallism and that her overshadowing influence in this country is wonderful and humiliating. That the people of this country are for bimetallism was proven in the election of 1892, and it is now conceded that a majority of both Houses are against it, owing to an overplus of convictions and courage. No one objects to gentlemen having the courage of their convictions; the complaint is that their convictions were not made known sooner.

Upon the vote on these pending propositions being recorded on Monday next the gold-standard men of England and America will have triumphed over a majority of the United States people, and the doctrine of subserviency to England's policy established. Then it becomes interesting to know about how long America will have to wait in the anteroom before England will please to open the door to bimetallism. The gold men assert the truth in the declaration that England is the creditor nation of the world, and that under her influence eleven European states have demonetized silver in the last twenty-two years, and that England closed the mints of India to free coinage within the present year.

England's hand was laid rudely upon our financial system in 1873. The people were startled and have made many patriotic efforts since to throw it off, but never quite succeeded. Now her tightening grasp shows her power and her skill; day by day the pressure increases, and next Monday the last gasp will be throttled out of the white metal. English investments in this country are estimated at five to eight billion dollars, mostly in securities; by the demonetization of silver her claims will be increased in value at a moderate estimate five hundred millions.

Mr. Speaker, how often it has been rung in our ears in this debate that the wage-worker wants a single gold standard because he can buy twice as much with the gold dollar—and so can the millionaire. That is an inadvertent confession that this legislation is to increase the value of the gold dollar for the gold owners. Wage-workers have no gold, and they will have to give more labor to get it, and by their system of issuing their own checks and brass-tag money to employés, "Good for merchandise at the company's store," will take good care that they do not get it. But they will clamor for high wage prices and high wages, but swindle the workingmen out of the high wages' dollars. Most other nations owe England money. She is intent on controlling the gold of the world and by that means control the business of the world, as she already does its commerce.

When, think you, England will hoist the signal that she is ready to lead the way to bimetallism? I tell you England is not near through with her crusade against silver, and with the United States as a trophy in her triumphal train she will easily bring the other American countries to her feet. And when England leads the way to free coinage we may know that she has possessed herself of the silver and silver mines of the world at her own figures. If we have the manhood becoming national representatives of a great nation, let us come out from behind the transparent ambuscade—the Sherman law—be honest with the people and ourselves, and go before them in open day, ranged on opposite sides of the real question: gold and silver money on one side and single gold money on the other. We will underrate the intelligence of the American people if we masquerade.

The honorable and learned gentleman from Kentucky, fresh from a conference with their leading men, said—

that the demonetization of silver by European nations was mainly done twenty years ago. They are now beginning to feel the evil effects of their course, and are, therefore, willing to attend monetary conferences.

And yet, in the face of twenty years' experience of European nations that demonetization brings evil, we are about to degrade America into the same attitude; and, declaring in the same breath that evil will come to the United States unless we have bimetallism, we, too, must crouch and wait for England to become glutted with gold. That is Keely cure, sure enough! We are going to gorge England with gold to give her an appetite for silver!

There are too many actors in this play to avoid some incongruous phases appearing. It is admitted, and the President's message so declares, that agriculturists have done their duty and made abundant crops; that business men have done their duty; workingmen and industrial enterprises have done their duty; that no cause exists that commonly produce panics; yet "suddenly financial fear and distrust have sprung up on every side," says the message most truthfully. Where is the Pandora box? The banks and money owners have inadvertently pointed to it by literature sent to members and put in the press: members of Congress in this debate have done the same. They say it is want of confidence, and the repeal of the Sherman law, with no substitute, *i. e.*, demonetization of silver—will restore confidence; but if any substitute should be adopted confidence will not be restored. Then comes the arrogant declaration, "Do what we want and money will be let out in plenty, but your refusal will continue the panic."

Thus we have before our eyes what many of us have predicted for years—a few men turning the keys and locking out of sight the money of the country until the people shall succumb to their will. That great medium of exchange that was intended for a blessing inestimable is turned into an engine of oppression and a biting curse. A few men can stop industry, turn hundreds of thousands out of employment, with wives and children to starve, spreading havoc among a nation's prosperity that they themselves may thrive. They can stand a panic. They have $1,800,000,000 of depositors' money and decline to pay it, but gather up all the money in the land, so no borrower can get it, and then close out the men to whom they loaned the depositors' money. That is worse by far than requiring bricks without straw.

These are the institutions that present themselves as fit subjects for the confidence of the people and ask that further power be given them by allowing them to issue 10 per cent more money, telling us at the same time there is too much money issued now and asking Congress to destroy half of it. The Congress will never do its duty to the people until it wipes out every United States bank and takes the clutches of the Government off the States and lets them have their own banks.

But what motive could these intelligent men have for producing money stringency, is asked? Many a manipulator of locks and drawers with false keys have escaped by crying "Stop thief!" and pointing at some insignificant being without friends. That the panic has become more serious than they expected, I have no doubt. But the bankers wanted the Sherman law repealed.

First. Because it was enlarging the circulation with full legal-tender Treasury notes—just what the people demand and the banks oppose.

Second. This was the currency of the people—a full legal tender issued directly to the people from the Government, and paid no royalty to the banks and did not come through their hands and pay them interest. They would risk much to have it put out of the way. That was the first act in the conspiracy. Then they wanted silver destroyed, because it would be issued to the people, and whoever had silver bullion could get silver money and pay nothing to the banks. Hence silver is to be destroyed, and as a result 61,600,000 silver dollars will go out of circulation—$326,000,000 silver certificates will go out of circulation—making bank currency more in demand and necessitating its increase largely. That is the second act in the conspiracy. Then $132,000,000 of gold were exported to compel the Government to issue bonds to bring it back—to furnish investments for English and American capitalists and to increase banking. That is the third act in the conspiracy. And the coming generation may have occasion to read with gratitude and pride the history of an Administration that could neither be driven nor cajoled to enslave posterity by a perpetual debt to supply criminal profligates with money. They play for high stakes: it is for the power to absorb the earnings of all Americans who work with their hands. That is to be the new slave code without the beneficent features of the old; and they threaten to keep this distress upon us until we enact it. The Senate, with more deliberation and courage, may check this madness. It will not be the first time

that body has saved the country from the revolution legislation of this House.

With factories stopped, mines closed, mills shut down, with sawmills shut down, people begging bread, with bread riots threatened, with business interests of this country paralyzed, the business men of the country having failed to remedy the evil that they have got us into, the President and his Cabinet have failed to remedy it in any degree, and the people demand something. The President has called Congress together; which he did, and very properly. He sends his message to us, stating what he believes; but, gentlemen, you are the men to relieve this stringency and this distress and this threatened revolution and terror and destruction. Here we are, 354 Representatives of the greatest people of the world, the assembled wisdom of the United States in both Houses, here we have been for two weeks and all we can do and all we can propose is a repeal of the Sherman law. For God's sake! [Laughter.]

But they say the repeal of the Sherman law will restore confidence. Confidence in whom and by whom? Can we by an act of Congress restore confidence between the bankers of New York and the bankers of Philadelphia? They are too smart to have any confidence in this thing.

A MEMBER. Or in each other. [Laughter.]

Mr. STOCKDALE. Or in each other! They are like a man down in my country, the sheriff of some county in Mississippi. He had been a wicked man. There are very few of that sort down there. [Laughter.] He was taken suddenly ill, and was about to die, and sent for a preacher; and my good old friend Mr. Strickland, a Methodist preacher—who has since gone across the dark river and rests under the shades of trees on the other shore—got out of his bed at midnight and went and labored with this man, who was greatly distressed about his condition. He prayed with him, sang to him, and talked to him. He could direct the man's mind nowhere except to bewail and bemoan his condition. At last the good preacher got worried and tired and somewhat vexed, and said he, "My dear sir, I can not save you. I can do nothing but direct you the way. You must have confidence in Christ." Said the man, "I do have confidence in Christ and in God, and all those good people up there, but the trouble is they have no confidence in me." [Laughter.]

No matter how much we exhort for confidence; no matter how much confidence bankers may have in depositors and in the people, the depositors have no confidence in them, and Congress can not legislate it into them until their money that is fraudulently locked up shall be paid to them.

I say that the man who receives my money, knowing that that is the object of my deposit, knowing that I want to put my money where I can lay my hands on it when I want it, and who then puts it where he knows I can not get it when the trouble comes, makes a dishonest use of the money. It is a breach of trust and a crime. Now let the depositors know that, and there is no mistake about the fact, for the report of the Secretary of the Treasury shows it—let the depositors come up and demand their $1,800,000,000 of money from the banks. These bankers will say, "Why, you ought to have confidence in me. You don't know what you are talking about. The Sherman law has been repealed." [Laughter.]

That this crime was deliberately perpetrated is shown by the fact that when the panic of 1890 came, and was only averted by the Secretary of the Treasury, the United States banks owed depositors $1,488,000,000. Instead of preparing themselves to pay that sum, they deliberately went to work and increased the amount of deposits to $2,022,000,000 in 1892, an increase of $512,000,000 in two years with a coming panic in their faces.

Well, I can not dwell on that any longer, though it is a fruitful theme. I believe I have the right under the rules to enlarge my remarks in the RECORD.

The SPEAKER *pro tempore*. Yes; that may be done indefinitely.

Mr. STOCKDALE. Well, I will not trespass on the time of the House more than to say a few words. I do not want any revolution. I am not in that line at all. We had some experience in that some years ago, and I could give gentlemen valuable advice on that subject. I tried that for four years against the United States Government. [Laughter.] I do not want the Democratic party disrupted either. We owe too much to it. We owe to it the existence of our country—when the nameless reconstruction business was in progress. There is no word in the English language to describe that period. I have been a student of the English language for forty years, and I never saw the phrase that would describe the reconstruction period. You do not know anything about it. The worst oppression, the worst villainy, the worst persecution that you ever read of would bear no comparison to that which our country suffered after the war. We did not complain of the war. That was a conflict between men; but it was after the war that we suffered. And it was the great Democratic party that drove the miscreants from our land, and let our women and children have a home and live. It was the great Democratic party that always championed the cause of fair play for the agriculturists of the country, and labored to relieve them from the burdens they have borne for a generation, heaped upon them by a conscienceless crew of taskmasters.

A Government by the people for the people, moderate taxation, currency sufficient to transact the business of the country, justice to all and special privileges to none, gold and silver money, are the time-honored and cherished principles of that veteran patriotic party that has battled for the rights of the people until the honors of nearly a century rest upon it. Exorbitant taxation, a government by the few for the few, contracted currency, demonetization of silver, gold money only, centralization of power, and force bills are the cherished principles of the Republican party. The battle is on between these two great divisions of the American people. The one for the enslavement of the working people; the other for the freedom and equality of all. The finances of this country, West and South, is the vital question of the times, far overreaching the tariff. It is whether the people who produce the wealth shall control it after it is made, or hand it over to masters who will allow them a scant living and punish them for disobedience by stinting them to bread and water?

Notwithstanding this extremest of Republican tenets may triumph with a Democratic majority in both Houses, yet the majority of Democrats are opposed to it and still on the side of the people, and Democracy will grow in the mighty, growing, unconquerable West, and do valiant battle for the liberties of the people against monopolistic oppression.

It was the great Democratic party that beat back the force bill, which would have been to us worse than anything that had happened before. Is it wonderful that the South is solid, or that we should vote with unanimity with the great party that saved us?

Mr. PENCE. Will the gentleman permit a question?

Mr. STOCKDALE. Yes, sir.

Mr. PENCE. You say it was the great Democratic party that secured the South its rights by preventing the enactment of the force bill.

Mr. STOCKDALE. That is what I say.

Mr. PENCE. Is it not a fact that in the Fifty-first Congress, when the Republican party was in power, with a Republican President, a Republican House, and a Republican Senate, the force bill was proposed by the President and was put through the House; that the only hope of the South to prevent the enactment of that bill into a law was in the Senate, and that there the hopes and aspirations of the Southern people were answered, and they were saved and protected, not by the Democratic party, because it was in the minority, but by the votes of Republican Senators from the Western mining States, who were broad enough and patriotic enough to believe that you and your people were right and entitled to home rule?

Mr. STOCKDALE. Well, the question is pretty long, and I have not time to answer it in detail, though I would like to do so. I will say this, however, that the Democratic party in solid phalanx opposed the force bill, and that the Republican party almost in solid phalanx favored it and drove it through this House with but four Republican votes against it. Not only so, but that imbecile—I mean innocent—I might as well, perhaps, let the first adjective stand [laughter], that innocent measure introduced here by the gentleman from Massachusetts [Mr. LODGE] was very little worse than the present election law, but when the machine came over from New York and was closeted with the leading Republicans, the bill that came out from that conference was a diabolism, and Senator TELLER put the mark of Cain upon its brow when he said it was the most infamous document that ever crossed the threshold of the Senate.

In the Senate no Democrat voted for it, but the Republican party drove it ahead with all their power, and seven Republican Senators, I believe, were all that could be found in this great Union who were willing to step in between one section of this country and annihilation of its prosperity, and they were elevated to that position because of their broad and liberal views. They were statesmen, with hearts and souls as well as intellects, and were willing that the people's money should be coined for them as well as gold for the few. Therefore I do say that we owe our existence to the Democratic party.

But I desire to say that, had I the power, I would raise the grandest and highest monument to those great-hearted men, that they might see it while they still live, in commemoration of their great act, moved as they were by the sense of justice and patriotism within them, confronting the poisoned shafts of

their party press rather than be party to the destruction of the prosperity and peace of a portion of their own race and countrymen and fellow citizens.

Now, I say to gentlemen from the East, we will not disrupt the party, but we will not forsake the interests and the rights and the prosperity of our own people; we will not do that to follow the East or to follow any living man. [Applause.] Our homes and our firesides demand our votes and our voices. If you go, gentlemen, it will not be we, but you that will break up the party. Nay, it will not be broken; it is strong enough West and South to live and flourish. Out of the 617¼ votes that nominated Mr. Cleveland, 450, I think, were from west of the mountains and south of the Potomac. One hundred and sixty-seven Democratic members of this House and 35 Senators are from the same territory. Out of the 277 electoral votes that put Mr. Cleveland in the Presidential chair, over 200 were from the same territory. Gentlemen, you can not wag the dog. [Laughter and applause.]

When you sound the long roll and start eastward to demonetize the money of the people and to hand them over to masters, when you get your columns in motion you will find a few followers straggling across the Long Bridge, and some few will come from the West and stand upon the top of the Alleghanies doubting whether to come down or go back, but when they see what your contention is and your objects they will say: Ephraim is joined to idols, let him alone. [Laughter.] I say that the Democratic party will live, and will have silver coinage with or without the Eastern Democrats. We will erect a university west of the mountains and teach better ethics than subserviency to English policies. We will arouse the people from the lakes to the Gulf. We will wind the bugle blast from the Rocky Mountains to the Alleghanies, and from the Golden Gate rounding the Sierras to the Atlantic shores, and with the votes from 47,000,000 people, nearly all Democrats, we will come across here in 1896 with a Democratic President, with a Democratic House, and with a Democratic Senate. [Laughter and applause.] We will bring them with us, and we will take free coinage of silver home with us. [Applause.]

Silver.

SPEECH
OF
HON. WILLIAM M. McKAIG,
OF MARYLAND,
IN THE HOUSE OF REPRESENTATIVES,

Tuesday, August 22, 1893.

The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. McKAIG said:

Mr. SPEAKER: Under the power vested in the Chief Executive of the nation to call Congress in extraordinary session, we are assembled here as the House of Representatives to consider the grave financial problem now confronting us, seemingly laden with impending disaster.

A marked feature of the present debate is the spirit of criticism indulged in by some members as to the political wisdom shown by other members in exercising the high and honorable trust reposed in them by the people of their respective Congressional districts or political zones of responsibility—prophecies depicting defeat when recalcitrant members stand for reëlection.

It goes without saying that when a member votes on any bill before the House affecting the welfare of the nation, that vote will be the measure of his official responsibility upon which he will rest when recalled to the touchstone of popular sentiment. Members are sent here to represent their constituencies to the best of their ability, and are expected to perform their duty honestly and fearlessly as they see it through their reason and judgment. A vote so cast, emanating from the domain of conscience, will always meet with the approbation of his constituency, although he may have been guilty of an error of judgment in his conclusions.

Memorable, Mr. Speaker, is this and the old Hall of the "House of Representatives" in former discussions on kindred financial questions, when the representative intelligence, experience, and political sagacity of the nation convened in former Congresses formulated means and methods to relieve pending financial distress, for at the root of all government is its monetary system, which is constantly in need of legislative supervision and adjustment.

It is said, sir, that "there is wisdom in a multitude of counsillors," and if this saying be a truism, then the wisdom of the three hundred and odd Representatives of the people from every section of this great country, an amalgamation, as it were, of diversified and, in some respects, antagonistic industrial interests, welded together by the common spirit of national pride and love of country, ought to formulate a speedy and safe remedy for the monetary ills that beset us, breeding distrust and breaking confidence. Now this distress, so fitly characterized here, may or may not be founded in fact. It may not be based upon anything but an undefined apprehension expressed by the people as to the gravity of the situation, yet the President was right in altering his original intention of convening the extra session in September and naming August 7 as the day in deference to the wishes of the people, who, being taught by the mighty power of the press that there is trouble in the land, clamor for such relief as Congress can give them.

I come from an eastern district where agriculture largely predominates, four out of the five counties composing said district being as fine agricultural counties as you will find in any district, two of them having a taxable basis, respectively, of $24,000,000 and $16,000,000, and that of the Congressional district approximating $61,000,000. In my native county the interests are diversified, embracing the coal-miner, delving in the bowels of the earth to bring the black diamonds to the industrial markets of the nation, together with extensive steel, locomotive, glass, and cement works.

When about to enter the national and Congressional campaign of 1892, I was questioned by some of my free-coinage constituents as to my vote in the Fifty-second Congress upon a motion looking to the consideration of a bill for free coinage of silver. I then defended my vote against free coinage because it was not, in my judgment, in the interest of any class of my constituents, and said that "If you can show me that by voting for free coinage it will give you one dollar you do not earn by absolute labor or is given to you as a gift I will sustain your view of the subject: but entertaining the views I do I will not reverse my record if elected to the Fifty-third Congress."

Mr. Speaker, the other day, during the course of his remarks, the distinguished gentleman from Missouri [Mr. CLARK], referring to a remark from Mr. RAYNER as to certain arguments being "addressed to the ignorance of the country," said he wished the gentleman from Maryland could cross the Mississippi River and pass through the magnificent State of Missouri and over the plains to Colorado, for he would find the people of that region an intelligent and cultivated race.

Now, Mr. Speaker, it has been my fortune to pass across the noble State of Missouri and over the undulating and beautiful plains of Kansas and Colorado. I well remember when, from Hugo Station, in the fall of 1873, I first saw Pike's Peak—distant 140 miles—looking with its covering of snow like a white bell-crown hat barely visible; then as the train hourly approached the Rocky Mountains it reared its majestic form from out of the mountain range, a sentinel upon the backbone of a continent.

Colorado was then a Territory with but few miles of railroad in its limits and but sparsely settled. All that section, now teeming with silver-mining operations and studded with flourishing towns like Leadville, Durango, and Rico, was a wilderness, in fact a portion of the Ute Indian Reservation. The railroad only went to Canyon City, where the Arkansas River debouches upon the plains. All beyond lay the undeveloped region where silver and gold mines have since been opened and immense quantities of silver produced. Even at that time, sir, that country was full of intelligent, capable, industrious men, who were straining every nerve to develop the Territory, and whose energy and thrift find its embodiment in the now great State of Colorado. Whilst a resident of Denver, Colo., it was my pleasure to cast my vote for the Hon. Thomas M. Patterson as Territorial Delegate to Congress, an intelligent and favored son of the Territory.

Some of us can recollect way back in the golden days when the prairie schooner used to cross the plains under the inspiriting cry of gold found in paying quantities, and the amusing story told of the one passing through Missouri on its way to the Rocky Mountain gold region bearing this unique inscription, "Pike's Peak or bust," and some months after the same craft returning without its owner finding the coveted gold and the inscription abridged to the word "busted." [Laughter.]

When in 1874 the gold fever sprang into existence again by glowing accounts of rich findings in the San Luis Park region, Colorado, I saw hundreds of miners from every section of the "mineral west" coming into Pueblo en route for the gold fields, expensively equipped and brimful of expectation, and in the fall months, when the gold failed to realize in paying quantities, they came trooping back minus equipment and enthusiasm, and presenting a sorry spectacle. Not daunted by past experience they followed the *ignus fatuus* of gold at Panamint, Cal., and the

Black Hills in Dakota. The cry was always "Gold, gold;" the magic word that tempted men to trials of suffering and danger, and furnished history with shining illustrations of American daring and endurance.

Silver was in those days truly a subsidiary money metal and stood secondary in the estimation of money-getting men.

An eloquent speaker passionately exclaimed when referring to gold and silver being bound together: "Whom God hath joined together let no man put asunder;" but, Mr. Speaker, when God joined them together in their native bed it was not at a parity but a disparity in cost of labor as to production. As well might the distinguished gentleman have said the same thing about God's joining pyrites of iron, lead, and the other baser metals found in close embrace with gold and silver.

The men, Mr. Speaker, who struggled to obtain the metals from native beds always had gold first in their minds, and when they found the pocket and placer mining from which 95 per cent of American gold came gradually failing, they turned their attention to the production of silver. Operations in the line of production became systematized and were conducted on a more economical scale. Steam and electricity were called into service, transportation was lower in cost, elementary processes of extraction were vastly improved, and cost of production rapidly reduced, thus enabling the mines to be worked at a much greater advantage and profit.

I have personally seen Germans, with a superior method of extracting silver from quartz rock, take the tailings from the mills which had been thoroughly worked by them and obtain silver from the same in paying quantities.

The following table, showing comparative production and value in dollars, United States coinage, of American gold and silver, tells the story of the rise of gold and the fall of silver:

Gold and silver produced in the United States, value in dollars, United States coining value.

Year.	Gold.	Silver.
1850	$50,000,000	$50,000
1855	55,000,000	50,000
1860	46,000,000	150,000
1865	53,225,000	11,250,000
1870	50,000,000	16,000,000
1875	33,467,856	31,727,560
1880	36,000,000	38,450,000
1885	31,800,000	51,600,000
1890	32,245,000	70,464,000
1891	33,175,000	75,416,565

All international monetary conferences have come to naught by reason of England's firm adherence to the single gold standard. This nation practically adopted the standard in 1798, although the date usually given as her entrance upon the same was 1816. Gold made its first appearance in England coinage in the reign of Edward III (A. D. 1345). The ratio fixed by royal decree in this coinage was about 12½ to 1. In 1663 gold had risen in value so that it was necessary to change the ratio to 14½ to 1. In the year 1717 the guinea was made current by royal proclamation at 21 shillings in silver, at which figure the ratio was about 15½ to 1. This was in the third year of the reign of George I. In 1816 the character of the British monetary system was formulated by an act of Parliament on its present basis, the essential parts of this act being in the following words:

XI. And whereas at various times heretofore the coins of this realm of gold and silver have been equally a legal tender for payments to any amount, and great inconvenience has arisen from both those precious metals being concurrently the standard measure of value and equivalent for property; and it is expedient that the gold coin made according to the indentures of the mint should henceforth be the sole standard measure of value and legal tender for payment, without any limitation of amount, and that the silver coin should be a legal tender to a limited amount only, for the facility of exchange and commerce:

Be it therefore enacted, That from and after the passing of this act the gold coin of this realm shall be and shall be considered, and is hereby declared to be the only legal tender for payments, except as hereinafter provided, * * * and no tender of payment of money made in the silver coin of this realm of any sum exceeding the sum of 40 shillings at any one time shall be reputed a tender in law, etc.

Mr. Horace White, from whose address on the "gold standard" the foregoing facts and figures were taken, says:

This is a brief résumé of the experience and legislation of Great Britain. It is important as showing that the single gold standard was adopted on account of the "great inconvenience of the double standard which had been in vogue previously."

Gold and silver have been called the money of the Constitution, and it was undoubtedly so, as we commenced our national career upon the double standard adopted in 1792, at a ratio of 15 to 1, suggested by Alexander Hamilton, then the master spirit of American finance and Secretary of the Treasury.

Gold began early to appreciate in value, and as the year progressed, not getting its proper recognition as a money metal, it began to get scarce in circulation, and under the manipulation of bullion brokers it commenced to turn its shining face in the direction of Europe, and ultimately journeyed to the money center of that section to such an extent that it is stated, without contradiction, "that after the year 1817 and until 1834, our metallic money consisted of silver exclusively."

When Congress adopted the ratio of 16 to 1, in 1834, it performed a duty requested by the people of the country, who had become intolerant of the silver burden and its great inconvenience as commercial money, or metallic medium of exchange. It was called the "gold bill," because its tendency would be to force silver out of circulation, and subsequent events showed that it earned its title, for, as a prominent writer says:

From and after 1837, onward, the country had gold money and the gold basis. Silver dollars were hardly ever seen. There was not an hour in the whole period of forty years to 1873 when the silver dollar was not worth more than the gold dollar. With the exception of a few years, it was worth fully 3 cents more. Did you ever see a silver dollar in circulation prior to 1878? I never did.

Mr. Speaker, when we were summoned here by the President there seemed to be impending over the country a financial disaster of such proportion as to involve the whole Union; the subtle influence of distrust seemed to be stealthily undermining our monetary fabric. The people who read the daily newspapers were given day by day what purported to be a reliable status of the financial condition of the country. Banks were suspending, money markets were tightening, and the circulating medium of the country seemed to be shrinking. Each exportation of gold was eagerly noted by the "press," and in leading editorials these newspapers informed the people that a continuance of the gold flow to foreign countries meant ruin to our land.

The people fearing trouble commenced withdrawing their money from the banks, thereby diminishing the circulating medium and crippling the banking institutions of the country.

Some of us think it was unwise in the depositors, but that they were acting as the majority of the people would act, in view of the reports which were being circulated from one end of the country to the other, was and is a fact to-day.

Although a considerable quantity of the gold exported has returned, yet there seems to be a scarcity of currency, as it is commanding a premium in New York City. Public confidence seems to be reviving slowly and hoarded money creeping back into circulation.

We are asked to repeal the purchasing clause of the Sherman act and possibly enact new legislation to restore confidence and relieve the stringency of the money market. But, sir, who can lift the veil of futurity and reveal the effect of financial legislation? Why, Mr. Speaker, I can remember when I presented a draft on New York City at the Ralston Bank in San Francisco and had to pay 9 cents premium on the gold I received. California, in 1874, under an enabling act, only received gold and silver, or paper redeemable in gold. Greenbacks would not buy a breakfast in its territorial limits. The resumption act having passed I waited patiently seven months before selling my second draft and then paid 18 cents on the dollar for the gold received from said bank. Had not the balance of trade turned strongly in our favor (touching $264,636,602 in 1879) during subsequent years, it is questionable whether the act could have been consummated in the resumption of specie payment in the country. The flow of gold to the United States, under the benign influence of the trade balance being in our favor, placed a large sum at the disposal of the Government, which enabled it to make good its legal enactment.

The gentleman from Kentucky [Mr. ELLIS], in replying to his colleague [Mr. MCCREARY], the distinguished American representative at the recent International Monetary Conference held in Brussels, stated that it had been remarked in the conference "that the United States was independent of other nations in monetary matters, and could maintain by itself a parity between gold and silver."

Mr. Speaker, I do not believe that any nation, even one so rich and powerful as this great Republic, with its 65,000,000 of liberty-loving inhabitants, can be financially independent of all the world. The Almighty, in the formation of that portion of the Western Continent that we inhabit, and that we have developed to the magnificent condition in which it is to-day, has bestowed upon us splendid seaports and given us a line of seacoast, east and west, unrivaled by similar advantages possessed by any other nation. He has given us inducements of every kind and character to make us a great and commanding commercial nation.

Our location, our climate, our great production of staple cereals, and our rapidly increasing population, make us by nature a nation with strong commercial instincts, and as we gradually develop these tendencies we must reach out for the commerce of the world and seek ports and markets in which to dispose of our surplus production, and when we do this we will stand at a parity with all the countries of the world as a gold-endowed nation.

A great deal has been said here, Mr. Speaker, about England as

a single gold standard nation, whose commanding presence as the "creditor nation" of the world enables her to figure as an insurmountable barrier to the establishment of an international ratio between gold and silver.

Whilst I am not an extravagant admirer of England, Mr. Speaker, yet there are certain characteristics about the English nationality that any Anglo-Saxon may well be proud of—a constitutional monarchy, a national octopus, whose body rests on "Lesser Britain" and whose tentacles reach out to "Greater Britain" and hold her colonies to the mother country by hooks of steel—she stands the peer of any nation.

Criticise her as we may, yet the undeniable fact remains that her flag floats at the masthead of vessels lying in every seaport, collecting from all parts of the world the raw material of different countries and taking it to industrial and manufacturing plants of the English people and when turned into the finished product her untiring energy and commercial spirit place the same in the markets of the world. That is the reason she stands as the creditor nation of the world, the arbiter of international ratios. This power enables her to go into monetary conference and interfere with the establishment of an international standard. Her strength and stability does not come, in the main, from "Lesser Britain," but from the channels and avenues of commerce that she has built up throughout the world, making her the master spirit in financial matters as well as the mistress of the sea.

Now, Mr. Speaker, we are in every respect a larger and richer country and endowed with more than ordinary intelligence, industry, and perseverance, and there is no reason why we ought not to reach out into the world and secure our rightful share of its markets and build up our glorious country to such an extent that she will command the same influence in international conference as England.

Now, sir, take another country—France—a nation that is said to have no domestic life among its people; yet for national spirit and loyalty to native heath she stands unrivaled among other nationalities. Few emigrants leave her shores, and such is the homogeneity of her people and their frugal industry that her financial institutions are, in a measure, based upon the humble earnings of the peasantry class, laid away in the "stocking banks" that recently gave the nation the financial stability to pass successfully through the "Panama Canal" crises, where nearly $200,000,000 were absorbed in wild speculation—almost as utter a financial collapse as took place in the "George Law" era.

Her people cultivate nearly every acre of her land, some farmers working profitably 6 acres of it; her growing merchant-marine carrying out to other nations her home production and returning laden with the riches of commerce gathered from the known world, making her money markets second only to Lombard street, London. Commercial influence means financial power, a power that gives England, France, and Germany the forefront on the political vantage ground of the world to-day.

Suppose, Mr. Speaker, the nations of the world would meet in international conference and establish a parity between gold and silver at a ratio of 15 to 1 or 16 to 1, and it did not suit the convenience and needs of commerce. Would it be operative in the monetary system of the world? It is still a mooted question, sir, for the iron logic of the law of demand and supply would eventually control. When Austria closed her mints to coinage of silver in 1879 a report from a special committee made to her "Upper House" on this subject, says:

> Gold was dominant and the standard of value in all trades on a great scale as early as the fourteenth and fifteenth centuries, even though silver was then the standard in all domestic exchanges. In every age there is some metal dominant in the industry of the world which forces its way with elemental strength in the face of any public regulation, and in our day gold is that metal.

Mr. Speaker, there is no disposition against or positive antagonism toward silver as a money metal, as has been daily suggested upon this floor; but sir, gold seems to be forging ahead and silver going down day by day. Parity has become disparity and the yellow and white metals, as money metals, seem to be drifting hopelessly apart.

Mr. Speaker, it has been repeatedly proclaimed upon the floor of the House that if we pass this bill without the proposed amendments we will strike a fatal blow at silver and take from the people of the country one-half of the metallic money in circulation. I can not see it in that light, Mr. Speaker, because there would not be one metallic dollar now in circulation, or its paper representative, removed. You would have the same vast circulation you had before the people commenced hoarding. But when a frightened people, full of doubt and distrust, remove from the banking institutions of the country a sum of money approximating $200,000,000 you find hoarding striking at the very foundation of our circulating medium; for hoarded money, paper and metal, is as dead as if the paper had never been stamped by Government as a medium of exchange and metal never extracted from its native bed.

Arguments have been advanced by gentlemen opposed to free coinage of silver that if the mints of the United States be thrown open to the coinage of the world it would bring its silver to our doors. This is denied by the friends of silver, who say the silver of Europe is already coined and needed as a subsidiary circulating medium.

France, before finally closing her mints to the coinage of the world's silver, allowed matters to drift until 1873, when her people were startled to find 154,000,000 francs' worth of silver had been deposited at the mint for coinage in that year, against only 5,000,000 francs' worth in the years 1871–'72.

For the year 1873 the world's production of gold was $112,000,000; silver, $75,000,000, United States coinage value; and as the supply was readily exhausted, the price of silver was easily maintained. Improved methods of mining silver, cheapened the cost of its production and largely increased the supply, and this, pressing on the legal ratio between gold and silver, made the severance of the bond only a question of time; and, Mr. Speaker, I desire to quote the history of that rupture in the words of the minority report of the Committee on Coinage, Weights, and Measures of the Fifty-second Congress:

HISTORY OF MODERN MONETARY CHANGES.

For a true understanding of the perils of free coinage under existing monetary conditions and the necessity for international action to restore silver to its former value and dignity as a money metal, it is important to keep in mind the nature of the question and the actual present position of silver in the world's economy.

They who reason that because free coinage was once possible in this country it is not dangerous now, may be referred to the history of recent changes in the monetary conditions of the world.

Up to the year 1873 the whole civilized world, except Great Britain, accepted silver as a precious money metal at a ratio of exchange with gold which was fixed at or near the current market price by general consent and the legislation of leading commercial countries. The supply of silver was easily exhausted and its price easily maintained because the mints of the world were open to it and the leading nations of the world consented to exchange it freely for gold at a fixed ratio. Doubtless the consent of nations to utilize the whole silver product of the world as money and to receive it freely in exchange for gold has in the past and can now maintain it in use as a money metal without limit. But since the year 1873 silver has been practically repudiated by the continental nations of Europe. The history of this change is a vital element in the problem of free coinage and should be briefly recited here.

The experience of Europe in the face of Germany's demonetization furnishes a historical lesson which should be learned by everyone who now proposes to open the mints of the United States to the free coinage of a debased and repudiated metal.

The status of silver was not much disturbed until a single nation of Europe, a new empire, Germany, assisted by the payment of a large war indemnity, determined to discard silver and adopt gold as its monetary standard. At this time the mints of the Latin Union and of the Netherlands were open to the free coinage of silver at the ratio of 15½ of silver to 1 of gold. Thus France, Belgium, the Netherlands, Switzerland, and Italy offered to convert without limit silver into coin which should be receivable in all these countries for the liquidation of debts and in the transaction of business.

In 1873 Germany had about $300,000,000 worth of silver coin, which in that year it began to throw upon the markets of the world in order to replace it with the more precious metal, gold.

Germany proceeded to sell its silver coin as bullion in open market. With unerring course the silver currents began to flood the open mints of Europe, even when Germany's sales had but begun.

In 1871 and 1872 the coinage of silver in the mints of Belgium and France had been but 38,000,000 francs. The adoption of the imperial gold standard by Germany occurred July 9, 1873; yet in that year, before $30,000,000 worth of silver had been sold by Germany, the coinage of silver at the mints of France and Belgium had increased to 265,000,000 francs. Only six months after the passage of the demonetizing act by Germany the states of the Latin Union gathered in alarm, and seeing plainly that their open mints were but furnishing a dumping ground for a repudiated metal, agreed among themselves to limit the coinage of silver.

This limitation continued from year to year until, by consent, in 1877 the coinage of 5-franc pieces in the mints of the Latin Union was suspended entirely. The Netherlands also suspended silver coinage in the year 1875.

Between 1873 and 1875 Germany had replaced fifteen hundred millions of silver marks with fifteen hundred millions of gold marks. Its continued sales of silver, though they amounted on the whole to but $142,000,000, were made in a constantly declining market. Such was the decline that Germany discontinued her sales of silver, although silver coins yet remained to the amount of more than $100,000,000, which it was her purpose to exchange for gold. That silver which remained unsold undoubtedly awaits the opening of a single mint which will permit the conversion of this silver, too, into gold coin.

The United States had, in 1873, likewise limited the legal-tender quality of silver. The Scandinavian countries had adopted the gold standard. Great Britain had for half a century stood upon a gold standard. Thus the problem of the use of silver as a money metal was changed by the legislation of a single nation against the use of silver as standard coin. Silver was no longer purchased or converted into coin by any of the leading nations of Europe, except in limited quantities for domestic use; it became and now is a repudiated and debased metal.

As I said before, I would not object to providing for free coinage of silver if such legislative action would give to my constituents one dollar that they do not earn or that is not given to them as a gift.

Prior to 1878 the only silver dollar in circulation was the Mexican silver dollar; but, Mr. Speaker, you saw the small silver coin, the convenient coin, the subsidiary coin, the coin of business in full circulation because of its comeliness, cleanliness, and convenience.

Ninety-five per cent of the world's business is done upon credit in the shape of checks, bills of exchange, etc., and the simple fact that you find 10, 25, and 50 cent silver coin in daily circulation while only about 57,000,000 silver dollars enjoying the same privilege, is a testimonial of the small coins adaptability to pub-

lic need owing to convenience in every avenue of our vast system of trade as a subsidiary medium of exchange.

Now, sir, you never see gold coin below the denomination of a dollar, because its value and fineness, if coined as 10, 25, and 50 cent gold pieces, would be almost microscopic in size, and, therefore, very inconvenient. On the other hand, silver when it is coined beyond the 50-cent piece becomes inconvenient because of its size, and as $100 in silver weighs 8 pounds, you can readily see why business and commerce discredit that coin except as a subsidiary medium.

It has been well said, Mr. Speaker, "that no Congress could force a silver circulating medium of large denomination upon us. People will use that money which is most convenient. This consideration of convenience has greater force than all the laws of all the legislatures on earth, and it has rejected silver as a general circulating medium except as small change and in comparatively small amounts where its weight is not great. These minor silver coins do their work well. They do not contain their face value of silver, but they are legal tender for only limited amounts, and no fault can be found with them. But for heavy work, where large quantities are involved, evolution has selected gold, and more particularly paper, as the proper tools of trade."

As a matter of fact the majority of people infinitely prefer paper money redeemable in coin of standard value, because of its convenience and adaptability to the requirements of trade.

Mr. Speaker, continual reference is being made upon the floor of the House to the injustice that would be done the common or plain people, unwisely termed the debtor class of the nation, by the enactment of the Wilson bill. I have a great many farmers, miners, and men earning their bread by the sweat of their brows in all the diversified industries located in the Congressional district I have the honor to represent, and, if I mistake not, they are found in every district in this great Union—the men who have made this country what it is to-day. Why style the bone and sinew of the country its "common or debtor classes" when the people of the civilized world, who have viewed our unparalleled achievements and are now visiting the Columbian Exposition—the embodiment of little over a century's growth—have styled us an uncommon people?

An attempt has been made here, sir, to draw a distinction between the rich and the poor, and to style them as the creditor and debtor class of the country.

Who are the men who represent the people of the country upon this floor? Take their biographical sketches and see if the majority of them do not spring from the very people that are classed as "common or plain." A majority of our great industries, the labor centers of our country, are not managed by what are termed collegiate people, but by the developed talent and concentrated energy of men with but little means, and whose life work has been spent in helping to build up our wonderful governmental structure.

Let it be said, Mr. Speaker, that nowhere in this vast world do we find a more intelligent people, situated in better spheres of life, than our own. Our political life is full of possibilities to all its citizens. Take Lincoln, Johnson, Garfield, and a long line of other distinguished public men and find where they came from. From the common people, whom you call the "debtor classes," where men under one of the cardinal principles of our Government can raise themselves, no matter how humble their origin, from the lowest round of the political ladder to the highest by innate energy and ability.

Now, sir, who are the debtor class of the country? I believe that no man absolutely outside of the bankrupt courts of the land can truly be called a member of the debtor class. Every man buys and pays at times, and although he may not possess property, his ability to earn wages represents a power capable of producing that which is valuable. Even the bankrupt man with youth and health, supplemented by the court's discharge, has future possibilities of competency and wealth, and yet it is said these people are the debtor class. A hundred million dollars are paid yearly in the shape of wages to the laboring classes of our country. Does this immense sum represent a debtor class? No, Mr. Speaker, all the laborers are creditors until they receive the wages which they earn. Every man employed in the varied and diversified industries of our land from the moment he begins to earn his wages and until it is paid him is a creditor in every sense of the word.

He is just as much, if not more, vitally interested in receiving his wage fund in standard money, the true unit of value, as the millionaire. He is the last man in the body politic who can afford to have 1 cent or $1 in depreciated money paid him, because a dollar to him is worth a great deal more than it would be to a Vanderbilt or a Gould. If money must be good for rich men, how much greater the necessity for its soundness when owned by poor men.

There can be no partisan feeling or party politics in the bill under discussion, for the question of finance—the money metals of the country—enter into the most vital operation of this Government of ours and all of its commercial transactions, both domestic and foreign. It is, figuratively speaking, the arterial blood of our financial system, and its magic influence makes happiness or woe as prosperity or disaster follows in its footsteps. Therefore, everyone, no matter how humble he may be, is entitled to have money of an unvarying standard—a true unit of value.

Mr. Speaker, I will here insert in my remarks a portion of the minority report of the Committee on Coinage, Weights, and Measures of the Fifty-second Congress, bearing materially upon the question of the debtor class, as follows:

WHO WILL SUFFER FROM A SILVER STANDARD?

Men speak lightly and thoughtlessly of the "creditor class." For every creditor there must be a debtor and for every debtor a creditor. If the industrial classes of this country are not bankrupt, but on the contrary have accumulated something from their work, it is safe to say that their accumulations have in large part been so invested that they stand as creditors within the meaning of those who assail the creditor class. In savings banks alone, in which the deposits are usually in small accounts, sixteen hundred millions are said to be deposited—more money than there is in active circulation in this country. Every workingman who is a depositor is a creditor of the bank. The volume of deposits in national banks and other banking institutions is likewise enormous and every depositor is a creditor of the bank and the bank belongs to the debtor class.

Of the deposits in savings banks in this country a thousand millions of dollars are said to be invested in mortgages. The mortgage creditors of the country are therefore to this extent the small depositors in savings banks, who have trusted their scanty earnings to be invested by these institutions of savings.

To depreciate by 30 or 40 per cent the value of these securities would be to rob millions of our industrious citizens of their hard-earned savings.

Depreciate the standard of the dollar and every pensioner of the country, every holder of a policy of insurance, every widow and orphan enjoying the proceeds of trust funds, will by so much suffer from this fraudulent reduction of the standard of the country.

The revenues of the Government will be depreciated in like manner, and every dollar received in duties and other taxes will represent about two-thirds of the amount now fixed by law.

The effect of this repudiation upon future attempts to borrow money will be disastrous to the borrower. Money is loaned at rates which accord with the risk, and repudiation will raise the rates of interest and a fluctuating standard of value will burden the borrower until we have returned again to a stable and honest standard of payment.

Credit secures money, and credit is fixed by a willingness and ability to pay. Nor are the poor to gain any benefit from the degradation of our coin. The debtors of the country are they who have had credit upon which to secure advances. As a rule, the poor are not in debt, and those who borrow have means of payment. The rich borrow the most, the poor the least. Repudiation will benefit the rich and the money-dealers more than any other class. They can protect themselves.

Mr. Speaker, if Alexander Hamilton believed that if at any time the money of the Constitution, gold and silver, were to separate, the more valuable metal would be the standard for the reason that the fluctuation would be more likely to attach to the inferior metal, why can not this body, with the knowledge that these money metals are now widely separated, vote to suspend the purchasing clause of the "Sherman act," and thus discontinue further coinage of the white metal?

There can be no question but that silver will be continued in circulation as a money metal, but the tendency of the monetary world seems to subordinate it as an auxiliary of the yellow metal on a gold basis at the market price.

How, sir, can a parity between the metals at a fixed ratio be maintained, when, in answer to the following resolution, introduced recently in the Senate, "State the amount that the silver dollars and bullion on hand would have cost at present prices of silver bullion," the Secretary of the Treasury replied: "The amount of silver purchased under act of July 14, 1890, to April 1, 1892, was 89,044,075 fine ounces, costing $89,611,000, valued at to-day's price of silver at $77,833,426?" When, in plain English, the fact is presented to our knowledge that the value of the silver purchased by the Government, under act July 14, 1890, is nearly $12,000,000 less than its cost price. When, sir, we consider the fact that the major part of our foreign holding of American securities, national and domestic, principal and interest, are payable in standard money, we can obtain some insight into the recent flow of gold to Europe.

As early as 1866, Mr. Speaker, the Secretary of the Treasury estimated the foreign holdings of American securities to be as follows: United States bonds $350,000,000, State and municipal bonds $150,000,000, railway stocks and bonds $100,000,000, a total of $600,000,000. A distinguished Senator on Tuesday, August 15, in his speech on repeal of purchasing clause of the Sherman act, estimated American securities held in Great Britain alone at $2,000,000,000. Are not foreigners, especially the English, vitally interested in our finances? Being to all intents and purposes on a single gold standard, is it not natural they watch our monetary troubles with anxiety?

Why, Mr. Speaker, do we defend or attempt to retain upon the statute books of the nation an enactment so signally ineffective in even sustaining the value of silver, much less permanently to raise its price in the markets of the world?

When these foreign holders of national American securities present them to the Secretary of the United States Treasury they will be paid in gold, although the act prescribes "that upon demand of holder of any of the Treasury notes herein provided for, the Secretary of the Treasury shall, under such regulations as he may prescribe, redeem such notes in gold or silver coin at his discretion." The act also says these notes "shall be redeemable on demand in coin"—not in silver bullion, but gold or silver coin. The Government could not afford to create distrust and suspicion as to its integrity by declining to pay gold and undertake to pay in silver coin worth only two-thirds of its face value. The commercial world would estimate such action as a step in the direction of a silver basis. These holders will assuredly ask for gold; for what private individual or corporation will ask for silver dollars worth 68 cents when he can get gold dollars worth 100 cents?

Mr. Speaker, the balance of trade, the great factor in commercial exchange, has uniformly been in our favor since 1874, when it was $18,876,698, and with us from that year until 1893, excepting 1875, 1888, and 1889, when it was against us in the respective sums of $19,563,725, $28,002,607, and $2,730,277. It touched its highest point in our favor in 1879, reaching $264,636,602, and its lowest mark in 1874, being $18,876,698. From 1863 up to 1874 it was steadily against us. During 1892 it was in our favor to the extent of $202,875,686. Thus far in 1893 it is against us to the extent of $93,652,981. These figures are interesting in showing what effect the commercial movements have upon our monetary system. During the last great panic or financial trouble, in 1873, the balance was against us to the extent of $109,656,288.

We want the balance of trade in our favor as it is an evidence that we are reaching out for the markets of the world. The enterprise and genius of our great progressive people must know no territorial limitation. Not only must its great staple cereals find profitable markets in the Old World, but the outcome of American inventive genius must find new realms to conquor. Let our navigation laws be remodeled and the American shipping interests be assiduously fostered, for a distinguished writer says:

> With an ocean border stretching along both the Eastern and Western coast for thousands of miles, and inclosing an area that produces everything essential to human life, all dependent upon exchange in the markets of the world, this great country can not be circumscribed by the narrow limits of a restricted and local measure of value, but in legislation and in trade it must proceed in widening sympathy and coöperation with the most advanced commercial nations.

The nation has recently been engaged in building up a great and powerful navy, which will not only be ample to protect our extensive line of sea coast with populous and important cities situated within easy reach of foreign vessels in case of war, but also to protect the American flag and make it respected throughout the world. Let the Government take our neglected and decaying merchant marine in hand and rehabilitate it, so that we can view it with the same pride and pleasure we bestowed upon our navy at the "naval review."

So far from being independent of the world, let our national legislation be of the character that will promote international relations and invite the coöperation of the countries of the world in all matters pertaining to the interest and welfare of its people. Every day bring us in closer relation with the people of both hemispheres. Commercial relations, beneficent to a degree not appreciated by all of our people, are bringing the nations of the earth together in the bond of a common humanity. Arbitration is in a great measure smoothing the grim visage of war. With the knowledge of our national strength and power, will we build a Chinese wall around us because we can not dictate the financial policies of the world?

No, Mr. Speaker; if commerce controls the monetary system of the world, national spirit and true policy bids us take our position as one of the master spirits of the grand procession of nations.

Mr. Speaker, upon the 17th day of May, 1879, the House of Representatives, having under consideration a bill relating to "coinage, coin, and bullion certificates, and for other purposes," Hon. James A. Garfield, after a brief summary of the European situation as to coinage of silver, said:

> The time is ripe for some wise and prudent arrangement among the nations to save silver from a disastrous breakdown, yet we who, during the past two years, have coined far more silver dollars than we ever before coined since the foundation of the Government—ten times as many as we coined during half a century of our national life—are to-day ignoring and defying the enlightened, universal opinion of bimetallists, and saying that the United States, single-handed and alone, can enter the field and settle the mighty issue. We are justifying the old proverb, that "Fools rush in where angels fear to tread."
>
> It is sheer madness, Mr. Speaker. I once saw a dog on a great stack of hay, which had been floated out into the wild, overflowing stream of a river, with its stack pen and foundation still holding together, but ready to be wrecked. For a little while the dog appeared to be perfectly happy. His haystack was there and the pen around it, and he seemed to think the world bright and his happiness secure, while the sunshine fell softly on his head and his hay. But by and by he began to discover that the house and the barn, and their surroundings, were not all there, as they were when he went to sleep the night before; and he began to see he could no longer command all the prospect and peacefully dominate the scene as he had done. So with this House.
>
> We assume to manage this mighty question which has been launched on the wild current that sweeps over the whole world, and we bark from our legislative haystacks as though we commanded the whole world. In the name of common sense and sanity, let us take some account of the flood; let us understand that a deluge means something, and try, if we can, to get our bearings before we undertake to settle the affairs of all mankind by a vote of this House.
>
> To-day we are coining one-third of all the silver that is being coined in the world; China is coining another third, and all the other nations are using the remaining one-third for subsidiary coin; and if we want to take rank with China and part company with all the civilized nations of the Western world, let us pass this bill and then "bay the moon" as we float down the whirling channel to take our place among the silver monometallists of Asia.

Mr. Speaker, I heartily concur in the sentiments expressed by Gen. Garfield, in a short speech delivered in the House of Representatives on 21st of February, 1878, upon the question of the recoinage of silver dollars, when he made these remarks:

> Mr. Speaker, every man who is opposed to the use of silver coin as a part of the lawful currency of the country, I disagree with. Every man who is opposed to the actual legal use of both metals, I disagree with. Every man who is in favor of any bill that will drive one of the metals out of circulation and give us only the other as money, with him I disagree.

I sincerely trust, Mr. Speaker, that when the silver purchasing clause of the Sherman act is repealed the wisdom, the experience, and the patriotism of this Congress will prepare and pass a bill that will bring the gold and silver dollars to a substantial equality, "insuring the maintenance of the parity of the two metals, and the equal power of every dollar at all times in the markets and in payment of debts."

Mr. Speaker, from our present coign of vantage, the apex of a little over one hundred years growth, adaptation and expansion of a republican form of government that up to the date of its inception had never been successfully tried by any other nation or body of people, we are able, even in these days of financial distress and national unrest, to cast a retrospective glance back along the years that have flown and note with pardonable pride the gradual solution of our problem of representative government, and the silent but certain crystallization of its hitherto untried function into the monument of constitutional government that makes it the haven of the citizens of other nations not in accord with the character or administration of their governments.

During this century of national life there has been woven into warp and woof of our Government many financial panics, each one a crucial test of the strength and durability of our form of government; and yet, Mr. Speaker, in these years we have conquered a continent, clearing a wilderness, planting towns and cities all over the land, covering land and water alike with vehicles of transportation, and prepared the country for the full tide of civilized existence that beautifies and adorns it from ocean to ocean, causing it to pulsate with social, religious, industrial, and political life. Can we entertain any doubts as to the brilliant future of our country, even though we are at present struggling in the "Slough of Despond" through lack of confidence in our monetary system? Sir, I believe this noble country of ours has a mission to perform among the nations of the earth, and I think that the splendid genius, courage, and untiring energy of our young manhood will carry that mission to ultimate success.

The Repeal of the Purchasing Clause.

SPEECH
OF
HON. CHARLES H. GROSVENOR,
OF OHIO,
IN THE HOUSE OF REPRESENTATIVES,
Friday, August 25, 1893.

The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. GROSVENOR said:

Mr. SPEAKER: I fear some of our people at home did misunderstand the effect of the passage of this bill. It is being widely asserted and I fear generally believed that the passage of this measure will operate to demonetize silver and drive it from circulation. I hold in my hand a newspaper in which appears the following comment:

We are unable to see how silver is to be made equal in power as a unit of

value by the unconditional repeal of the only law on the statute books of the United States which in any sense or degree protected the white metal.

I print here a copy of the original so-called Sherman law as passed and as it stands on the statute books, and have inclosed in brackets so much of the law as will be repealed in terms by the passage of the Wilson bill.

[Public—No. 214.]

An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That the Secretary of the Treasury is hereby directed to purchase, from time to time, silver bullion to the aggregate amount of 4,500,000 ounces, or so much thereof as may be offered in each month, at the market price thereof, not exceeding $1 for 371.25 grains of pure silver, and to issue in payment of such purchases of silver bullion Treasury notes of the United States to be prepared by the Secretary of the Treasury, in such form and of such denominations, not less than $1 nor more than $1,000, as he may prescribe, and a sum sufficient to carry into effect the provisions of this act is hereby appropriated out of any money in the Treasury not otherwise appropriated.]

SEC. 2. That the Treasury notes issued in accordance with the provisions of this act shall be redeemable on demand, in coin, at the Treasury of the United States, or at the office of any assistant treasurer of the United States, and when so redeemed may be reissued; but no greater or less amount of such notes shall be outstanding at any time than the cost of the silver bullion and the standard silver dollars coined therefrom, then held in the Treasury purchased by such notes; and such Treasury notes shall be a legal tender in payment of all debts, public and private, except where otherwise expressly stipulated in the contract, and shall be receivable for customs, taxes, and all public dues, and when so received may be reissued; and such notes, when held by any national banking association, may be counted as a part of its lawful reserve. That upon demand of the holder of any of the Treasury notes herein provided for the Secretary of the Treasury shall, under such regulations as he may prescribe, redeem such notes in gold or silver coin, at his discretion, it being the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio, or such ratio as may be provided by law.

SEC. 3. That the Secretary of the Treasury shall each month coin 2,000,000 ounces of the silver bullion purchased under the provisions of this act into standard silver dollars until the 1st day of July, 1891, and after that time he shall coin of the silver bullion purchased under the provisions of this act as much as may be necessary to provide for the redemption of the Treasury notes herein provided for, and any gain or seigniorage arising from such coinage shall be accounted for and paid into the Treasury.

SEC. 4. That the silver bullion purchased under the provisions of this act shall be subject to the requirements of existing law and the regulations of the mint service governing the methods of determining the amount of pure silver contained, and the amount of charges or deductions, if any, to be made.

SEC. 5. That so much of the act of February 28, 1878, entitled "An act to authorize the coinage of the standard silver dollar and to restore its legal-tender character," as requires the monthly purchase and coinage of the same into silver dollars of not less than two million dollars nor more than four million dollars' worth of silver bullion is hereby repealed.

SEC. 6. That upon the passage of this act the balances standing with the Treasurer of the United States to the respective credits of national banks for deposits made to redeem the circulating notes of such banks, and all deposits thereafter received for like purpose, shall be covered into the Treasury as a miscellaneous receipt, and the Treasurer of the United States shall redeem from the general cash in the Treasury the circulating notes of said banks which may come into his possession subject to redemption; and upon the certificate of the Comptroller of the Currency that such notes have been received by him and that they have been destroyed and that no new notes will be issued in their place, reimbursement of their amount shall be made to the Treasurer, under such regulations as the Secretary of the Treasury may prescribe, from an appropriation hereby created, to be known as national-bank notes, redemption account; but the provisions of this act shall not apply to the deposits received under section 3 of the act of June 20, 1874, requiring every national bank to keep in lawful money with the Treasurer of the United States a sum equal to 5 per cent of its circulation, to be held and used for the redemption of its circulating notes; and the balance remaining of the deposits so covered shall, at the close of each month, be reported on the monthly public debt statement as debt of the United States bearing no interest.

"SEC. 7. That this act shall take effect thirty days from and after its passage."

Approved, July 14, 1890.

This bill is as follows. I give it entire:

A bill to repeal a part of an act approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes."

Be it enacted, etc., That so much of the act approved July 14, 1890, entitled "An act directing the purchase of silver bullion and issue of Treasury notes thereon, and for other purposes," as directs the Secretary of the Treasury to purchase from time to time silver bullion to the aggregate amount of 4,500,000 ounces, or so much thereof as may be offered in each month at the market price thereof, not exceeding $1 for 371 25 grains of pure silver, and to issue in payment for such purchases Treasury notes of the United States, be, and the same is hereby, repealed; but this repeal shall not impair, or in any manner affect, the legal-tender quality of the standard silver dollars heretofore coined; and the faith and credit of the United States are hereby pledged to maintain the parity of the standard gold and silver coins of the United States at the present legal ratio or such other ratio as may be established by law.

It will be seen at once that the result of this legislation is to stop this purchase provision and leave the silver currency of the United States coin and certificates just as it is now, guarantees its parity, and provides for coining the metal on hand, and so much more as may be required to comply with the provisions of the statute.

When this bill becomes an act the United States will stand toward its silver circulation exactly where France stands to her $700,000,000 of silver.

Bimetallism or Monometallism—which?

SPEECH

OF

HON. EDWARD LANE,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, August 22, 1893.

The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. LANE said:

Mr. SPEAKER: We are here in extraordinary session to consider the extraordinary condition of the country. What we do or fail to do will affect the present generation and generations yet unborn for weal or woe We are assembled in the presence of 65,000,000 of American people. Their eye to day is watching the action of this House; and to-morrow and until the present bill is disposed of, not only the eye of the American people but the eye of the entire world is upon this body. In this great presence, it becomes every man to do what he conceives to be his duty in this great emergency.

We are told the nation is sick; and every member of the House on the one side or the other undertakes to diagnose the case. One man says the trouble is one thing; another man says it is another. One man says the trouble is the Sherman act; another says it is the banks, while another says it is a want of confidence, and so on.

Mr. Speaker, I am willing to concede that there is a want of confidence in this country; and there is great reason for want of confidence. You will pardon me for using plain language (for I am a plain business man); I want to tell you why that want of confidence exists. For some time past there has been an organized system of lying in this country.

During last session of Congress while I was engaged here one day, I received in my mail thirty-five or forty letters from persons in my district, members of the Grand Army of the Republic. These men, it appeared, had received circulars on paper printed by the Government and sent out to the various lodges or posts; and in these circulars the assertion was made, "You will be paid your pension in a 70-cent dollar." And they wrote to me to ask what this meant. That assertion, an absolute falsehood, was sent out to those men by a representative of the people in this House from Ohio [Mr. HARTER].

The press and the mails of the country for the last six months have been loaded down with documents embracing infamous falsehoods of this description. I have at my room a great number of circulars which have been sent out to the people, asserting that the country is going to ruin unless the Sherman act is repealed. Men who send abroad a false alarm of this kind are on a par with those who raise a false alarm of fire while citizens are sleeping peacefully in their homes at night. Why should an innocent people be aroused by a false alarm of fire or murder?

Mr. Speaker, if we want to restore confidence in this country we should pass a law which should make the circulation of such documents a criminal act. Stop your lying about the financial affairs of this country. [Laughter and applause.] Mr. Speaker, I have sat here and listened hour by hour and day by day to the misleading statement that we have in this country a 70-cent silver dollar.

While I was on my way from my home to attend Congress I met on the train at Cincinnati a banker; we were in the sleeper together; and when he found that I was a member of this House, he commenced the discussion of this question with me. A question was raised as to the value of the silver dollar. "Why," said he, "certainly it is a 65-cent or 70-cent dollar." We talked a little longer on the subject, when presently the conductor came in and said, "Gentlemen, I want your money for your berths." This banker put his hand in his pocket and pulled out two silver dollars, which he handed to the conductor to pay for his berth for the night, and the conductor accepted the same. "There," said I, "is the answer to all the talk in which you have been indulging; your act gives the lie to what you have said."

There is not a man in this House or in America who has ever passed a silver dollar for less than 100 cents. It will pass at any bank, at any store, in any business transaction for 100 cents. Nay, it will pass at the Bank of England to-day for 100 cents, less the cost of bringing it here and the current rate of exchange. It will pass at any bank in the world. The four hundred million silver dollars now lying in the Treasury are four hundred millions

of denials to every man who asserts that the silver dollar is a false dollar.

There is one phase of this matter in which this falsehood becomes absolutely wicked. When the man who has gold refuses to take silver in exchange unless it be rated at 65 or 70 cents on the dollar—when he thus raises the price and makes a discrimination against the coin which you and I take for a dollar—we have a transaction which is simply wicked.

If the Government would be honest to-day and do as our fathers did—if every man who has silver builion were permitted to take it to the mints and have it coined and stamped, so that it might he put in circulation as money—then we would have no four hundred million dollars in the Treasury; we would have no dishonest dollar in this country.

Mr. Speaker, every dollar is an honest dollar that drives the sheriff from my door and pays the execution he holds against me, and thus saves my home to me to protect my wife and children from the summer's heat and winter's storm, and this a silver dollar will do. Every dollar placed in the hands of a laborer that pays for a day's work which enables him to purchase food and clothing for his family is an honest dollar, and this a silver dollar will do. A silver dollar will pay your taxes, it will pay your honest debts, it will buy the necessaries of life, it will educate your children, build school houses and churches, and meet all known wants for money except the greed of the bondholder. It is an honest dollar.

What does the Government of the United States assume when it coins a silver dollar? Not a thing in the world, Mr. Speaker, not a solitary thing, except that it guarantees that the silver dollar is of a certain quality and fineness and weight. That is all. You may make other laws, which will make it a legal tender or something else, but the mere act of coinage is simply to stamp the quality of the coin, and nothing else. It does not promise to pay a dollar. There is no promise connected with the payment of a gold or silver dollar.

Mr. COOMBS. What is that?

Mr. LANE. I say that there is no promise to pay a dollar, the act of coinage being simply to stamp the quality of the coin.

Mr. COOMBS. Does it not stamp its value upon it?

Mr. LANE. No; it only stamps the guaranty of the Government that the silver dollar contains 412½ grains of fine silver, or that the gold dollar contains such weight of gold as the law requires.

Mr. COOMBS. But it says "one dollar."

Mr. LANE. Yes, it says it is a dollar, and it is a dollar; but you are attempting to discredit the Government.

What is the difference, Mr. Speaker, between the silver dollar and the paper doilar? Why, the silver dollar the Government coins contains a declaration that it represents 412½ grains of silver; but when the Government issues the paper dollar it issues only a promise to pay 100 cents at some future time—I do not know when. What is the difference—the commercial difference—between them? One represents a day's labor performed—the silver dollar. That is what it represents. A silver dollar represents a bill of exchange drawn on the world. One represents a day's labor performed down in the bowels of the earth or somewhere else. But what does the paper dollar indicate? It indicates that a man must perform a day's labor in the future to pay for that paper dollar. One is cash, the other credit. One is money, the other make-believe.

There is no money in the world, my friends, only gold and silver. Everything else must be measured by that standard and that standard alone when we come down to business. Every paper dollar in the world is issued on the faith that some day it will be redeemed either in gold or silver. If it was not for that belief it would not be touched by anybody. If you gave me to-day a note of George Gould or William H. Vanderbilt for a thousand dollars, with the stipulation that it will never be paid, I would not take it as a gift. I would not have it. It would be worthless. I take a note because I expect it to be paid some day; and I do not care what the wealth of Gould or Vanderbilt is; unless they intend to pay the note it is of no value to me.

The gentleman from New York [Mr. HENDRIX], a banker who comes here and boasts that he is the president of a national bank, now proposes by legislation to put money in his own pocket, but claims that this is done by "evolution." That is the way he puts it. Now, for myself I do not think the laws of evolution apply to human affairs or to human existence.

If he thinks that he is the result of evolution, and that his forefathers were monkeys, I have no contention with him. [Laughter.] But mine were not and I am not here monkeying with this question either. [Renewed laughter.] I am content to believe the statements of Moses as to my origin. The gentleman from New York is at liberty to believe what he pleases on this subject.

Mr. Speaker, years ago in the other branch of this Congress—in the Senate—they passed a resolution by which they prohibited bankers from voting on questions in which they had a direct money interest or which would put money into their pockets.

My colleague on my left—this gentleman is also from New York [Mr. WARNER]—gives you a very vivid description of New York. He says she is the grandest city of the world, and says that God Almighty put New York Harbor there, and, therefore, that New York City is there. That is all right. I have no quarrel with him on that ground; but God Almighty made the Straits of Gibraltar also; but did he put the forts and the guns and the fortifications on those heights, so that the tariff robbers could hold and rob the commerce of the world? Did God put Wall street where it is as a carbuncle on society? [Laughter.] Away with all such nonsense.

If, Mr. Speaker, we could have some cyclones in this country that would wipe out Wall street, and your chambers of commerce and your boards of trade, society would run in a natural groove again. In my own State we also have our board of trade which is running in violation of law. The law of the State of Illinois makes it a criminal offense to deal in "options," or sell wind and make believe that they are selling the products of the farm. One day last summer a member of that board made more money than all the farmers of Illinois could make in a whole year.

Mr. COOMBS. Did he keep it? [Laughter.]

Mr. LANE. He kept it until the next thief came along and took it from him. [Laughter and applause.] That is the way your folks do these things. You believe that money is made by some trick, by a legislative decree. We believe that wealth is created by labor, and the people I represent here have sent me here fully instructed what to do. I am here with the Democratic platform in my hand, and no pressure that can be brought to bear will stop me from doing my duty.

Mr. WARNER. You have not got the platform in your hand now, have you?

Mr. LANE. I have got it in my head [laughter], and to satisfy my friend from New York I will now take it in my hand and read it to him for fear he has forgotten what it is. I mean the financial plank of that platform, which reads as follows:

We denounce the Republican legislation known as the Sherman act of 1890 as a cowardly makeshift, fraught with possibilities of danger in the future, which should make all of its supporters, as well as its author, anxious for its speedy repeal. We hold to the use of both gold and silver as the standard money of the country, and to the coinage of both gold and silver without discriminating against metal or charge for mintage; but the dollar unit of coinage must be of equal intrinsic and exchangeable value, or be adjusted through international agreement, or by such safeguards of legislation as shall insure the maintenance of the parity of the two metals, and the equal value of every dollar at all times in the markets and in the payment of debts; and we demand that all paper currency shall be kept at par with and redeemable in such coin.

We insist upon this policy as especially necessary for the protection of the farmer and laboring classes, the first and most defenseless victims of unstable money and a fluctuating currency.

My friend from New York insists that we should dispose now of the first three lines of this paragraph; that after the word "repeal" there is a period, and we should stop there for the present. I can not agree with him. I do not think that a fly speck should prevent a Democrat from doing his whole duty. [Laughter and applause.]

I am for the whole paragraph, and when we can enact the whole into a law, as we can now, I think we should do so.

I presented this part of the platform to my people last fall in every township in my Congressional district, and they all agreed that it should be made the law of the land as soon as Congress assembled. My friends, I have been engaged in this battle for honest money for more than a quarter of a century. I devoted the vigor of my youth and the years of my early manhood to this work, and now that my hair is white and I have passed the meridian of life, I do not propose to surrender. [Applause.]

I came here under the instructions of my people to vote for the coinage of silver on the same conditions that gold is coined. I am here pledged for the coinage of silver, and may God forget me if I forget my promises to my people or their interests in this House.

Men may get on the stump and assert one doctrine, and have catchwords for platforms, and that kind of thing, but I am not built that way.

Mr. Speaker, my people do not have to consult Chevalier, John Stuart Mill, Ricardo, or any other writer on finance in order to understand their conditions. They know from personal knowledge that they occupy the garden spot of this whole rich country; that their crops for the last decade have been reasonably abundant, yet their pockets are empty. They have no bank accounts as do people who live in the sterile East; and at the end of the year they can scarcely make the tongue and buckle meet.

The day before I left home to come here I saw a farmer selling a fair article of wheat for 40 cents per bushel in our home market. At this price it takes two bushels and a half to get a

gold dollar. Twenty years ago I saw wheat selling on the same market for $1.50 a bushel. Do I think that this is due to supply and demand? No, I do not, nor does any man who has honestly investigated the question.

Mr. COX. That is evolution.

Mr. LANE. Yes, it has evoluted the money into these other fellows' pockets. [Laughter.] As my time is limited, I hope, Mr. Speaker, that I will not be further interrupted.

In continuation, I wish to say that production is less now in proportion to human consumption than it was twenty years ago, and yet constantly for twenty years prices have gone down year by year until a man is compelled to sell his wheat for 40 cents a bushel—10 cents less than he can possibly produce it for. In 1879 a report was made in Illinois, by a Republican agricultural board, showing that it cost our farmers $10,000,000 more to raise our corn crop that year than the crop was worth after it was raised. How can we prosper that way, gentlemen? How do you build your mansions in New York when the laborer in this country lives in a hovel? How do you ride in your palace cars, and in the North, South, East, and West have your palatial residences to meet each returning season of the year, while we, who produce the wealth, the toiling millions of labor, go unrequited? And yet you are now trying to rivet another chain on the people in addition to those which already bind them.

Mr. Speaker, I am a Democrat and, therefore, a bimetallist. The Constitution under which we have so long lived, and which every Democrat reveres, authorizes the General Government "to coin money, regulate the value thereof and of foreign coins," and provides that "no State shall coin money, emit bills of credit; make anything but gold and silver coin a tender in payment of debts." I am therefore warranted in stating that this Government was formed on a bimetallic basis, and that since its organization the two metals, gold and silver, have traveled side by side as the handmaids of Commerce until our nation has surpassed all others, ancient or modern, in the accumulation of wealth, the increase of population, the popularization of knowledge, the development of the inventive faculties, and the promotion of the general welfare as never seen on earth before.

The fathers of the Republic favored bimetallism, and the experience of a century in this country confirms the wisdom of their policy. And even prior to the adoption of our Constitution, during the colonial period, gold and silver were used as money, and silver at the same ratio as at the present day. In 1792 we learn that Hamilton, then Secretary of the Treasury, had assayed a number of the old Spanish milled dollars then in circulation, and he found that they contained an average of 371.25 grains of pure silver, and in that way the amount of pure silver in the silver dollar was fixed, and it has so remained to this present hour. In the adoption of this ratio between the two metals Thomas Jefferson, "the father of Democracy," concurred, and the same was approved by Washington, and thus the coinage of both gold and silver was inaugurated in this country.

I am a bimetallist because it is the money of the Constitution, and I am for bimetallism because the people who conferred on me this high office which I hold so instructed me. The county conventions in my district declared themselves in favor of bimetallism and the district convention that nominated me asserted that gold and silver were the money of the country.

The great Chicago convention in its platform declared itself in favor of the use of two metals at such a ratio that gold and silver should circulate at a parity. It is said that "public office is a public trust," and if so there should be no betrayal of that trust. The commission I bear from the Democratic party instructs me to favor gold and silver at such a ratio that the purchasing power of a dollar in silver shall be equal to the purchasing power of a dollar in gold. I favor this principle, and no makeshift short of this will satisfy me nor the people I have the honor to represent. Good money, and in sufficient volume, is indispensable to the prosperity and well-being of this country. Money is the vital force which in this country has quickened all other forces and preserved the body politic in health and vigor, stimulating all industries and permeating the veins of our vast industrial organism with vitalizing energy. The chief cause of American prosperity in former years was the interchange of products and commodities between all sections of the world, but particularly our interstate commerce.

The commerce of the world and of this nation can not be carried on without money, and we should have the best. It may be true that under our modern system of business 95 per cent of the same is transacted by bills of exchange, drafts, and checks, and but 5 per cent in cash, yet if the money is wanting to settle balances our whole trade will be crippled and financial ruin will soon overtake us.

In prehistoric times it is supposed that such a thing as money was unknown. Barter and exchange of property was the first form of trade; later on various metals of weight were used as a means of exchange. At one time cattle were used as money; also, human beings were made a legal tender for debts and their value fixed by law. Salt, rice, beans, nails, iron, and brass were used as money.

The first use of gold and silver was by weight, and the exact date of coinage is not known. But all these things are matters of curious learning rather than valid arguments in the discussion of the present question. It is certain, however, that gold and silver were recognized by the common consent of mankind as precious metals for nearly four thousand years, and that as early as five hundred years before the Christian era they were coined into money and became the common medium of exchange wherever commerce was carried on. It is said that the word "money" is derived from moneta, because Roman coins were first struck in the temple of Juno Moneta.

Every child in the land understands you when you speak of money, yet there is not a word in the English language more difficult to define. But it is certain that money is the lifeblood of human affairs. It is the force that underlies our civilization and impels man to his greatest possible activity. The power of money and the hope of its attainment is the incentive to nearly all of humanity's most earnest and honorable exertion. It moves the orator's tongue; under its charm the advocate becomes bolder, the lawyer more astute, and the preacher more profound; it turns the mighty wheels of commerce, and forge and furnace under its benign influence lights the continent; in a word, money is the most important factor in our civilization, and nothing can now takes its place. Remove money from the channels of trade and blot it from the face of the earth, and you would turn back the hour hand on the dial plate of time to a period when "population dwindled and commerce, arts, wealth, and freedom all disappeared, and when the people were reduced to poverty and misery, to the most degraded condition of serfdom and slavery"—the fifteenth century.

As I have said before, gold and silver have been used as money for more than two thousand years, and for this purpose they are admirably adapted. They are easily coined into money, they are widely distributed over the earth, and nowhere abundant. They are indestructible, uncreatable, and readily divisible into different coins, and the ratio at which they were first coined was the ratio at which they had been used by weight. The ratio of the two metals has never been a very important question.

Since the coinage of gold and silver up to 1873 the ratio between the two metals has ranged between 9 and 16 of silver to 1 of gold, but never went above 16 to 1. We are all acquainted with the ratio of the two metals since the demonetization of silver in 1873. At an early period in England the ratio was regulated by proclamation, but in 1717 it was fixed by law and silver was a full legal tender there until 1816, when Lord Liverpool secured the passage of an act adopting gold as the single standard, which act has remained in force until the present time.

In 1871 Germany adopted the gold standard, and sometime after that France closed her mints to the free coinage of silver. The reason England demonetized silver in 1816 was because of the Napoleonic wars, which were then just closed, and in demonetizing silver England largely increased her enormous war debt; and being then as now a credit nation, this act greatly increased her gains and income. And for much the same reason Germany adopted the gold standard, because in the Franco-Prussian war an enormous war debt was created and Germany exacted a war indemnity from France of $1,000,000,000 in gold, and in the adoption of the gold standard shrewd bankers and credit holders saw an opportunity to make great gains for themselves, and did not hesitate to take advantage of the occasion, but it is said that afterwards Bismarck saw the mistake and said that he had left this matter to others who proved to be bad advisers.

Why was silver demonetized in America in 1873? Who justified the act at that time? Is it not a fact that the people knew nothing about it at the time? President Grant, who approved the act of demonetizing silver, declared afterwards that when he signed the bill he did not know that it demonetized silver.

The leading men of both parties who were then in Congress and assisted in passing the measure have since stated on their honor in Congress, and on the public platform, that they did not know when the act was passed that the clause in regard to the coining of the silver dollar was omitted from the bill. It is very certain that very few knew of the dastardly act until its baneful effects were felt in every cottage in the land. Whatever other influences were made operative in the demonetization of silver the evidence is abundant in the capital at Washington that British gold and British influence were largely responsible for the downfall of the white metal. The act was a crime against organized society and a robbery of every wage-worker in the land; it increased the number of our millionaires, and for every one it made it caused a thousand paupers. Its effects were to reduce the price of farms and of farm products at least one-third in

value and to intensify to the same degree the galling yoke of labor.

By reference to the statistician we find that in 1873 barley was worth 91½ cents a bushel, and yielded the farmer $21.15 an acre; in 1888 it was worth 59 cents per bushel, and yielded $12.57 per acre; oats, in 1873, were worth 37 cents, and in 1889, 22 cents, and yielded to the farmer $6.26, while in 1873 the yield was $10.37. In 1873 corn was worth per bushel 40 cents, and yielded the farmer $11.41 an acre; while in 1889 corn was worth 28 cents per bushel, and yielded a return to the farmer of but $7.63 an acre.

Wheat in 1873, at home value, was worth $1.31 per bushel, and the average yield 12.7 bushels, and was worth $16.63 per acre; while in 1889 it was only 69 cents per bushel, and yielded per acre 12.9 bushels, and value $8.98.

In 1872 milch cows were worth $33 each, while in 1890 they were worth but $22 each, making a net loss to the farmer of $175,472,000 on 15,952,000 cows, while there were more cows per capita in 1872 than there were in 1890.

The corn crop of 1889 was worth $597,000,000, while if it had sold for the price of 1873 it would have been worth $1,008,000,000.

If cotton had sold in 1889 for the price of 1873 it would have been worth $515,000,000, instead of $292,000,000.

So it will be seen that on corn and cotton alone the farmers of this country lost in a single year $634,000,000.

The American Journal states that the loss to the farmers of this country on wheat for the last twenty years is $2,000,000,000, and on cotton $1,660,000,000.

Now, for twenty years take these two articles of the field and all other farm products of this country, and the sum lost to our farmers is almost beyond comprehension.

In 1886 Great Britain appointed a commission to investigate the changes of the relative values of the precious metals, and in their report they estimated that the reduction of the prices of property generally by demonetizing silver was 33 per cent. Two commissions appointed by the American Congress to investigate this matter, in their report substantially agree with the British commission as to the fall of prices and that the demonetization of silver was the chief cause, and it seems to me that he who would argue against this position with the facts in evidence would argue against the sun. In the jugglery of legislation by the American Congress in the resumption of specie payment and acts in aid thereof, two decades ago, the people of this country were robbed out of many hundred millions of dollars, and in the demonetization of silver and the abandonment of specie payment the robbery runs up into the billions. It is like the negro's coon trap, it was so set that it caught them "a-comin' and a-goin'."

It matters not whether we resume or abandon specie payment, the money sharks so frame legislation in each case that the toiling millions are robbed and Wall street enriched. If the toiling farmer, bending over his daily labor, that must be followed in summer's heat and winter's storm, only had time to raise his head and wipe from his face the grime and sweat, and then had time to compute what he has lost because of the decline in prices, he would see how the law itself, which should be his protection, has been converted into a veritable robbery, taking from the mouths of his family the bread that he has earned and giving it to those who toil not, neither do they spin, Yet Solomon in all his glory never lived like these law-formed gold bugs of our Republic.

The wonder of the age is, how our farmers have survived the legislation of the past twenty years, by which they have been compelled to purchase the commodities on a protected market which raises the price from 47 to 62 per cent and to sell all their farm products at home and abroad in competition with the ryots of India and the serfs of Russia, and to be further subjected to the decline of prices because of the demonetization of silver. It is not the farmer alone who has suffered, but this loss has been felt by the wage-earner in every cottage in the land. When industries are active labor is prosperous. When money is plenty labor finds steady employment and earns more than in hard times. We may boast as we please about the high wages paid labor in this country, but the fact remains that since 1873 the total earnings of our laboring classes have been greatly reduced.

The only way to increase the earnings of all labor is to increase business and production, for in the end wages are but the share of production which labor gets; and there is no such thing as activity in business when the money volume is shrinking, and while the loss to labor has been very great because of the reduction in wages, yet the greatest loss of labor has been because of enforced idleness. When the business of the country is in an active condition, in which it would be if the volume of money bore a proper relation to the population and industry, then there would be an increased demand for labor. But it has been estimated by those best able to judge, that because of our money system at least two million men are annually kept out of employment. Assume, then, that if these men were employed at reasonable wages—say $2 per day—here is a loss of $4,000,000 daily, and say three hundred working days in a year, the loss per annum would be $1,200,000,000, or the aggregate for twenty years would reach the enormous sum of $24,000,000,000.

I know that hoarded wealth will laugh at the idea that this army of work-hunters could not find employment, but the record stands as I have stated. If the volume of the money of the country was sufficient to keep prices from falling, and then to encourage capital to seek productive enterprises in which labor was employed, every man willing to labor could have been kept at work, and no country could possibly enjoy a higher degree of prosperity than when all its people are employed and the product of their labor equitably distributed.

Why was silver demonetized? This question has been often asked and an answer attempted, but there can be only one truthful answer given, and that is that the money use was taken from silver so as to raise the price of gold. In other words, the purpose was to make money dear by contracting its volume and make the price of product as well as labor cheap. When silver was demonetized in 1873 the bullion in a silver dollar was worth 3 cents more than the bullion in a gold dollar; since the demonetization, however, silver bullion has declined, or the gold advanced, so that the difference between the bullion value in a silver dollar was 53 cents less than the gold dollar: that is, the one had increased and the other declined until the difference was 53 cents on the dollar.

This principle is also true of the credit and debtor classes. As gold increased so the holdings of the owner of gold and fixed incomes and all loaners of money increased, and the debtor class found it harder to pay their debts in the same ratio.

John Stuart Mill, the greatest economic writer produced by Europe, says:

If the whole money in circulation was doubled, the prices would double; if it would only increase one-fourth, prices would rise one-fourth.

This I regard as the fundamental law of money and the most important rule in economics.

One of the greatest American writers on the subject has said:

The truth is that the most enormous power ever known to man, or that ever can be, lies in money—in the increase or decrease of its quality.

Ricardo says:

The value of money in any country is determined by the amount existing; that commodities would rise or fall in price in proportion to the increase or diminution of money. I assume as a fact that is incontrovertible.

Another writer on money says:

That the sum total of the precious metals is reckoned at 50 milliards—one-half gold and one-half silver. If by a stroke of the pen they suppress one of these metals in the monetary service they double the demand for the other metal to the ruin of all debtors.

Mr. Chairman, I might cite many more authorities to the same effect, but I deem these sufficient. These citations are taken from works of the highest authority on economic law, and I think they conclusively establish this proposition, that the volume of money is a very important factor in fixing prices of commodities and labor. Prices are affected by the law of supply and demand, by a change in the supply or demand; if the supply increases and the demand remains the same prices will fall, and if supply decreases with the same demand prices will rise, if the demand increases with the same supply this will increase prices, but if demand decreases then there is a decline in prices.

What I wish to show in this connection is that from 1873 to the present time there has been no such change in the supply of productions or in land relatively to demand or to population as will account for the great change in prices. It will be seen by examination of our statistics that the number of bushels of wheat produced per annum from 1873 has not been relatively greater than population, and the same is true of cattle and other live stock, as well as land, and the decline in prices, as we all know, has been from 33 to 50 per cent in value. A decline of 33 per cent in values increases the purchasing power of money 50 per cent, and a decrease of prices of 50 per cent in commodities increases the purchasing power of money 100 per cent. So the effect of all this is dear money and cheap property, the supreme wish of Wall street.

From 1850 to 1873 the world's stock of metallic money more than doubled; prices were from 30 to 40 per cent higher, and the period between 1850 and 1860 was called the golden era of this country, and wealth then increased as it never did before or has since. The world's production of gold from 1841 to 1850 was $380,000,000, and for the same period the production of silver was $350,000,000, and the production of the gold of the world from 1851 to 1860 was $1,300,000,000, and during the same period the production of silver was $400,000,000. So it will be seen that from 1851 to 1860 there was nearly five times as much gold produced in the world as there was in the preceding decade, while there was but a very small increase in the production of silver. The cause of the great increase in gold in the latter decade was due

to the discovery and production of enormous quantities of gold in California and Australia beginning with the year 1849.

I may say in passing that during that decade gold was demonetized in the German states and also in Austria, and attempts were made to demonetize it in France and other nations on the Continent; and the strange thing about it is that the very same arguments then used by those advocating the demonetization of gold are used now by the opponents of silver. Then, as now, the attempt was to demonetize the metal produced in the greatest abundance, as they claimed, so that money would not be made cheap. If we desire to see their arguments in full we have but to consult the work of Mr. Chevalier on the "Fall of Gold," published in 1856. Then, as now, the attempt was to make money dear and productions cheap; the holders of money against the wage-earner and bread winner, in order to double the value of their accumulated piles of gold. The issue is fairly joined, and this battle for human rights must be fought to a finish.

Every commercial nation of the world has abandoned the principle of the regulation of money by private interest. Our Constitution prohibits the several States from coining money or to emit bills of credit, and to make nothing but gold and silver coins a tender in payment of debts; and after our General Government has assumed the right to coin our money and regulate the value thereof the question is presented, how long will the people of this country, who are supposed to control the Government, submit to this cunningly devised scheme of spoliation and fraud in the destruction of more than one-third of their constitutional money?

The present Secretary of the Treasury, while he was a Representative on the floor of this House in 1878, presented the question as forcibly and clearly as a proposition could be presented. Hon. John G. Carlisle said:

According to my view of the subject, the conspiracy which seems to have been formed here and in Europe to destroy by legislation and otherwise from three-sevenths to one-half of the metallic money of the world is the most gigantic crime of this or any other age. The consummation of such a scheme would ultimately entail more misery upon the human race than all the wars, pestilence, and famine that ever occurred in the history of the world. The absolute and instantaneous destruction of half the entire movable property of the world, including houses, ships, railroads, and all other appliances for carrying on commerce, while it would be felt more sensibly at the same moment, would not produce anything like the prolonged distress and disorganization of society that must inevitably result from the permanent annihilation of one-half of the metallic money in the world.

The gentleman from Kentucky called it a gigantic crime, and he was right, and there should be some means to adequately punish the crime. A party committing piracy on the high seas is punished by death, and yet these land pirates who are robbing every home in the land are permitted to go unwhipped of justice. The fathers of the Republic, in their wisdom, never thought such a crime would be committed and therefore made no provision for its punishment. But the crime of taking the property of another without authority on land or sea by force or by legislative decree is just the same. The conspiracy is carried on by London, Wall street, and their allies. The conspirators must be dispersed and the conspiracy suppressed. The issue is one on which the welfare of the human race depends, for those who control the circulating medium of the world are masters of mankind. The issue is of human liberty and of the rights of the people. There can be no surrender. Industrial liberty shall not perish even at the behest of Wall street. This is a government of the people, for the people, and by the people; not a government of Wall street, for Wall street, and by Wall street.

It is an immemorial custom with all governments to certify the weight and fineness of the precious metals by the impression of the coinage stamp, and it is clearly a gross injustice to the people as it is to every holder of gold or silver bullion for the Government to refuse its stamp to his bullion, as it is then thrown out of circulation as money and deprived of a great part of its value.

For more than seventy years the Government of France sustained the parity of the two metals at a ratio of 15½ to 1, and to-day they have $800,000,000 in gold, $700,000,000 in silver, and $700,000,000 paper money in that country, all circulating at a parity and the paper currency redeemable in gold or silver coin at the option of the Government. If France, with a population of 39,000,000 and a territory not larger than the State of Texas, can safely carry that volume of money, what volume of money should the United States carry with nearly double the population of France and our vast territory? I will answer that hereafter.

Mr. Speaker, bimetallism is a constitutional right of the American people, of which they should not be deprived, and the wrong inflicted on them in 1873 should be righted here and now.

I revere the Constitution of my country, and when I state that I believe it was ordained of Heaven you may regard me a little superstitious, but such still is my belief; and I further believe that there is no power under the Constitution to deprive the American people of the coinage of both gold and silver. Daniel Webster, the greatest constitutional lawyer of this or any other country, said:

Gold and silver at rates fixed by the Congress constitute the legal standard of value in this country, and neither Congress nor any State has authority to establish any other standard or to displace that standard.

Gentlemen, notice the language: Congress has no authority to displace that standard.

James G. Blaine said:

I believe gold and silver to be the money of the Constitution, indeed, the money of the American people, which the great organic law recognized as quite independent of its own existence. No power was conferred on Congress to declare either should not be money. Congress has therefore, in my judgment, no power to demonetize either.

I could greatly multiply these authorities if time would permit, but it is so patent to every reflecting mind that nature, as well as the Constitution, intended gold and silver to be used as money, that there can be no justification for its demonetization. Mother earth holds our gold and silver in her great pockets, and by investigation and development it was found many years ago that the ratio of the two metals in the earth was as 16 to 1, and on this principle and ratio the two metals were coined.

I beg gentlemen to remember that the ratio can not be fixed on the cost of production or commercial values alone, for these change every day—nay, sometimes every hour. The ratio can not be predicated on cost of production or commercial value. Some of the bullion and coins now in existence may have been in existence for a hundred years. How are you going to find what it cost to produce the bullion then? One mine produces silver at a loss and another at a profit. how will you adjust it? Then, if you take the commercial or market value as the standard, that market value is constantly changing, and therefore you would be compelled to change the ratio in your coins every month or year. If a man would find a nugget of gold in his path, as many have done, say worth $10,000, he is allowed to take it to the mints and have it coined into eagles and half eagles, without any inquiry as to the cost of production.

I have no doubt but, taking all the silver and gold in the world, it cost more to produce it than its value after it is coined. If the money use was taken from gold bullion, does any person suppose for a moment 25.8 grains of gold bullion would be worth a uniform price on the market of 100 cents? No; it would simply become a commodity, subject from day to day to the market changes as other commodities; so if the full money use was given to silver bullion, that would raise the price of the bullion to the money value. If, therefore, it has been discovered by new appliances that there is more silver bullion in the earth in proportion to gold than 16 to 1, I can see no good reason why the ratio may not be changed. I think, however, that the ratio of gold to silver in the earth is still about the same, and that the coinage ratio should be 16 to 1, although I will vote, by way of compromise, for a small increase in the ratio.

Now, Mr. Speaker, I wish to say a few words about the Sherman act. That act was passed in 1890, and it authorized the Secretary of the Treasury to purchase 4,500,000 ounces of silver bullion every month at the market price, and to issue in payment of such purchase of silver bullion Treasury notes of the United States; such notes to be redeemable on demand in coin.

When the measure was under consideration in this House I had the honor to address the House, and among other things I said on that occasion:

The effect of passing the bill—

That is the Sherman act—

would be to suspend silver coinage and to totally demonetize this metal and to permanently establish for us the single gold standard; and clearly that would have the effect to drive all silver out of circulation. There is another reason why this bill (the Sherman act) should not become a law. It will be remembered that there are about $1,400,000,000 bonds of the Government now outstanding, and some of them will fall due next year, and all the balance in a few years later. Now, these bonds are all payable in coin, not in paper money or silver certificates. This bill stops the coinage of all silver so that these bonds must be paid in gold.

Mr. Speaker, when I made these statements I spoke the exact truth. The prophecy has been fulfilled. This matter has come to pass, as I expected. I do not agree now with all that is said about this act, that it is the sole cause of the present crisis. I do not believe that it is, and, therefore, I will not say so. There is a financial panic in this country, but I think that it is largely due to the demonetization of silver in 1873, to the McKinley bill, and other vicious Republican legislation for the last decade.

The vice of the Sherman act is the purchase of silver bullion and storing it in the Treasury. It should be coined into money and used to redeem the coin notes issued for the purchase of the bullion.

If an army was fleeing in a panic from their victorious enemies, what would you do to restore confidence and stop the panic? It seems to me that the proper thing would be, reënforce them with more men, so that they would be certain that they could

return and defeat their enemy. We have a financial panic because there is not sufficient money to do the business of the country, and the remedy proposed is not to furnish the people more money, but to repeal the Sherman act and thus curtail the increased circulation of $50,000,000 annually that we get under the Sherman act. The notes issued under this act are as good money as any other money issued by the Government, and in place of extending the currency, it is insisted that we must contract it. The people ask for bread and you give them a stone.

I am in favor of the repeal of the Sherman act. In fact, I am in favor of the repeal of all the Sherman acts on our statutes, and especially the repeal of the act of 1873, that demonetized silver. But at the same time I am in favor of proper legislation to take their place. I am ready to repeal the McKinley bill, but I want a tariff bill for revenue only to take its place.

I stand with both feet on the Democratic platform of 1892, and insist that the cowardly makeshift of the Sherman act shall be repealed and the financial principles of that platform shall be enacted into law. Gentlemen, you can not deceive the people of this country. They know what you are doing, and how you are doing it.

I beg to call your attention to the fact that every Democrat in this House voted for the special order of business under which we are now proceeding; that is, that we shall have fourteen days of debate and also evening sessions, and then the first vote that we take shall be for coinage of silver at the ratio of 16 to 1. If this vote carries, that will repeal the Sherman act.

This is the way it should be repealed. The same vote that repeals the Sherman act will give us silver coinage, and thus increase our circulation by good money at least $60,000,000 annually. This is what I promised my people I would do, and I will do it if my vote is the only affirmative vote given. Many of you say you are for silver coinage, but you are like Felix said to Paul: "Go thy way for this time; when I have a convenient season I will call for thee."

Gentlemen, when do you think the "convenient season" will come? This session of Congress, or the next, or twenty years from now. Some of you say that you are for silver coinage when we have an international agreement on a ratio of coinage between the two metals. When will that take place? Never.

Since the adoption of the Chicago platform there has been a meeting of an international commission at Brussels to agree on a ratio between gold and silver. What did the commission do? Nothing. The talk of an international commission is simply a "motion for a continuance," as a tricky lawyer does in a case he does not wish to try. We all know that England will never agree to any ratio between the two metals in her present condition, and gentlemen say that unless England concurs we can not have bimetallism. Why, then, delay this question any longer?

The Democratic platform declares that we must maintain the "parity of the two metals." To this I fully agree; but how is that to be done? In my judgment it is simple enough. When the Treasury pays out a gold dollar in redemption for a coin note the next time the Treasury should pay out a silver dollar, and so on. If the Treasury would observe the "parity between the metals," then the metals would take care of themselves.

The Chicago platform must mean coinage of both metals at a proper ratio, for it can mean nothing else. It says:

> We hold to the use of both gold and silver as the standard money of the country.

This does not mean that gold shall be the standard and silver simply a subsidiary coin. It means that both metals must be treated alike; and for this reason I can not vote for the Wilson bill, that repeals the purchasing clause of the Sherman act, because that bill pledges "the faith and credit of the United States to maintain the parity of the standard gold and silver coins of the United States." The Chicago platform is pledged "to maintain the parity of the two metals," which is all right, but the parity of the coins is quite a different thing.

The Treasury Department in its construction of the words in the Sherman act, "to maintain the two metals at a parity with each other," held that the Treasury had the right to redeem a silver certificate in gold, and when the Treasury comes to construe this part of the Wilson bill, if it ever becomes a law, it will hold that the Treasury has the right to redeem silver dollars with gold dollars. This is the way I construe the language of the Wilson bill and the way the Treasury will construe it, and I think that that should not be enacted into law.

The silver dollar, in my judgment, is money of ultimate payment and can not and should not be redeemed like a paper dollar. The reason a paper dollar should be redeemed is because it is simply token money or a promise to pay, and it has no value only as it is to be redeemed in gold or silver. If a silver dollar is to be redeemed with gold, then the silver dollar is but token money and you are at once on a gold basis. Does the Chicago platform favor such a result? I think not.

The amount of gold money in the world is about $3,656,935,000 and silver money $3,944,700,000. If silver is demonetized, then we are on a gold basis, with only $2.36 per capita to do the business of the world. That will double the purchasing power of money and reduce its debt-paying power one-half.

In the great State of Illinois the census of 1890 shows that the mortgage indebtedness in that State is $100 per capita, or $500 to every family of five persons in the State; a total of nearly $400,000,000. If this is to be paid in gold it will require $800,000,000 to pay the debt. How can a member of Congress who represents an agricultural constituency support such a measure? If I should do so, when I return to my people I could not look them in the face and regard myself as an honest man, and so help me heaven any such legislation shall not have my support.

I have examined this question calmly and dispassionately, and as God has given me the power to understand the right, I regard it as an enslavement of the masses for the benefit of the classes.

The total debts of this country, public and private, are somewhere about $30,000,000,000. If one-half of the money are destroyed, the balance left must do double duty, and therefore the effect would be to double all debts, making the debts of this country nearly equal to its total wealth. And it will be well to bear in mind, also, that a great part of this indebtedness held against the labor and production of this country, that labor never received any consideration for it.

The railroad indebtedness of this country, one-third of it or more, is watered stock. The Government bonds were sold for less than 60 cents on the dollar in gold and the same is true of other bonds.

The great majority of the Government bonds when made were payable in currency or the lawful money, but that was afterwards changed by statute and they were made payable in coin.

But let all that pass now. The people of this country are willing to pay every dollar of indebtedness, principal and interest, as called for in the contract, in the money that was then in existence, but not one cent more. Nearly three-fourths of the bonded debt of the nation has been paid, leaving about $600,000,000, held chiefly in England, yet to pay. Still at the present price of wheat it will take nearly as many bushels of wheat to pay this balance as it would require to pay the original indebtedness, with wheat at its then price. At 40 cents a bushel, the local market price now, it would take 1,500,000,000 bushels to pay the balance of the debt, while that amount of wheat at $1.50 per bushel, the price when the debt was contracted, would pay $2,250,000,000. And this is approximately true of all other farm products, as well as days of labor.

How long, oh! how long, in the name of justice, will this thing continue? How long will the vampires of wealth continue to suck the lifeblood of labor?

There is no truer statement in the Book of books than the saying of Solomon, that "the borrower is the slave of the lender." The valorous sword of our forefathers more than a hundred years ago suppressed the tyranny of England, yet we, their degenerate sons, have again sold Great Britain our liberty for their gold; and gentlemen in this Chamber are now insisting that the proper thing to do in order to relieve us in the present crisis is for the Government to issue $100,000,000 of gold bonds bearing 3 per cent interest per annum, payable in fifty years, and purchase with such bonds $100,000,000 of gold from England, and place it in the Treasury to strengthen the gold reserve; and this perhaps may be done, but never with my consent.

What would this mean? Simply that the people of this country should be taxed hereafter to pay $250,000,000 principal and interest of the bonds in order that $100,000,000 of gold should now be placed in the Treasury, so that next week Wall street could go to the Treasury with $100,000,000 coin notes, noninterest-bearing, and draw this $100,000,000 of gold out and send it back to England, so that more bonds would have to be issued by this Government from time to time, and purchase more gold and return it to the Treasury, and in every deal of $100,000,000 Wall street, in connection with its English bank, would make $150,000,000 out of the American people. What a roaring farce this would be, and how Wall and Lombard streets would enjoy it all. What a delightful way this would be to restore confidence to the American people by opening the Treasury doors to this further system of robbery.

Mr. Speaker, I had hoped that this country would issue no more interest-bearing bonds. In my judgment the future money of this country should be about $800,000,000 of gold and $900,000,000 of silver coin, both convertible into gold and silver certificates at the pleasure of the holder, and an equal volume of currency issued, not by national or State banks, but by the Government itself, and paid out directly to the people. This would give us $3,400,000,000, or nearly $50 per capita, which would be

sufficient for a reserve and also to meet the growing and constantly expanding business developments of this country.

I would have all this money guaranteed by the public honor of the nation, and every dollar should have the same purchasing power as every other dollar, and all paper money should be redeemable in gold and silver, and as fast as redeemed should again be reissued; both coins to receive equal treatment from the Treasury. I would put the same power behind our money system that sustains our flag, and the nations of the earth would respect them both alike. I would make it treason, punishable with death, for any person or persons to make a corner on the gold in the Treasury, or to attempt to withdraw it for other than legitimate purposes.

You ask me how would we get our gold and silver. My answer is that we have now in this country $687,000,000 in gold and $556,000,000 in silver coins, with about $154,000,000 of silver bullion in the Treasury, which, if coined, would make in all 710,000,000 silver dollars. The balance I would get from our gold and silver mines and from the sale of our farm products, and the products of our shops and factories in the markets of the world.

Mr. Speaker, this financial system might reduce the usury of Wall street and the income of the millionaires, but it would bring sunshine and happiness to the homes of labor in America. I want my people to owe less and own more; to have less labor and more leisure; less slavery and more liberty, and with the white and yellow metal as our coursers, properly harnessed together to our monetary system, we will again secure our commercial freedom among the nations of the earth.

Uses and Abuses of Financial Legislation.

SPEECH
OF
HON. WILLIAM BAKER.
OF KANSAS.

IN THE HOUSE OF REPRESENTATIVES,

Friday, August 25, 1893.

The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. BAKER of Kansas said:

Mr. SPEAKER: There is quite a diversity of opinions in regard to the causes which have led to the conditions which confront us at the present time. They are not the work of a single day or a single year, but the result of a carefully laid plan thoroughly and intelligently executed.

While other factors have entered into the general scheme, the contraction of the currency of the nation has been the chief cause of all this distress and disaster.

In 1866 there was $1,863,409,216 of currency, exclusive of gold, silver, and State-bank issues, being used as a circulating medium by 35,819,261 people, making an average of $52 per capita. This amount of currency was composed of the following:

One-year notes of 1867	$8,908,341
Two-year notes of 1868	9,415,250
Compound-interest notes	159,012,140
Seven-thirty notes	806,251,550
Temporary loan, ten days	120,176,196
Certificates of indebtedness	26,391,000
United States notes (greenbacks)	400,891,368
Fractional currency	27,070,876
Gold certificates	10,713,180
National-bank notes	294,579,315
Total	1,863,409,216

Of this amount $1,289,967,442 were interest-bearing obligations.

The funding act of April, 1866, empowered the Secretary of the Treasury to call in these interest-bearing notes and fund them into 5-20 6 per cent bonds. He was further authorized to call in and destroy $4,000,000 of United States notes or greenbacks each month. From the date of this act to June 30, 1869, bonds to the amount of $1,095,162,000 had been issued and $77,018,837 of greenbacks had actually been burned up. In this manner the circulation had been contracted from $1,863,409,216 in 1866 to $691,028,377 in 1869.

In the meantime business failures had increased from 495, with liabilities of $8,579,000, in 1864, to 2,780, with liabilities of $96,666,000, in 1868. Because of these increased failures the law of February, 1868, was passed, which forbid the further destruction of the greenbacks.

At this time the question of the kind of money these bonds were payable in began to be agitated. The contract on the bonds declared them payable in lawful money, which at that time was gold, silver, and paper money.

A bill was passed March 18, 1869, known as the public credit strengthening act, which declared these bonds payable in coin. This act took from the people one-third of their means of payment and changed the contract of the public debt from lawful money to coin. As coin was then at a premium, this act added fully $600,000,000 to the burden of taxation. The act of July 14, 1870, refunded this enormous debt into ten, twenty, and thirty year bonds, bearing 5, 4½, and 4 per cent, respectively, payable in coin. Having refunded this great debt and thereby placed future generations under tribute, the next step in the conspiracy was to make it all payable in gold alone. This was accomplished by the act of February 12, 1873, which stopped the coinage of the standard silver dollar, and the act of June 22, 1874, which demonetized it. With the passage of these two acts the entire bonded debt of the nation, principal and interest, became payable in gold alone.

Not being satisfied with this, these conspirators forced through Congress what is known as the resumption act, passed January 14, 1875, which provided that specie payments should be resumed January 12, 1879. Immediately after the passage of the resumption act, the fact that silver had been stealthily demonetized in 1873 became known. A general burst of indignation went up all over the land, which assumed such proportions as to frighten Congress, and compelled the enactment, in 1878, of what is known as the Bland bill, which obligated the Secretary of the Treasury to purchase and coin not less than two nor more than four millions of silver dollars each month.

During the same year the further retiring of the greenbacks was prohibited.

On July 14, 1890, the present silver law was passed which compels the purchase of 4,500,000 ounces of fine silver, to be paid for in a new issue of legal-tender Treasury notes. Briefly, the above is the history of our currency laws since the war. It will be noticed that the contract between the people and the bondholder has been changed twice, and each time against the interest of the people and for the profit of the bond-owner—first, payable in lawful money, which was gold, silver, or paper; second, by the strengthening act, made payable in coin—gold or silver; third, by the demonetization of silver, made payable in gold alone. Meantime, gold was appreciated in value to such an extent as to more than double all indebtedness.

Is it strange under such conditions there are those who object to the passage of the present bill, which strikes down one-half of the metal money of the country and will again double the value of gold?

The statistics of the past twenty-eight years prove the following proposition beyond a shadow of a doubt. First, that the per capita of currency has been materially lessened. Second, that the business of the country and the uses for money has quadrupled during that time and that bankruptcy and failures have rapidly multiplied in consequence of it. Third, that the national debt during that time has been increased instead of being diminished.

The volume of money as I have given it has been carefully compiled from the reports of the Comptroller of the Currency. The fact is overlooked or ignored by the partisan that certain stringent laws are on the statute books which specifically demand that certain portions of this currency must be locked up and held as a reserve, hence not in any sense in circulation, and that other portions have been lost, destroyed, or sent out of the country, or used for other purposes. When proper deductions are made and reasonable allowances given for factors which conspire to reduce the amount in circulation, we believe the following table will prove substantially correct:

Circulation per capita.

Year.	Population.	Circulation.	Per capita.
1866	35,819,281	$1,863,409,216	$52.01
1867	36,269,502	1,350,949,218	37.51
1868	37,016,949	794,756,112	21.47
1869	37,779,800	730,705,638	19.34
1870	38,558,371	691,028,377	18.70
1871	39,750,078	670,344,147	16.89
1872	40,978,607	661,641,383	16.14
1873	42,245,110	652,896,702	15.45
1874	43,550,756	632,032,773	14.51
1875	44,896,705	630,427,609	14.04
1876	46,284,344	620,316,970	13.40
1877	47,714,829	586,328,074	12.28
1878	48,955,306	549,540,087	11.23
1879	50,155,783	534,424,248	10.65
1880	51,660,456	528,524,267	10.23
1881	52,693,605	610,632,433	11.51
1882	53,747,538	657,404,084	12.23
1883	54,812,488	648,205,825	11.82
1884	55,908,737	591,476,978	10.58
1885	57,016,911	533,405,001	9.35
1886	58,157,249	470,574,361	8.08
1887	59,320,393	423,452,221	7.13
1888	60,506,800	396,719,212	6.58
1889	61,717,936	306,999,982	4.97

As a logical result of such a rapid contraction of the circulating medium the following table of business failures is given:

Year.	Number.	Liabilities.	Year.	Number.	Liabilities.
1865	520	$17,625,000	1879	6,658	$98,149,053
1866	632	47,333,000	1880	4,735	65,752,000
1867	2,780	96,666,000	1881	5,582	81,155,932
1868	2,608	63,694,000	1882	6,738	102,000,000
1869	2,799	75,054,000	1883	9,184	172,874,172
1870	3,551	88,242,000	1884	10,968	226,343,427
1871	2,915	85,252,000	1885	11,211	267,340,204
1872	4,069	121,056,000	1886	12,292	229,283,238
1873	5,183	228,499,000	1887	12,042	335,121,888
1874	5,830	155,239,009	1888	13,348	247,659,956
1875	7,740	201,060,000	1889	13,277	312,496,742
1876	9,092	191,117,000			
1877	8,872	190,669,000	Total	161,332	3,919,394,824
1878	10,478	234,483,132			

By comparing this table with the one that precedes it, it will be found that the number of failures have kept even pace with the reduction of the volume of the currency.

And now, Mr. Speaker, has the result of our financial legislation been a success? Was it necessary for a hundred and sixty-two thousand business men to pass through the horrors of bankruptcy and suffer the torture which always awaits such conditions? Or that four billions of hard-earned property should be unnaturally and wrongfully transferred from the debtor to the creditor class on account of an inadequate volume of money? Is our nation the stronger for this trying ordeal in order to make United States bonds bear a premium?

Feeling that I have established the truthfulness of the two first propositions laid down, I shall now proceed to establish the truth of the third proposition, that the national debt during that time has been increased instead of being diminished:

The national debt as given by the Secretary of the Treasury in 1866 was	$2,783,000,000
Paid on principal	1,756,000,000
Paid as interest	2,538,000,000
Paid as premium	58,000,000
Total paid	4,352,000,000
Amount due 1893	1,027,450,000

Had this debt been contracted payable in wheat it would stand as follows:

In 1866 the entire debt could have been paid with ____ bushels of wheat	1,007,000,000
Paid on principal ____ do	1,986,000,000
Paid as interest ____ do	2,974,000,000
Paid as premium ____ do	62,000,000
Total ____ do	5,022,000,000
Amount due 1893 ____ do	2,054,900,000

Had the debt been contracted payable in cotton it would stand as follows:

In 1867 it could have been paid in full with bales of cotton	14,184,000
We have paid on principal ____ bales of cotton	34,800,000
We have paid as interest ____ do	58,760,000
We have paid as premium ____ do	1,130,000
Amount paid to 1893 ____ do	94,690,000
Amount due 1893 ____ do	34,251,600

It now requires nearly two and one-half times as much cotton to pay the debt as it would the entire debt in 1867.

If the same principle holds good in private indebtedness as it does in public, then Mr. A, who mortgaged his farm prior to 1872 for one-half the purchase money, who has worked hard and economized closely to lessen his indebtedness, finds himself to-day more in debt, when measured by the remuneration received for his own efforts, than when the debt was contracted. In order to show that money has become dear and the products of labor cheap in the last twenty-eight years, I will give the following illustration:

Mr. A is a banker, Mr. B a capitalist, and Mr. C a farmer. Mr. A invests his money in Government bonds, Mr. B places his in a savings bank and allows it to remain idle. Mr. C invests his in wheat and puts it in a granary. At the end of twenty-eight years we find their investments would be about as follows:

For each dollar the banker invested, with principal and interest, he can buy to-day ten times as much of the product of farm labor as he could in 1865.

The capitalist whose money has lain idle in the savings bank can buy four times as much of the product of farm labor, while the farmer realizes less than one-third of the original price for his wheat.

By these illustrations we can readily see the causes that have been at work in this country; that has effected the great change in the financial condition of the laborer and the capitalist.

He who will carefully study the legislation we have had on the money question and the effects which have followed in the wake of such legislation, in the face of history will be forced to this conclusion, that nearly all the legislation we have had has been in the interest of the creditor class and against the debtor class, or in favor of the moneyed class against the laborer.

There are two great classes at this time demanding recognition and action of this body. One is the debtor, the other the creditor class. One finds that their burdens are too grievous to be borne; the other is demanding an additional pound of flesh.

One comes from the home-builders of our nation, the other from those who are absorbing the wealth of the toiling millions. Realizing the great benefit they received by the contraction of the currency in the first few years after the war, the latter class are now demanding that greater sacrifices shall be made at their behests; that silver shall be fully demonetized, that the basis upon which all our debts have been contracted shall be destroyed. They have much to say about the 50-cent dollar, but they have nothing to say about the 40-cent wheat, the 5-cent cotton, the 15-cent corn and wool. They have nothing to say about the sheriff's vain efforts to sell the homes of the people at from one-third to one-half what they brought a few years ago. They have much to say about the honest dollar.

Pray, what is an honest dollar? Is it not the dollar of contract? Deceive not yourselves by this cry of honest dollar. The American people are aroused to the true situation. You despise the honest dollar which is the dollar of contract, and by legislation have sought to debase it and destroy its legal tender in payment of debts contracted when it was one of the basic metals.

If you are honest in the use of both the metals, as you say you are; if you wish to strengthen the public credit and the credit of all our people, do as was done in 1834, reduce the amount of gold in the gold dollar, and make its commercial value the same as that of the silver dollar. There was a perfect consensus of opinion at that time by such men as Webster, Clay, Benton, Wright, John Quincy Adams, and many others that I might mention. They all agreed that if any change was made, it must be done by reducing the value of the dearer metal.

Benton said as soon as that was done gold began to flow in the country through all the channels of commerce, old chests gave up their hoards, the mints were busy, and in a few months, as if by magic, currency banished from the country for thirty years overspread the land and gave joy and confidence to all the pursuits of industry.

Is this an age of advancement or of retrogression. Are we seeking to formulate laws in harmony with the spirit of the age, or are we seeking by class legislation to confiscate the property of our home-builders and build up a moneyed aristocracy in our midst? These are questions, gentlemen, that are forcing themselves upon the consideration of this House, and alarming the people of this country. History teaches us that England by the demonetization of silver confiscated four-fifths of the landed property of her country, and made beggars of one-tenth of her people. Shall we, with the light of history before us, yield to the demands of the moneyed aristocracy of our own country and that of Europe, follow in her footsteps, demonetize silver, reduce one-half of the basis upon which the currency of this country rests, and thus confiscate the homes of our people?

The righteous judgment of mankind says no.

Alison, in his History of England, uses this language:

A considerable contraction of the currency, to the extent of, perhaps, one-third or a half, at once adds a third or a half to the real amount of the whole debt, public and private.

Can it be possible that this House is ready to force this additional burden upon our people?

He also says that—

All attempts to pay off a public debt contracted under high prices and during an exuberant currency, when the currency has been contracted, and prices have in consequence fallen, will be found to be difficult, if not impossible.

We are brought face to face with conditions which we feel to be very unfortunate. On the one hand we have riots of the starving poor; on the other, failures of banks and general suspension of business and a million creditors demanding their pay of twenty millions of debtors who are unable to meet their obligations.

The nations of Europe have had just such experiences as we are now passing through, and instead of changing the conditions

that brought that unhappy state upon their people, they increased their elements of destruction that they might the further subjugate the masses of the people.

With the proposed demonetization of silver and the reduction of the volume of money in circulation, with the increase of our population and additional demands for the uses of money, owing to the increase of business interests, we will be forced to follow still further the example set by Europe.

She has strengthened her arm of oppression to a degree unparalleled in the history of the world.

I submit the following table for the careful consideration of thinking people:

ARMAMENTS OF EUROPE.

[La Question Sociale, Bordeaux.]

Throughout the whole of Europe, even in the smallest states, people speak of nothing but the increase of the armament. This madness has even taken hold of nations which, from their geographical position, are not in danger of an attack at all. To give our readers an insight into the tremendous armaments of Europe, we append the following statistics compiled by Captain Molard of the (French) general staff, showing the increase of the European armies since 1869, and strength to which they will be increased when the new plans are carried out:

Country.	Number of men.		
	1869.	1892.	In future.
France	1,350,000	2,500,000	4,350,000
Germany	1,300,000	2,417,000	5,000,000
Russia	1,100,000	2,451,000	4,000,000
Austria	750,000	1,050,000	1,900,000
Italy	570,000	1,514,000	2,236,000
England	343,000	450,000	6,202,000
Spain	300,000	450,000	800,000
Turkey	220,000	700,000	1,500,000
Switzerland	150,000	212,000	489,000
Sweden and Norway	130,000	270,000	510,000
Belgium	95,000	128,000	258,000
Portugal	70,000	80,000	150,000
Denmark	45,000	61,000	91,000
Holland	45,000	110,000	185,000
Montenegro	40,000	55,000	55,000
Greece	35,000	70,000	180,000
Roumania	33,000	153,000	280,000
Servia	25,000	80,000	180,000
Bulgaria	----------	70,000	200,000

There is not a member on the floor of this House but knows that if we follow the financial legislation of Europe we must also imitate her in the increase of our army and navy. Let us throw off the domination of Europe and act like free Americans.

Can it be possible that this House will further destroy the use of silver, reduce the volume of money, and change the form of contract upon which $32,000,000,000 of indebtedness has been contracted.

No, no; let us alike keep faith with both debtor and creditor. Let us ignore the demands of the creditor class and create a sufficient volume of money that the debtor may be enabled to pay his debts. He asks for no favors, but he demands justice.

I will not longer claim the attention of this House at this time, but will adopt as my sentiments and arguments the speech delivered by Gen. A. J. Warner at Chicago, August 1, 1893. He said:

A most extraordinary condition of affairs meets the assembling of this convention. Almost profound peace prevails over the world. The harvests are bountiful; there is enough and to spare, and yet never before in the history of this country has there been such widespread fear and distrust; never before such a loss of confidence and destruction of credit. Industries everywhere are breaking down, and laborers by tens of thousands are thrown workless on the streets, with want staring them in the face. Trade is stagnant, and business of all kinds is in a state of semisuspension. Scores of banks, most of them prudently managed, and showing as they close their doors assets which, under ordinary circumstances, would place them above suspicion, are driven into suspension.

There has been a reported shrinkage in the value of stocks in this country since the break in the market of $1,000,000,000, and perhaps twice that in real estate and other holdings, and a ruinous fall in almost all products. Nor is this shrinkage in prices confined to this country. It extends to all gold-standard countries, and in some parts of the world has been more violent and destructive than in the United States. The shrinkage of stocks in London, since the closing of the mints in India, is estimated at $1,000,000,000. Altogether, the financial situation is unparalleled.

THE SILVER LAW NOT THE CAUSE.

There must be some adequate cause for such a general depression in the financial condition. To attribute this condition of affairs to the present silver-purchase law in the United States would be to magnify a mole hill into a mountain, even if the law were not in itself beneficent. Under this law, since July 14, 1890, about $150,000,000 have been added to our currency. Does anybody believe that the presence now of this $150,000,000 in our currency produces the present money famine or makes money scarce and dear? Would we be better off if this new money should be dropped out of our currency, or if it had never been issued? Besides this $150,000,000, issued under the act of 1890, we have $400,000,000 of silver, or paper representatives of silver, making altogether $550,000,000 of silver coin, silver certificates, and coin notes.

The gold-standard men have fought this money at every step, as they are now fighting the present silver law. Suppose none of this money had been issued, what would be our condition now? Would it be better than it is? This volume of silver and paper representatives form nearly two-fifths of our entire volume of money. What would be our situation now without it? No, gentlemen, to attribute the present financial condition to the so-called Sherman law implies a state of ignorance that exists, so far as I know, nowhere outside of the banks, the chambers of commerce, and boards of trade, that reiterate, *pro forma*, such declarations. If gold has been drawn from the Treasury by presenting coin notes, issued under the act of 1890, the fault has been in the execution of the law and not in the law itself.

The bullion has not been coined for the redemption of the notes, as required by the third section of the act, and the Secretaries of the Treasury, by giving the holders of these notes the right to demand gold, have made it possible for gold speculators to get gold from the Treasury of the United States easier than from any other source; otherwise this part of our currency has had no more effect to expel gold than bank notes, or, for that matter, an equivalent volume of bank credits. The "object lesson," therefore, so far as it was intended to make the Sherman law a scapegoat, has proved a dismal failure. The real "object lesson" is a very different one from that which the gold conspirators intended. It enables us to see the beginning of the shrinkage in prices that must take place in order to go to a purely gold basis.

It is true that the shrinkage necessary to come down to the single gold standard has but just begun; but it is enough to show what must take place if the world's wealth is to be measured by gold alone. It is enough to show, if gold is to be the sole measure, what property must come down to. Five billions will not measure the shrinkage of stocks, nor twice five billions the shrinkage of real estate and other property that must take place before they are brought down to the compass of the single gold standard.

The difference between measuring property by gold and silver together and gold alone will be found to be much greater than most people calculate.

DOUBLING THE DOLLAR.

One thing, however, will not shrink; evidences of debt; they must be paid in the same number of dollars, though the dollars be doubled in value. If the world's wealth be $30,000,000,000 and its debts $100,000,000,000, it is easy to see what doubling the dollar means. It is playing for the world. Double the world's debts and the owners of the debts will own the world—

"The great globe itself,
Yea, all which it inherit."

A DIABOLICAL PLOT.

It is a plot that one would think only fiends could engage in. But evidence is abundant that no less a scheme of plunder than this was conceived after the close of our war, and the conspiracy was concluded on the close of the Franco-Prussian war. All that was needed to accomplish the spoliation of the world was to change the money standard from gold and silver to gold alone.

HOW THE MONEY STANDARD MAY BE DOUBLED.

The value of the money standard may be doubled, either by doubling the weight of standard coins or by destroying half the metal out of which coins can be made. While the one method is open and above board, the other is stealthy and deceptive; but the one is as effective as the other. Hence the establishment of the single gold standard is equivalent to putting the value of two dollars into one; it is doubling up the money unit and cutting property down one-half. To do this, and still require the same number of dollars in payment of debts and taxes, is to ordain public robbery and to sanction by law the spoliation of one class by another; and to talk of such a standard as "honest money," or of such policy as "sound finance," is the rankest hypocrisy.

Moreover, such a policy necessarily paralyzes industries, discourages enterprise, renders trade profitless, makes tramps of laborers, and creates conditions under which industrial activity and social contentment are impossible. To wantonly produce such a condition is a public crime. But this is the meaning of the movement inaugurated in 1873, and is the condition we are approaching now.

How the United States could be ensnared into such a plot in 1873 can be explained in but one way. The people were taken unawares. In 1873 we were using neither gold nor silver. All debts then existing had been created in an inflated paper currency. No direct step had yet been taken towards a return to specie payment. Gold and silver were the money of the Constitution. Free coinage of both metals had existed from the foundation of the Government. The option to pay debts in coin of either metal had always been exercised both by individuals and by the Government.

Bimetallism is the right to the unlimited use of both metals as money. Wherever this right exists the bimetallic standard prevails, whether both metals are at the same time in use or not. It is, therefore, untruthful to claim, as we now so often hear, that the United States never had a bimetallic standard. The bimetallic standard prevailed continuously from the adoption of the Constitution to 1873, and when the press persistently declares, as it has recently been doing, that we never had any other but the gold standard in the United States, and that the act of 1873 did not in fact change the standard, and that this act was passed after full discussion in both Houses and with the full knowledge of the people, it lies as only a million-tongued press can lie!

The truth is, not forty people out of 40,000,000 in the United States knew of the act at the time. Not a man, it is safe to say, then or now connected with the press knew of it. A previous bill reducing the dollar to the weight of the French 5-franc piece had been somewhat discussed, but the substitute for this bill, which became the act of 1873, passed the House under suspension of the rules, without debate, and without being read. In the Senate there was not one word, either in the explanation of the bill or in the brief debate that followed, to lead anyone to suspect that it demonetized silver. On the contrary, the explanation of Mr. SHERMAN on calling up the bill bears evidence of covert intention. Not a member of either House from the great State of Illinois, it is safe to say, knew the bill demonetized silver, and I do not believe a single citizen of this State knew it. Senators from the most important States in the Union did not know it. The Speaker of the House did not know it. The President who signed the bill did not know it. Mr. Kelley, chairman of the Committee on Coinage, Weights, and Measures of the House, did not know it. Of all this and much more we have incontrovertible proof.

Here was an act fraught with consequences more disastrous to human welfare than any in the financial history of the world, literally sneaked through the Congress of the United States; an act that surreptitiously increased all private obligations and well-nigh doubled the cost of the war. The rebellion cost dearly enough, but history will not deny that the head of it possessed integrity and was unpurchasable. But the generations to come will never believe that the only man in the Senate of the United States who knew that the mint act of 1873 contained the provisions that demonetized silver, if he knew the meaning of it, was unpurchasable.

THE CRIME OF 1873.

This plot to destroy half the world's money and double the value of all evidences of debt, will be known in history as the crime of 1873. If ever men appear as whited sepulchers they are such who, after perpetrating this crime upon the people of this country, now parade as advocates of "honest money." Let their memories rot in oblivion.

THE PURPOSE OF THE ACT.

The purpose of the act of 1873, in conjunction with steps in other countries having the same object in view, was to demonetize silver metal and, at the same time, reduce existing silver coins to the status of subsidiary money and thus to finally establish, at least for the nations of Europe and for the United States, the single gold standard. This purpose was in part frustrated by the action of the Latin Union states, but chiefly by the act of 1878 restoring the silver dollar to limited coinage and full legal tender in the United States. This law stood as the principal barrier in the Western world against the consummation of the conspiracy of 1873, until repealed by the so-called Sherman law of 1890.

INDIA AND AMERICA THE TWO BULWARKS.

Until a month ago this law in the United States, and open mints in India, stood as double bulwarks against the absolute overthrow of silver and the complete triumph of the gold conspiracy.

There has been no cessation in the assaults upon these two barriers against the full consummation of the gold conspiracy of 1873. The same interests, the same forces, the same conspiracy directed the attacks on free coinage in India and on the Sherman law in the United States. Their object could not be fully achieved without the mints of both countries were closed to silver. It was believed that one could not stand without the other. The action of the American Congress was considered doubtful. The closing of the mints of India was at any time in their power. There was no Congress in India to act, nobody to consult. An order in council was all that was necessary, and the order of June 26 was made and the London papers announced at the same time that "Of course the effect will be severely felt in the United States and Mexico and wherever silver mines abound; and the American Congress will be bound to expedite its actions in consequence."

"The American Congress will be bound!" Who has bound it? The same power that struck the blow in India, the gold clique of London? Will Congress thus be bound? We shall see. At one blow 30 per cent was added to the debt of India. By a stroke of the pen of the secretary in council for India the silver mines of half the globe were closed, and prices are overturned as if by an earthquake shock. No other country was advised with, no interests were consulted but those to be benefited by the act; if they gained who might lose was of little concern. I refer not to industrial England, which suffers in common with the rest of the world, but to bond-holding, Semitic England.

If the Sherman law is repealed, the last support of silver is removed; the last barrier against the establishment of the single gold standard is broken down.

NECESSARY CONSEQUENCE OF REPEAL.

What will be the consequences, immediate and remote?

Gold is now supplemented in the United States by $550,000,000 of full legal-tender silver on the ratio of 16 to 1, or paper supported, dollar for dollar, by silver coin or silver bullion; in Europe by $1,100,000,000 of full legal-tender coin on the ratio of 15½ to 1; and in India by $1,150,000,000 in rupees on the ratio of 15 to 1. If the Sherman law is repealed and all mints are closed to silver, this metal may fall to 50 cents an ounce or less. At 50 cents an ounce the bullion value of an American dollar will be 38 cents, the value of the 5-franc piece 35 cents, and the value of the rupee 16¼ cents. Does anybody with competent understanding of what is involved believe that this mass of silver money can be retained permanently in circulation as a value currency?

When full-weight coins, legal tender for 100 cents, can be fabricated for 38 cents, or 5-franc pieces for 35 cents, or rupees for 16¼ cents, will they not be fabricated? Rupees are current over nearly all Asia. If they remain full legal tender they will be struck elsewhere than at Bombay or Calcutta. So with American dollars and 5-franc pieces. It will be impossible to permanently retain this mass of coined silver as an inconvertible value currency. In that form it is little better than so much inconvertible paper on which has been conferred the power of legal tender.

THE FIRST STEP.

The first step will be to limit its legal tender. When this is done it must be made redeemable in gold. The metal might as well then be sold for what it will bring, and only the paper representatives retained. It will be no longer in fact a value currency; and it would be far more economical to use paper for a mere inconvertible currency. Each of the States of the Latin Union, by the terms of the compact, must redeem in gold its own coin held by the other States of the Union. This they would undoubtedly be called upon to do to the ruin of the weaker members.

The repeal of the Sherman law means, therefore, an enormous cutting down of what is now standard or basic money. Can this be done and the present fabric of credit stand? You might as well expect this building to stand with half its foundation taken away.

But confining ourselves for the present to the United States, we have, perhaps, $450,000,000 of gold, all told, not more; we have of full legal-tender silver, or paper representative, $550,000,000. This is now all standard money. On this foundation of primary money of, say, $1,000,000,000, all other forms of currency and our entire fabric of credit now rest.

Let us put this in a form that all can understand. Gold and silver as money of ultimate payment, or redemption money, $1,000,000,000; greenbacks and national-bank notes to be redeemed, $500,000,000; bank credits in the form known as deposits (confidence money), $4,500,000,000. In other words, $1,000,000,000 of money to redeem with, and $5,000,000,000 of credit and currency to be redeemed on demand, or 5 to 1. But of this $1,000,000,000 of primary money, a large part is held in the hands of the people, and is not available for the redemption of bank credits. Really, only the reserves of the banks are held ready for the redemption of bank credits, which makes the showing far worse; but the point I wish to bring out is the necessary consequence to the volume of credit, and to prices of reducing the money of ultimate redemption to gold alone.

Does anybody suppose as large a volume of paper money and bank credits can be maintained on a basis of only $450,000,000 of gold as on a basis of $1,000,000,000 of both gold and silver? It is simply impossible. Credit must be something more than wind. To give credit standing there must be not only the promise to pay, but the ability to pay when demanded; confidence can not otherwise exist; hence, there must be some safe relation, some recognized proportion between credit currency or credit devices and the money in which they are redeemable.

While 1 to 4 or 5 may be safe, it does not follow that 1 to 8 or 10 is also safe. Hence, nothing is plainer than that, if the basis of our credit fabric is reduced to gold alone, the credit fabric itself must be enormously reduced with consequences to prices and business better imagined than described.

The claim so often reiterated that 95 per cent of the business of this country is done by means of credit devices, and therefore that little importance attaches to the quantity of actual money, is a mischievous error. The above figures compass the entire volume of money and credit by which all cash transactions are performed. None are performed but by one or the other of these agencies—either by actual money or confidence money, in the form of bank credits, drawn upon by checks or drafts. The relative proportion of legal-tender money and bank credits is as $1,500,000,000 to $4,500,000,000, or 4 to 1; but the proportion of reserves to bank credits is, on the average, nearer 6 or 7 to 1; and this is what, in modern parlance, is called "sound currency."

If the efficiency, dollar for dollar, of money and bank credits, were equal, the proportion of work performed by each would be as four to one, but the one form is the same from day to day and year to year, the other exists to-day and is extinguished to-morrow. The efficiency, therefore, of a dollar of actual money is probably two or three times that of bank credits, and in times like these, four or five times. And right here this whole contest centers. Shall silver be given up and the volume of standard money be reduced one-half and its place supplied by credit or confidence money? Shall it be more credit and less actual money, or more money and less credit? The "object lessons" which are now afforded us ought, it would seem, to settle that question.

SCRAMBLE FOR GOLD.

Moreover, a new scramble for gold must follow the loss of silver; gold has not yet been made a legal tender in India; but the purpose is announced to finally set up the gold standard there. Austria requires yet $100,000,000 more of gold to carry out her scheme of gold redemption. Some of the states of the Latin Union must have more to redeem silver coins held by other states. The United States must have more to maintain a purely gold standard. A veritable "monetary warfare" must set in, in which the "brigands may thrive but the people will perish."

The condition that confronts us is the most perilous in our whole history. We are on the brink; the abyss is next. Do the gold conspirators think this scheme of spoliation can be peaceably forced upon the American people? Gladstone expressed the interest of Great Britain in this movement, in his speech in Parliament, when he admitted that England held $10,000,000,000 or more of the debts of other countries, and that the dearer gold became, the more they would receive when the debt was paid or the interest on the debt received.

But what shall be said of the people of the United States, debtors to other countries to the extent of $3,000,000,000 or more, with annual interest of $150,000,000, hurrying to destroy a metal recognized as one of the money metals of the world for thousands of years, in order to increase the value of the other in which their debts must be paid?

If the Sherman law is unconditionally repealed, it is the end of bimetallism. It is the end, too, of automatic regulation of money; it is the abandonment of the principle of regulation that has stood the test of centuries of time. Do they know what they do when they destroy this principle? Where will rest the equity of contracts then?

I warn those who are forcing this condition upon us that they are preparing the way for a reign of fiat money. Gold can not be produced in quantities sufficient to maintain the stability of prices and the equities of contracts; it does not exist, and therefore with gold alone automatic adjustment of money supply to needs for money is quite impossible. With gold and silver, a supply for a long period at least may be relied upon. Nor was there ever too much gold and silver, nor can there be. Should the production of these metals, for a time, so increase as to make money plentiful enough to raise prices, the point is soon reached when a dollar can be obtained easier by producing commodities than by mining the metals, and production is checked; this is automatic regulation.

All history shows that prosperity accompanies an abundance of gold and silver money; that industry is quickened, enterprise stimulated, production encouraged, wealth increased, and civilization advanced; while, on the other hand, depression of business, hard times, bankruptcies, want, and misery have ever been the consequences of an insufficient money supply. Our whole trouble to-day comes from the appreciation of gold, not from a fall in silver. It is from attempting to put the value of two dollars into one.

An ounce of silver, even since the closing of the mints of India, will exchange for as much wheat or cotton, or of any other of the great staples, as it would twenty years ago; but with a demand for gold to everywhere take the place of silver as money of ultimate payment, gold will rise faster than ever. At the same time its production, with the closing of the silver mines, will be greatly reduced. The arts will consume the entire annual production and more. This is the feast to which we are invited; no new gold for money and a double demand for what there is to take the place of silver!

It is preposterous to suppose the vacuum can be filled by bank credits. To set up a gold standard without any gold for currency, and create bank credits to take the place of silver, is to give us the shadow for the substance. All such notions are idle dreams. Others tell us to repeal the Sherman law and restore confidence, and we can borrow capital from England.

Senator STEWART states the issue exactly when he says it is a question between coining our own money from gold and silver dug from our mountains and borrowing it from Great Britain.

And when we borrow, what do we get, gold? No. What then? Capital, they tell us. In what form? If goods, let us produce them at home. Others say it is credit we borrow, and credit is capital. If that is all we need, can not the United States create credit as well as England? Can not our banks create it as well as English banks?

The real truth is, we owe too much abroad now, and all we really get when we borrow from abroad is release for the time being from paying the interest on what we owe. It amounts to giving a new note for what we are not ready to pay, and nothing more. The continuance of this policy long enough will make us vassals of Great Britain. Let us declare our independence and coin our own money from gold and silver from our mines.

There must be an end to this borrowing some time, and the sooner the better. I say the idea that if we were on a gold basis, bank credits would supply the place of silver is preposterous. We have a foretaste now of this system. What would be our fate if a few hundred men controlled all the gold in the country, as would be the case practically, and also had it in their power to make or destroy, to create or extinguish credit? It is startling to think such a system possible. Yet this is what is called "sound currency." A gold standard with gold certain to increase at an accelerated rate is a dangerous experiment in any aspect of it, but it becomes alarming when considered as the sole basis of credit. Under such conditions prosperity would be impossible. A temporary credit bubble might be blown, but a chronic condition of falling prices will certainly follow an increasing money standard.

Industries can not thrive under such a system, and with loss of production labor will find less constant employment and wages must come down. The issue turns on the establishment of the single gold standard. All other questions sink into insignificance compared with this. The present order of civilization is involved in it, and the life and death of free institutions. In no way can a people be deprived of their liberties so surely as to first impoverish them. No people not already slaves will submit to such wrongs.

Are those who are attempting to foist this system on the people of this country so insane as to suppose it can be done with impunity and without resentment?

England may force such a system upon her dependencies, but the people of the United States will never submit to have inflicted upon them an Egyptian or an Indian system of spoliation.

The descendants of the race that overthrew the political domination of a foreign power will not submit to the financial domination of aliens of any

race or nation. We did not wade through the slaughter of battlefields to destroy black slavery in this country in order to implant on the same soil a more galling servitude for our own children.

I say they are insane who think the people of this country will peaceably submit to the confiscation that must follow the establishment of the single gold standard, and I go further, and charge that those who seek to accomplish this purpose are the real anarchists of to-day, for they destroy the conditions necessary for the continuance of civilization and the existence of peaceful society.

Gentlemen, this is a world-wide struggle. The gold combination extends through many countries; it has unlimited means. It controls nearly all the great dailies of the large cities. The press that was once the bulwark of the rights of the people is so no longer. It is in the hands of the enemy and has been turned against the people. It is as though our arsenals and ships of war had been taken possession of and their guns turned against our own people! The owners employ editorial writers as attorneys to write what they are paid to write. The prostitution of editorial intellect in recent years has become a disgrace to humanity.

The pen most skillful to pervert the truth, to mislead, and to lie, is most in demand in this service. Such men, if they had lived in the days of the Revolution, for pay would have slandered Washington's army and extolled the political policy of Great Britain, as now they slander everything American and extol everything that is British or Semitic in finance.

This contest is therefore a life-and-death struggle, but if this country is to remain the land of the free and home of the brave—if it is to remain a country where government by the people and for the people is to continue—we must win, and we will win! The compromise we offer, therefore, is to repeal both the Sherman laws, that of 1873 and that of 1890, in the same act, and restore to the people the money of the Constitution as it existed prior to 1873.

Let us have American money coined at home and not borrowed from abroad.

Silver.

SPEECH

OF

HON. CLIFTON R. BRECKINRIDGE,

OF ARKANSAS,

IN THE HOUSE OF REPRESENTATIVES,

Friday, August 25, 1893.

The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. BRECKINRIDGE of Arkansas said:

Mr. SPEAKER: Up to within a few months ago it was my hope and expectation that when Congress met the whole question of our currency and coinage would be taken under consideration and settled by a comprehensive bill. Since the resumption of specie payment the earnest thought of our country has for the most part been directed to other subjects than those of coinage and currency. To meet phases which have appeared from time to time there has been adopted, however, some tentative laws, and the result is that we have lived during this period under a system of expedients and patchwork. During this time warnings have not been lacking of our exposed condition, and we have recognized that it was only a question of time when the entire subject would have to be taken up and settled upon sound and philosophic principles. But, sir, events have not waited our necessities or convenience, and a sudden emergency has arisen in our monetary affairs which has occasioned the present extraordinary session of Congress.

Whatever difference may exist among Democrats as to what else should be done, all are agreed that the purchasing clause of the Sherman law should be repealed. It seems to me that no prudent and thoughtful man can deny that in the light of recent events, both at home and abroad—events going to the very root of the whole monetary question, especially as concerns a great nation with a vast international trade, like ours—all additional legislation should be preceded by exhaustive inquiry and careful consideration.

The real question now before us, then, is, shall we meet the pressing necessity of the hour, or hold all in abeyance for certainly some months to come? Sir, when I consider the present condition of our country, the peculiar cause of the present stringency, the present state of divided opinion upon all other phases of the question, the consciousness that any immediate legislation upon those features would be, under recent and only partially understood conditions, a step in the dark, and the probably ruinous effects of delay, I am brought clearly and irresistibly to the conclusion that it is our duty at this time to repeal the purchasing clause of the Sherman bill, without limitation or amendment. [Applause.]

Mr. Speaker, there is a difference in the minds of some gentlemen as to the cause of the monetary panic which now afflicts our country. There has been an export movement of gold, and when that movement began there was an impression that money might become scarce in this country; but at no time has that movement reached the extent that money was hoarded at former periods in the Treasury, and, therefore, no considerable alarm was manifested upon that point.

But, Mr. Speaker, the alarm continued to grow, and public attention was directed, it matters not how, to our existing monetary condition and system. What did the people find? They found that we are now floating credit money in this country aggregating more than $1,000,000,000, and that the whole of it is upon a basis that was provided in former years as adequate, and as the least that was adequate, for floating $346,000,000 of credit notes.

When they consider the wealth and resources of the United States they know that this is no guarantee of the power of the Federal Government to sustain or redeem credit moneys unless power is vested in the Treasury to utilize the wealth and resources of the country.

The provision of which I speak is the $100,000,000 of gold commonly known as the redemption fund. It is true there is the provision of law authorizing the sale of coin bonds for redemption purposes; but that operates in a very different manner now from what it did at the time it was enacted. There was no coin then, practically speaking, but gold. Now, our vast stock of silver dollars, a part of the very money to be sustained by public credit, is receivable as coin the same as gold. To sell bonds for this coin when gold is needed would be revolving in a circle, and would impart no power of redemption to the Treasury.

It is true there is a departmental construction that the Secretary of the Treasury can elect between receiving gold or silver coin in selling these bonds; but I affirm, Mr. Speaker, that we have no instance where bonds have been placed in the financial world to any considerable extent upon only a legal assurance of this kind. This is sufficient to protect a Secretary, but not to satisfy a creditor. Before investors will meet our needs the provision must be either explicit in the law or finally decided by the court of last resort. But to raise this dispute would be fatal to our wants at the time of need. So I think it clear that in a most substantial sense our present stock of gold is the only reliable part of the basis that we rest upon, and to the present volume resting upon that narrow basis we are adding about $50,000,000 of notes of credit yearly.

Mr. Speaker, here is the condition of our accounts of moneys to be redeemed and kept at a parity with each other. Here is the basis and extent of the Government's power. Here is the state of the law. Here are the exports of gold, indispensable for that parity. Take them all together, and who can conceive of a condition more perfectly devised to create distrust, not of the volume, but as to the character of our money.

Now, let us look briefly at some of the effects of this distrust. In a recent report concerning the national banks, made by the Comptroller of the Currency, I find that in that class alone of our public depositories, in the short period of scarcely sixty days from the earlier part of June, there was withdrawn by distrustful depositors nearly $200,000,000. We know that this hoarding is of gold. Gold disappeared as if by magic. Recent exports of gold were solely from the stock held by the Government. Forehanded depositors everywhere clutched gold. If we had reports from all the other classes of depositories, who can tell how many hundreds of millions of dollars were withdrawn from the channels of trade in this way?

But this is not all. The banks are in debt to their depositors. All classes of depositories are so in debt. The less-desired kinds of money are legal tender for deposits, and the banks and other depositories, in turn, fearing a general run upon them by their depositors, clutch all forms of money. The second effect of distrust of the character of our money has set in. The general public has taken fright from the first fright.

A new phase sets in, but it is the logical result of the first phase. Men who have money on deposit can not draw it out. We are told upon high authority that if the national banks complied with the law to pay depositors on demand and not to invade their reserves, not one of the thousands of those institutions would be out of the hands of a receiver to-day. Gold is first withdrawn by depositors fearful of a change of standard. That is taken out of the channels of trade, and then the banks refuse to pay even to depositors the balance of the money, and substantially all the money is gone. Any kind of money taken in by the stores in the course of trade brings a premium in exchange for checks by depositors who can not get their money out of the banks.

I am told that there is not a bank in this city that will cash the check of any gentleman here upon any bank in any other city in the Union. They will take it for collection, but they will not cash it. Under that condition of things we naturally witness the distress which pervades all parts of our land, and this is said to be the case all over the country.

In addition to this contraction of money there is a greater

contraction of credit, that basis upon which far the greater part of trade rests, and ever will rest, in every progressive country. Even such credit as cashing a check from bank to bank is denied. Money, the blood of commerce, is withdrawn. The channels of trade are blocked and clogged. All over the country the soundest institutions, almost without number, have gone to the wall. The armies of the unemployed are gathering in the cities. The wail of distress ladens every wind that blows from the country. By mistaken efforts to procure expansion there has been precipitated enormous contraction. We issue $1 of money in a way that contracts $10 of money. In the midst of plenty our people are in want. Our people are brought to a condition where they can not trade. Can we doubt the cause? I have tried to make it plain. It is distrust. Its origin is distrust of the character of our circulating medium; distrust of the stability of our standard of value; and for this there are two remedies, either of which will at once give confidence and afford us time to consider more intricate matters now relating to the currency and coinage questions, and which are not greatly needed except to provide for the future necessities of the country.

One of these remedies is to clothe the Federal Government with power to sell gold bonds whenever necessary to replenish the gold reserve, and then to go on and issue against silver bullion the $50,000,000 of Treasury notes a year. The other is to repeal the law which increases monthly and arbitrarily the volume of credit money now being issued by the Government, but which, where it now gives $1 to circulation, costs $10 in the way of contraction. Neither of these policies would be a final settlement of the matter, but either would impart immediate and perfect confidence in the stability of our unit of value.

No one has advised—I would not advise—that we increase the public debt in order to provide a reserve for the circulating medium that is now being issued. The proposition before the House is the wiser proposition of the two. But some gentlemen hold that if this be done there will never be any further legislation upon the silver question. Upon what ground can gentlemen maintain that position? Is there anything in your pledges, gentlemen, that should make you unwilling to have such legislation? Is there anything in the principles or past attitude of our party that would prevent its being taken up? Are we not now in control of all branches of the Federal Government? Is there anything coupled with this bill that shackles the people or diminishes their rights and their liberties, so that if they want further silver legislation they can not get it? I can see no real reason for that argument, unless it be an inner consciousness on the part of gentlemen that they themselves will insist upon something that will not be approved by intelligent public opinion or stand the test of discussion. [Applause.]

Some gentlemen say gold is returning from abroad and the trouble is over. Mr. Speaker, the return of gold is salutary, of course, but how is it procured?

In the first place the returned gold is largely obtained by sales to Europe of American securities and farm products at bankrupt prices. Shall we perpetuate bankruptcy as a means of maintaining our standard of value?

Then, again, this gold is said to be largely the proceeds of loans placed in Europe. Our institutions of deposit are refusing to lend money upon any security, it matters not how good. Naturally the banks of Europe will lend in some of these cases; but that means that soon the gold must be returned, and hence this movement may be largely delusive.

No, Mr. Speaker, this policy of issuing bills of credit without making some adequate provision for their redemption has come to an end. The idea that America is exempt from the operation of the ordinary laws of nature is no longer entertained. The waste of this most resourceful country has almost equaled that of the prodigal son. The dissipation of this young giant has at last brought even him to his knees.

Yes, the delusion that America is a law unto herself is dispelled, and from this time forth we must conform to the eternal principles of wisdom and right, or our recovery will be but for the moment, if, indeed, we are not kept for a long time in our present state of prostration.

Mr. Speaker, there are some curious features developed in this debate, and coming as they do from able and studious gentlemen, expressed as they are by numerous prominent journals, entertained as they are by vast numbers of our people, they show conclusively how unprepared the country is at this moment to inspire and how unprepared at present this body is to enact such additional legislation as, I trust, will be carefully matured and duly enacted into law during the course of this Congress.

Gentlemen say there is danger, if the present bill becomes law, that we shall go to the gold standard. Why, Mr. Speaker, we have already a gold standard, and have had since 1834, except during the period of disturbance caused by the war, when we were in the air, and not upon any standard. Are not all our moneys taken and kept at par with the gold dollar? The bullion value of the silver dollar is less than 60 cents, that of fractional silver coin, of nickels, and coppers is still less, and the value of the material out of which our paper money is made is almost nothing, yet all are kept at par with gold. This is the standard at which they now are, not a lower one. This, also, is the standard and unit expressly named in the law, and yet gentlemen continually speak of our "going" to a gold standard.

Some say they want the bimetallism and free coinage we had before the war. What was that bimetallism? What was that free coinage? It was a bimetallism under which we had no silver in use except fractional silver. Who ever saw a silver dollar before the war? I never did. The few that were coined left the country, because we required so much silver to be put into a dollar that it was worth more as bullion than it was as coin. It went into the melting pot. Is that what you want? We then considered the bullion value of silver and provided for its free coinage, but at a ratio that prevented it from being coined. Is that what gentlemen want?

I prefer a coinage law that will coin, and a bimetallic arrangement that will be bimetallic and not monometallic. No single nation ever has, and from the very nature of the case it is absolutely certain that no single nation ever will or ever can maintain what is called a bimetallic "standard" of value. It may have, as we have, a bimetallic basis. Indeed we have a quadrumetallic basis, every element of which is now at the gold standard, where, of course, it will stay, unless the world should come to what is termed international bimetallism, of which I shall not now speak, or unless we, from some cause, change from the present standard to a different one.

But, Mr. Speaker, what really concerns us is not the name or color, but the value of the standard. That is where the battle between debtor and creditor is really joined, and either of them, if seeking an advantage, cares but little for any feature that does not affect the matter of value. But with a suitable ratio this value is regulated under one name as well as under another by the amount of basic money, whether coined upon individual or upon Government account, that there is in the country and in the world.

It is also affected by all good credits. What we want, then, is the largest possible use of silver as money consistent with prudence and fair dealing. In a dispute about methods and terms there seems to me to be a heated devotion to forms that obscures thought and tends greatly to defeat the very ends of those, like myself, who are more especially concerned about justice in the standard and the actual use of the metals.

I have argued, Mr. Speaker, that the heart of this question is the value of the standard of value, and that this can be affected in various ways. If all the functions of money had to be performed by simply the coin that constitutes the standard of value, then that coin and that standard would be enhanced beyond all reasonable conception. But if we have stability in the standard of value the cash and other credits that are granted for and against products and all forms of property have their full play, and they far exceed, they exceed many times the functions that can be discharged by all the money in the world.

The standard must be jealously guarded against appreciation or depreciation; but destroy confidence and credits, and you paralyze the world. Good money comes easily or hard into our possession or to our credit according to the supply and demand of the products of our labor. This will regulate prices. With doubt, we have the conditions which have existed for the past few months.

But gentlemen, instead of repealing this law, so fruitful of evil, would amend it. Amend it how? Is there a clear discernment of just what ought to be done that finds expression in a definite and simple policy? No. There is a list of policies, each in conflict with the other. If one is right, all the rest are wrong. What confusion of thought! We should take no step in the dark. We should take no step that checks, nay, that does not increase the employment and prosperity of our people; but these amendments are cast out like a drag net, to catch every crude and thoughtless vote that may be around.

But let us look at the amendments a little in detail.

You say you would change the ratio. We have lost the support of Austria; we have lost the support of India; and in other important particulars there have been very great and recent changes. Are we prepared to say now, without investigation, before a single bill upon the subject has gone to the appropriate committee, what the proper ratio is under these conditions? You would change the ratio even to 20 to 1.

Do gentlemen not see that if they cast the weight of America into the scale in favor of a ratio of 20 to 1 they bring all the power that we possess to make that the ratio for all the world? As you increase the amount of silver in a dollar you tend to increase the standard and value of every dollar in every debt now

due from man to man. I can not now argue this in all its bearings. But you propose now to forestall the future. There may be infinite confusion and there may be well-nigh infinite contraction of our money and of the world's money in this. I strongly incline to the opinion that your action would tend greatly to defeat the ultimate end we entertain. See, gentlemen, the effect of the Sherman law. Silver mine owners expected benefits and have reaped only disaster, and take fresh warning against hasty expedients.

If that policy is successful it contracts the volume of the world's money, not only as regards the future output, but also as regards the world's entire present stock of silver. Such a colossal proposition for contraction I have never heard of before.

And gentlemen say they would revive the old Bland law. We all know that so long as the issue of credit notes or the continuation of a depreciated coinage is kept up by the credit of the Government our position becomes more and more exposed. That law is eminently better than the present one, but you do not couple with it a grant of power to the Secretary of the Treasury to recruit by any means our redemption fund. No amendment, under the order, can be offered.

If you coupled the reënactment of the Bland law with this power I would vote for it, but otherwise I must vote for straight repeal. The essence of the trouble is that we have collapsed under the effort to float credit moneys at par without some plain and sufficient provision for maintaining their parity. Under another form you would continue this same feature, the one from which we are now suffering, which gives us $1 at one end and contracts the currency $10 at the other end of our financial system. [Applause.]

Mr. COX. Will the gentleman permit a question?

Mr. BRECKINRIDGE of Arkansas. Yes, sir.

Mr. COX. Your proposition, as I understand it, is that we can not maintain the parity between the two metals unless——

Mr. BRECKINRIDGE of Arkansas. I did not yield for an argument, Mr. Speaker, but for a question.

Mr. COX. I have not risen to make an argument. I simply want to put my question in an intelligible form. Now, after you have put in circulation your five or six millions of silver and undertake to maintain it—for your proposed bill says that you will undertake to maintain the parity between gold and silver—how do you propose to maintain that parity with the money that is already outstanding in silver?

Mr. BRECKINRIDGE of Arkansas. Mr. Speaker, I know of no way on earth of maintaining the parity between the different kinds of money except for the public Treasury to stand ready to receive them interchangeably over the public counter. [Applause.] That is honoring silver; and the moment the Government does not honor it, it falls to its bullion value. And when the people are satisfied that the Federal Government is no longer both able and willing to maintain it, then it falls to its bullion value. [Applause.]

Mr. COX. Then as to the silver dollar that is outstanding and is put in circulation and maintained in circulation at present, you maintain that it is the duty of the United States to provide that every dollar of that shall be redeemed in gold; that that is what the Treasury must do in order to maintain its parity?

Mr. BRECKINRIDGE of Arkansas. I say that in carrying out that instruction of the law it is his duty, or if it were not his duty, then when he fails to do it as a matter of practice, our silver dollar is no longer a par dollar in this country. [Applause.]

I know, Mr. Speaker, there are a good many who entertain the view indicated by the gentleman from Tennessee; but I consider that view one of the most deeply rooted but absolute fallacies that can take possession of the public mind. The principle is that there must be power to redeem, or honor, I care not what you call it, any piece of paper or any coin that is of less material value than that which constitutes the standard of your country, or such paper or coin must inevitably fall in value. No token or money of less bullion or other material value is floated at par with the standard except by credit kept good by readiness to redeem it. With a greatly contracted volume of all money and of the legal-tender circulating medium this would not manifest itself; but if you approach an adequate supply and do not do this you are subject to a panic from every breath of adverse wind, and when you clearly exceed the imperative demands of a crippled commerce parity is gone.

[Here the hammer fell.]

Mr. COX. I ask that the time of the gentleman from Arkansas be extended.

Mr. BRECKINRIDGE of Arkansas. I can finish in two minutes.

The SPEAKER *pro tempore*. The gentleman from Arkansas desires two minutes further time. Is there objection? The Chair hears none.

Mr. BRECKINRIDGE of Arkansas. The House has been very kind to me in previously extending my time, and I thank the House and my friend from Tennessee [Mr. COX], and will close with only a few words more. I wish to say only this in conclusion: That the question before this House now is not whether you are in favor of unlimited coinage, not whether you are in favor of carrying out the other provisions of the Chicago platform. This is a distinct part of that platform, and the other parts are still before you. I surrender none of the hopes I have entertained, and I surrender none of the expectations that can reasonably be entertained.

But the question now is whether you will cause the present distress and trouble of this country to continue until we can make the necessary investigation in regard to these additional matters. The platform does not call upon you to deal with them in one measure. The present emergency, which has arisen since the adoption of that platform, forbids your practicing delay in order that you may do so.

At this time, when you get beyond the plain proposition of the repeal of the purchasing clause of the Sherman act, there is not a gentleman, I believe, in this House who does not feel in his inner consciousness that he is legislating in the dark.

Sir, when you come to legislate upon the monetary affairs of the country, I care not how great the evil may be under which we suffer, it must always be done thoughtfully and cautiously. When we come to deal with the standard of value and all the complicated questions connected with it, we must remember that we are not here as the representatives either of the debtor or the creditor class, but we are here to hold the scales of justice evenly. Remember that the standard of value is a sacred trust committed to the representatives of all the people. [Loud applause.]

Silver.

SPEECH

OF

HON. WILLIAM H. DOOLITTLE,

OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Friday, August 25, 1893.

The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. DOOLITTLE said:

Mr. SPEAKER: I have the honor in part to represent one of the new States of the American Union. It is a State of ample natural wealth, it is a State that contains within itself nearly all the great resources that the lavish hand of Providence has bestowed upon all States of the Union combined. We have within this one State of Washington silver and gold, coal, iron, and copper, and east of the Cascade Mountains, in what is known as the Walla Walla, Palouse country, and the Big Bend country we have the most productive agricultural region known in the United States. In the counties of Walla Walla, Columbia, Garfield, Assotin, Whitman, and a large part of Spokane, and in the Great Bend country, and also in many other counties of the State, the yield of small grains is greater one year after another than in any other small grain-growing section in this entire Union. We have a State that is also unequaled in fruit production. West of the Cascade Mountains we possess an almost inexhaustible supply of magnificent timber, the like of which is not known anywhere upon the American continent, and we possess all these resources that I have spoken of in great abundance.

We have within the limits of that State to-day, toiling in the development of these various resources, more than half a million of American citizens. These people are as intelligent and patriotic, as loyal to this Union, and mindful of their own interests and the interests of the State, whose development they desire to see pushed forward as rapidly as possible, as are the people of any other section of this country, and they are as desirable, as citizens of this Republic, as are the people of the State of New York, or the State of Pennsylvania, the State of Ohio, or of any other State.

These people are anxious to have an honest currency in the country, as are the people of every other section of the Union. It is to the interest of these people to have such a currency, and every one of our citizens in the State of Washington desires that

one dollar shall be as good as every other dollar; and notwithstanding the great diversity of resources and interests in the State of Washington, the people are practically a unit upon one subject, and that subject is the coinage of American silver into American money. We well recognize this to be true, that we have within this country of ours, and largely within the limits of our own State, vast deposits of precious metals, gold and silver, and we believe that these precious metals should be made use of as they have been made use of all during the days and years of the past.

When this Congress convened in extraordinary session, I hoped there would be an opportunity for Republicans who believe as I do to vote for the free and unlimited coinage of silver produced from American mines. The citizens of my State have ever believed that the American people are great and numerous enough, and intelligent and forceful enough to lay down a financial policy for themselves, and then to carry that policy to a successful conclusion; and I am most heartily with them in that belief now as I have ever been.

But, Mr. Speaker, we are not permitted to vote for American silver in accordance with our own sentiments or the sentiments entertained by our people. At the beginning of this session the dominant party assembled in caucus and determined to submit to the House only these questions that we shall shortly be required to vote upon; and these questions, Mr. Speaker, relate only to the unlimited coinage of the silver of the entire world and to the repeal of the so-called Sherman law; and I believe now that many of the friends of silver who have spoken upon the floor of this House during this debate, now realize that they have made a very serious mistake, and I say this with all respect for the candor and honesty of these gentlemen.

It is well known that false financial conditions have grown up in this country and other countries of the world since 1873, and men who have controlled large amounts of money have been busy in their own interests in the management of this money, and the building up of financial theories with which to surround the value of their acquirements, and the disposition has been on the part of these people to discredit one of the money metals of this country, that the value of the other might thereby be increased as far as possible; and these people in this regard have gotten far away from first principles.

Now, sir, inasmuch as these conditions exist, and inasmuch as an honest doubt is in the minds of many people, in addition to those who possess great wealth, as to whether this country can at this time coin all the silver that is produced in the world and cause it to pass as current as gold, I say that the conservative, just, and proper course for these gentlemen, who are at heart the friends of silver, would have been to have taken up for once and all the position of American citizens, and to have urged on this Congress only the coinage of the output of the silver mines of our own land.

Mr. Speaker, in my judgment and belief, had they adopted that course in the House in this session of Congress, the cause would have found many friends who would have voted for it from beginning to end and would have stayed together shoulder to shoulder in this just and righteous contest in behalf of the product of the precious metals within the borders of our own country, and American silver would have won.

If the American people had said to the people of foreign countries: This silver is one of the natural elements of wealth of the United States, just as much an element of wealth as are our fields or our forests, and just as much an element of wealth to the United States as are any other natural resources; and we respect and appreciate the gifts that the Almighty hand of God above has given us, and we propose as American citizens to mark out our own financial policy; we intend to and shall coin this silver and make money out of it, and honest money of it, as other moneys are honest—I am entirely satisfied that the free coinage of the silver of the United States would have become an assured fact under the law of the land during this extra session of Congress.

The necessities of our people, the volume of our currency, the development of our resources, and the enlargment of our opportunities, all demand that this recognition shall be given to one of the great natural resources that a liberal Providence has bestowed on this country; and the spirit of patriotism that should animate every American, in all his public acts at least, would have hovered about the doing of this act and would have sanctified the work.

Mr. Speaker, if a man has property or an article that he prizes very highly, of course his neighbor regards the possessor's idea of the value of the article, to some extent at least, and this property or article becomes more valuable in the eyes of all. But how have we treated silver in this country? It has been beaten down and ill used since 1873, and been discredited as far as it has been possible for the selfishness and greed of a certain class in the United States to cast it down, so that its commodity value at the present time in the markets of the world is not as great in proportion as its sister metal. The value of anything, be it ever so pure and perfect, in this world is not beyond the power of man to debase and discredit.

Mr. Speaker, this subject is of interest to no one section of the country alone. It is not a subject in which the West should be more interested than the East. It is or should be a purely nonsectional matter. It is to the interest of all alike, and I regret exceedingly that the speakers that have preceded me have seemed to think otherwise. I believe now that American silver will be shortly regarded again as valuable for money purposes in this country, because the people are being rapidly educated to the necessity of its use as a money metal, and in a short time the sentiment of this country will be so overwhelmingly in favor of the coinage of our own product that no man or combination of men will find themselves able to stand in the way of it.

There are many things I would be glad to say upon this subject, but my time is limited. A great deal has been said during this debate as to the cause or causes of the trouble that is now upon us. When I came to this city last January to witness the closing of the Fifty-second Congress, I left my home on the shores of Puget Sound, when, so far as confidence was concerned, everything was as placid as a May morning. There was not a man who had not the utmost confidence in the banks throughout that entire country. I know that during the latter days of that Congress an effort was made here to repeal this purchasing clause of the so-called Sherman law, and also to obtain an issue of gold-bearing bonds from the Government.

I know that those attempts failed. Upon reaching my home early in April, I found that circulars were being received by every banking man and by people engaged in every business on the Pacific coast, from New York and other money centers of the country. I know that these circulars were full of statements foreboding financial disaster and ruin. They contained notice that credits should be shortened and that money should be withdrawn in many instances where it had been loaned to people in the West; and all this trouble was to result from the failure of the Fifty-second Congress in its last session to repeal the so-called Sherman act. These people, interested selfishly in the repeal of the Sherman law and in their attempt to cause the issuance of gold-bearing bonds, were endeavoring to stampede business men all over the Western country into a support of their position.

Now, Mr. Speaker, it is much easier for people to tear down credit and confidence than it is to establish that credit and confidence. The result of sending out these circulars over the West was that the confidence of people regarding financial conditions began to wane; they began to lose confidence in the banking and other financial institutions of their States and towns. This was the immediate cause, I know, generally over the Pacific coast of the failures that followed.

Here was the beginning of the lack of confidence, which has been so much talked of in this debate, and the result has been a terrible and wanton destruction of many a splendid business reared by the energy and toil of many years, and what the suffering of the unemployed and their helpless families has been and will be, in consequence of the shattering of credit in the West by the money traffickers and bond hunters of the East, in order to force the single gold proposition upon the country, God only knows. I do know right well that the people of the West are in no way responsible for the conditions that made necessary the calling together of this extra session of Congress, nor are they to be charged with any contribution to the evil conditions that we now suffer from.

Mr. Speaker, I shall continue to hope that during this extraordinary session, if the silver measures to be shortly submitted shall fail, that American silver will be yet recognized and that its coinage into American money will be provided for. In so far as my vote is concerned, when the pending questions are submitted, I shall in every way within my power recognize the necessity of the coinage of silver into money and evince my loyalty to American silver just as far as the nature of the submission of these questions will admit of. I shall vote for all the pertinent ratios, namely, 16 to 1, 20 to 1, and also the Bland bill, for this purpose.

The people in my State, Mr. Speaker, as I before stated, have been engaged in developing the varied resources of that State. In this work money has been necessary and will continue to be necessary for years to come, and consequently enterprising men in that State are debtors. On account of their enterprise they have furnished employment to a vast number of workingmen who are dependent largely for employment upon the ability of employers in that State to obtain money for the further carrying on of development.

Many of the employers of labor in that State as well as those

engaged in labor believe the so-called Sherman law to have been a bad law and debasing in its effects upon silver, and that the silver cause would have been stronger without it; that this law has made silver an article of bargain and sale in this country when there should have been no such conditions between it and the mints of our land. The minds of many of our people have been so worked upon that the feeling is uppermost in business circles that credit would be better and money easier were this law repealed and the contest made squarely in behalf of American silver. Recognizing these sentiments, which are not at all in conflict, in my judgment, and being actuated by a desire to represent only what I believe to be the best interests of the people who have entrusted me with the power to vote in the premises, I have at this time no hesitation whatever in making up my mind how my vote should be cast. [Applause.]

Unconditional Repeal.

SPEECH
OF
HON. DANIEL E. SICKLES,
OF NEW YORK,
IN THE HOUSE OF REPRESENTATIVES,

Friday, August 25, 1893.

The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. SICKLES said:

Mr. SPEAKER: The question before the House is, shall Congress obey the almost universal demand of the country for the repeal of the silver-buying clause in the Sherman act?

I shall follow the admirable example of President Cleveland, and consider the question without partisanship on recrimination. I shall not insist that the present condition of affairs is the fault of either party. I shall not contend that the advocates of a gold standard or of a silver standard or of a double standard are responsible for our present financial condition.

Nor is this the moment for defining the financial policy of the country. Large and difficult problems of finance can not be settled in a period of panic and distrust and confusion.

Nor will I affirm that the present crisis is the necessary and legitimate result of silver coinage or of the purchase of silver bullion.

We must look deeper than we have yet looked for the cause of our present situation. Meanwhile we must accept the general belief among business men that the mischief is done by buying too much silver and taking too many steps toward a silver standard for our currency.

My friend, the gentleman from Ohio [Mr. HARTER], told me a few minutes ago that the Board of Trade and Transportation of New York had addressed 1,300 boards of trade in the United States, asking their views as to the proper action in our present situation, and only one out of 1,300 answered otherwise than that the best thing that Congress could do would be to repeal the buying clause of the Sherman silver act.

This crisis may be a periodical epoch of liquidation, such as has occurred in this country half a dozen times during the present century, aggravated, perhaps, and possibly initiated in this instance by a fear that the legislation of the last few years has rapidly led us toward a silver standard, whilst Europe inclined toward a gold standard.

The losses suffered within the past few months, in the stocks and bonds of hundreds of broken-down companies, corporations, and trusts, inflated and watered far beyond the real value of these so-called securities, will make this a memorable year of liquidation.

I must confess my obligations to the able champions of both sides of the question for the learning and eloquence they have displayed.

I am not for a single standard, either gold or silver.

The truth is, Mr. Speaker, I have tried a single standard myself for many years, like my gallant friend from Kentucky [Mr. STONE], and I have found it so inconvenient and difficult that I can not commend it to others. [Laughter and applause.]

I am for all forms of currency—gold and silver and paper, National and State—so far as each or either can be kept at par with the best currency, as the best currency shall be determined by the commercial world.

I insist that the wages of the laborer and the price of the farmer's grain and cotton shall be paid in as good money as the bondholder gets for his bond. [Applause.] Legal tender for one must be legal tender for all. [Loud applause.]

[Here the hammer fell.]

The SPEAKER *pro tempore*. The time of the gentleman has expired. The gentleman from Illinois is entitled to the floor.

Mr. SICKLES (to Mr. SPRINGER). Give me a couple of minutes?

Mr. SPRINGER. How much time have I remaining, Mr. Speaker?

The SPEAKER *pro tempore*. The gentleman has nine minutes remaining.

Mr. SPRINGER. I yield two minutes more to the gentleman from New York.

Mr. SICKLES. Mr. Speaker, if I might venture to suggest a measure of partial relief, I would advise that pensions due for the quarter ending October 1 be now paid—assuming that the condition of the Treasury permits this to be done without inconvenience.

We have often anticipated the payment of interest upon the public debt. Why not pay out now to this large mass of public creditors, distributed all over the country—men and women and children who have the most touching claims upon public gratitude—thirty millions in small bills and silver? The money will go where it will do the most good—among the brave men who do not hoard their pittance from distrust of the Government they saved, and who are to-day feeble and infirm, and unable to find employment to earn a living.

Another suggestion is, that we might put in circulation a vast amount of the silver coin now stored in the Treasury, by forbidding the issue of paper money for any sum below $5.

There are four good reasons for repealing the act that compels the Government to buy four millions and a half of silver every month.

First. Because the act should never have passed.

Second. Because we do not need more silver. We have already more than we want.

Third. Because the Government should not be compelled to buy silver or anything else without reference to the public needs.

Fourth. Because the people ask us to stop buying silver and issuing paper for it, that the Government can not redeem in gold.

No party can afford the responsibility of prolonging for one day the present condition of affairs in our country.

Let us do this good work of repeal, and do it quickly. And then let us go home, leaving matters of ordinary legislation to the regular session.

Let us answer the appeal of the people, forgetting party and faction and discord, as we would do if we heard the cry that our soil was invaded and our national honor assailed. [Loud applause.]

Silver.

SPEECH
OF
HON. THOMAS C. McRAE,
OF ARKANSAS,
IN THE HOUSE OF REPRESENTATIVES,

Friday, August 25, 1893.

The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. McRAE said:

Mr. SPEAKER: I thank my friend, the gentleman from Texas [Mr. BAILEY], for his kindness in asking, and the House for granting me in advance an extension of my time.

I have listened attentively to almost all of the speeches in this great debate, and have labored diligently to understand the facts and principles upon which the arguments rest, and to apply them firmly and faithfully to the present condition of the country. I have heard no good reason why we should not pass the substitute of the gentleman from Missouri [Mr. BLAND] providing for the free coinage of silver at the ratio of 16 to 1.

I may not be able to add anything of value to the able and eloquent arguments presented on the side of bimetallism, but I am not willing to permit the statements of some of the opponents of silver to go unchallenged. I intend to consider the propositions involved in the pending bills earnestly, but I trust with becoming candor and freedom. I will not be deterred from the path of duty as I am permitted to see it by the frowns or favors

of anyone, nor by anything that the anti-silver press may say. In my opinion this is one of the most important and far-reaching questions that this Congress will be called upon to deal with. It affects alike the mechanic in the shop, the merchant in the store, the professional man in the office, and the farmer in the field. It is international in its scope, and the decision of Congress will affect for good or evil in some measure, the welfare of all mankind for ages to come. It is receiving the profoundest thought of some of the foremost statesmen of the Old World, and is entitled to an earnest, fair consideration at our hands. It should not be settled by epithets, by derisive references to "cheap money," "53-cent dollars," and "rank repudiation."

Those who have indulged in such arguments have shown themselves wanting in all that is necessary for an intelligent discussion of so great and important a question. The leading papers of the North and East for months past have been full of editorials and articles against the use of silver money. Extracts from European papers have been freely reproduced throughout this country by monometallist American papers. Boards of trade here and abroad have spent the most of their time for months past in manufacturing a sentiment against it. The mails have been loaded with printed and written matter denouncing it. In a word, Mr. Speaker, there is now being made—yea, is already made—the most powerful and aggressive combination that ever existed to eventually demonetize silver.

A cruel and heartless panic has been produced and maintained for months. As the panic increases the clamor against silver grows in volume. Those who make it do not represent public sentiment, but they are bold and audacious and have the united support of what Edmund Burke thought "the most dangerous of all parties, an extensive discontented moneyed interest." The great newspapers of both parties in the East are owned by those whose fortunes will be largely increased if silver can be completely destroyed as a standard money. Having produced the panic they insist that it is due to silver money and the Sherman law, and that there can be no permanent business prosperity until we make gold the only standard.

The people whose labor creates wealth and whose patriotism preserves the sacred institutions bequeathed to us by our fathers are to be the victims of this unholy combination. Because our constituents favor silver coinage they have been referred to in this debate as the advocates of repudiation and cheap money. Sir, I hurl back the slander with indignation. The people of Arkansas and of the whole South are a contract-abiding people. I know them and I know that they mean to pay every debt they honestly owe. But it is a part of my duty to see if possible that nothing is added to their debts by law.

They are for the fullest use of silver because they clearly foresee that with the present private and public indebtedness of the country, a total destruction of silver as a money metal would produce calamities and bankruptcies from which but few would ever recover.

Why should we be asked to take a step which will imperil the prosperity of the agricultural interest, upon which rests in a large measure our progress? The farmers have declared for silver in district, State, and national conventions. They have assisted in electing a Congress pledged to it, and they have a right to insist that these pledges shall be redeemed by their Representatives. So far as I can, I intend to redeem every personal and platform pledge I made my constituents, and I am always willing to give a reason for the faith that is in me.

Mr. Speaker, before I proceed with my argument, let us see just what the pending question is, and the difference between the proposition of the gentleman from West Virginia [Mr. WILSON] and the gentleman from Missouri [Mr. BLAND]. I have the two bills here [exhibiting the bills]. I will print them at the end of my remarks. Both of them in terms provide for the repeal of so much of the Sherman act as directs the purchase of silver bullion and the issue of Treasury notes. Neither of them will directly impair or in any manner affect the legal-tender quality of the standard silver dollars heretofore coined.

That part of the Sherman law which provides for the redemption and reissue of Treasury notes is not sought to be repealed in terms by either bill, and whether the bill of the gentleman from West Virginia or the substitute of the gentleman from Missouri is passed all of the Sherman law notes now outstanding will still be a legal tender for all debts and receivable for customs, taxes, and other public dues, and when held by any national bank may be counted as a part of its lawful reserve.

Under the proposition of the gentleman from West Virginia there can be no further coinage of silver, except to redeem the notes now issued. Under the substitute of the gentleman from Missouri, silver is recognized as a standard or basic money metal and its coinage made free to all holders of silver bullion to the amount of $100 or more. The bill will stop the further coinage of silver, while the substitute provides for the largest possible use of it as money.

It is insisted by the friends of the bill that it is in accordance with the Chicago platform. I deny it. That platform denounced the "Sherman act as a cowardly makeshift, fraught with possibilities of danger," and demanded its repeal—the whole of it—with a declaration for the coinage of both gold and silver without discrimination against either. The pending measure only repeals the purchase clause and leaves the other provisions of the makeshift in full force.

But, sir, there is still another and more important difference to which I want to call the attention of the House and country. Many of our party associates in this Hall who have heretofore voted in favor of silver now justify their votes against the pending substitute upon the erroneous idea that this is only the repeal of a confessedly bad law, which has been condemned by the national Democratic convention. They express the belief that bimetallism will be advanced by the passage of this bill. Such is not the case, and an examination of the platform and the bill will show that this measure in its present shape will satisfy no part of the demands of the Democratic convention. There is hidden in the last part of this bill enough financial dynamite to shake this country from the Lakes to the Gulf if the fuse is ever fired. Here is the clause I ask the House to examine and consider:

> The faith and credit of the United States are hereby pledged to maintain the parity of the standard gold and silver coins of the United States

Why is this remarkable declaration inserted in what is generally understood and has been discussed as simply a bill for the unconditional repeal of the purchase clause of the Sherman act? It is not there by accident, but with deliberation and design. It could not have been inserted in order to establish the policy of maintaining a parity between the two metals, because that policy was emphatically declared in the concluding part of section 2 of the Sherman act, which is not proposed to be repealed by this bill. That we may the more clearly understand what this clause means, let us see what was contained in the Sherman act and how it has been construed by the Secretary of the Treasury. It was declared in that act to be "the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio, or such ratio as may be provided by law."

The Secretary of the Treasury construed this to give the holders of the Treasury notes issued under that act the option of having them redeemed in gold or silver. The holders, of course, elected to take gold, and nearly all of the notes that have been presented have been redeemed in that coin. The effect was to greatly depreciate silver bullion, and, instead of giving the people an increase in the money volume, as the friends of the bill claimed, there have been added to their burdens $150,000,000 of gold debt for silver bullion that the Secretary of the Treasury can not or will not coin. In referring to this the President says that:

> This declaration so controls the action of the Secretary of the Treasury as to prevent his exercising the discretion nominally vested in him.

With these notes now payable by Department construction alone in gold, it would seem that nothing else would be asked of Congress; but, notwithstanding this, we are called upon in this bill to go one step farther and pledge our faith and credit to maintain the parity of the gold and silver coins. If there was nothing except the Treasury notes involved, perhaps this clause would not be here. This pledge, you will observe, is "to maintain the parity of the standard gold and silver coins of the United States." It means that the standard silver dollar, silver certificates, and bullion notes may eventually all be redeemed in gold and retired.

I am astounded to hear Democrats talk of redeeming the silver dollars. Silver, Mr. Speaker, is a money of final payment and needs no redemption. It is not a promise to pay, but is payment itself. Sir, to whom is this pledge of faith and credit made? It must be to those who by holding and hoarding the silver certificates and Sherman notes have forced silver to a premium. What is pledged? Faith and credit! What does that mean? During the last century Congress has legislated to meet almost every conceivable emergency in peace, panic, and war. It has coined all kinds of money and issued every character of notes and bonds, funded and refunded the national debt, and yet, so far as I can learn, no such indefinite, uncertain, and unreasonable pledge has ever disfigured our statutes.

What, I ask again, is meant by "the faith and credit of the United States"? As applied to theology, we understand that "faith is the substance of things hoped for, the evidence of things not seen." Applying this definition to this clause, I am disposed to think that the "faith" in this bill might be understood to mean the interest on the gold bonds "hoped for" by the holders of our notes and certificates and the evidence of a pledge "not seen" by the people's representatives. Can it be possible, Mr. Speaker, that the silver coin in our Treasury is to be treated as a public debt instead of real money?

Is it not possible to double the public debt and at the same time contract our coin money nearly one-half under this bill? What is the object of all this if it be not to sell bonds, increase the public debt and perpetuate the national-banking system? And, if so, why not have the courage to so declare in the body of the bill? Is it not a contradiction to stop the coinage of the silver dollar for the alleged reason that the parity between it and the gold dollar can not be maintained and in the same bill pledge the faith and credit of the Government to maintain such parity? After doing everything that can be done to widen the disparity we are asked to declare it shall be maintained.

Let the Treasury Department admit that silver is not money and that it must be redeemed in gold, and that moment the Government puts itself at the mercy of the holders of silver. All that will then be necessary will be for the speculators and gamblers who are demanding gold bonds to get control of and present a large sum of silver notes and certicates for redemption. The Treasury has no gold of any consequence to be used for such purpose, and can not get it except by selling bonds. The gold in that contingency must be purchased, or bonds must be issued directly to the holder of the notes and certificates when presented. Either will serve the purpose of those who have inaugurated this fight on silver. Their main object is to get gold bonds and get rid of silver and silver notes and certificates.

These certificates and notes may then be again reissued by the Treasury and new bonds issued as often as the Treasury may be caught without gold. Gentlemen, is this what the people elected this Congress to do? Mr. Speaker, if there is any one thing that the great body of people in this country are agreed upon, it is that the remaining public debt shall be paid at the earliest possible moment and not another interest-bearing bond issued. They are sick and tired of paying interest on a public debt, a large part of which ought never to have been made and the other part ought to have been paid years ago. They have complained bitterly of the methods adopted to change the character and life of the bonds now outstanding.

After having paid and bought in at a high premium about three-fourths of the enormous war debt, they will not, in my opinion, tamely submit to an increase of it for the purpose of redeeming the silver coins. I hope there is no such purpose on the part of the Administration. I trust the power given by this bill may never be used. We all remember what a shout of approval came up from the people when the present Secretary courageously informed those who urged upon him the issue of bonds that he would use every dollar of the gold reserve before he would issue a single bond.

Western and Southern banks rushed to his rescue with gold. If he will adhere to this purpose and would only go one step further and use silver in the payment of these notes and the public debt, the fight for the people on this question would in a large measure be won. May the people not trust a Democratic Congress and a Democratic Administration to save them from the humiliation of issuing bonds? I can not and I will not vote to bring down upon this once happy and prosperous but now tax-ridden and bond-burdened people the dual ruin of a contracted currency and a new public debt. This bold but most unjust experiment of changing the standard of value and increasing the purchasing value and decreasing the debt-paying power of money, and injuriously adding to the burdens of debt, ought to be met by this House with positive condemnation.

Mr. Speaker, if I may be pardoned a personal reference, I will say that when the Sherman law was pending in the Fifty-first Congress I denounced it as a wicked conspiracy against silver, and expressed the belief that it was the intention of the persons who wrote it to prevent free coinage of silver under any and all circumstances. The author of it has recently confessed that his purpose was to defeat silver. I then warned the House against the danger of the parity declaration in that bill, and predicted that it would be construed to authorize the payment of gold for the Treasury notes issued until silver bullion should come to a parity with gold.

The Representatives and Senators from the silver-producing States disregarded this warning and bartered away the free coinage of silver for the mere chance to sell 4,500,000 ounces of their product for gold. They voted for the bill as the monometallists wrote it, and thereby made the way to the complete demonetization of silver easier. They aided the enemies of silver to substitute for the Bland act, which they could not repeal directly, an odious makeshift that they can repeal. For the Representatives who became parties to this trade I have no sympathy. To the credit of the Democrats in that Congress it can be said that none of them voted for it. The law was bad in principle, and has been made worse by practice; but it carried the repeal of the only silver-coinage act then on our statutes. The friends of silver insist that with its repeal should come the restoration of the Bland law or something better for silver.

I desire to now notice some of the objections urged against the substitute of the gentleman from Missouri. I shall not at this time attempt to elaborate at any length the reasons why we should have free coinage. I have on several occasions since I have had the honor to represent my district in this House, expressed myself fully upon the different phases of the coinage question. The first speech I ever made in this Hall was in 1886, in favor of free coinage and against a proposition to suspend further coinage under the Bland act. My views are well known both here and at home. The two arguments most commonly used by the gold monometallists are (1) that silver is cheap money; (2) that we will be reduced to silver monometallism if we open our mints to the silver of the world.

I deny both propositions. If I believed either of them I would not favor free coinage. I abhor cheap or dishonest money and reject alike the British silver monometallism of India and the British gold monometallism of London as unworthy of this great and growing Republic, now the home of one-half of the English-speaking people of the world, pledged to remove the barriers to commerce and ready to reach out at the same time for trade with gold-consuming Europe and silver-using Asia. I repudiate *in toto* the suggestion of the gentleman from Ohio [Mr. HARTER] that we have too much metallic money. Nearly all the writers upon finance who are worthy of any notice agree that it is not possible to have a redundancy of gold and silver money. It has been clearly shown in this debate that those countries which have the largest per capita coin circulation are the most prosperous. I am in favor of sound and honest money abundantly sufficient in volume to supply the business needs. I believe in using gold and silver as the dollar unit, and in addition to that as much redeemable paper money as we can keep at par with the coin.

But, in the language of the Executive, when he was the Democratic candidate for President, whatever may be the form of the money, whether gold, silver, or paper, every dollar issued should be of the same intrinsic or purchasing value. If I did not believe that the closing of the mints to silver was the cause of the decline of silver bullion, I would not favor its coinage at the present ratio. The true cause of the depreciation in the value of silver is, in my judgment, its demonetization by law. Fully one-half of the value of gold comes from the demand for it for use as money. Let France, Germany, and the United States close their mints to and demonetize gold and adopt the silver standard, and gold would decline as fast as silver did when these countries began to legislate against it.

Let the mints be opened to silver as they are now to gold without discrimination, and its bullion value will at once go to a parity with gold. The United States, as the greatest producing, manufacturing, and mining country in the world, occupies such a commanding position to the commerce of the world that it can afford to take the lead in the great cause of bimetallism. No one in this debate has denied that the coinage of both metals would be best for us if we can maintain the parity. As Germany and France followed the United States in demonetizing silver after the act of 1873, may we not hope to have them follow us in an effort to fully remonetize it if we will only have the courage of our convictions and lead out? It is generally believed that Germany demonetized silver before the United States did; but this is not true. The German act was not passed until July after the act of February 12, 1873. We want an American monetary policy.

The standard silver dollar of the United States is worth as much as the gold dollar, both in this country and abroad. It will buy as much of products and pay as much of any debt. These facts are well known to all men, and yet there are those who inveigh against it in the name of the laborers as a dishonest dollar. Show me the person, be he rich or poor, who has been cheated by the standard silver dollar, and I will confess my error. There is, perhaps, a question of morals involved, but it is against the gold dollar rather than the silver, and for the opposite of the reason usually assigned. That gold has appreciated in value there can be no question.

This has more than once been shown in this debate. A dollar that has too much value is as dishonest as one that has too little. One wrongs the debtor and the other the creditor. The creditor class, the self-constituted guardians of the public faith and the morals of our people, have never protested against the changes that have required the debtors to pay their debts in an appreciating dollar representing too much value. They have grown richer standing guard over and shouting for the principles of national honor, but the debtors have found that it is all the time growing harder and harder for them to pay their debts. Our public credit has been strengthened as that of no other country under the sun, but the methods by which our bonds have been run to a premium have to a large extent ruined and destroyed private credit. Gentlemen tell us that gold is invariable and stable.

Is it not a flat contradiction, Mr. Speaker, to assert this and at the same time declare, as did the gentleman from Mississippi [Mr. CATCHINGS], that it will now purchase more than at any time in its history? Is it not true that a diminution of our money supply will make it easier for the few to control it, and thus deepen the chasm between the rich and the poor? Hume has truly said that "A nation whose money decreases is actually at that time weaker and more miserable than another nation which possesses no more money, but is on the increasing hand." In the midst of the worst panic ever witnessed in this country shall we begin to decrease our money and weaken our nation?

It is beyond question true "that money undergoing appreciation cheats, but not the holder: it cheats the one who hasn't it, and, unfortunately, that is likely to be the producer and laborer."

The silver dollar is as honest as the gold dollar, and if it is given a fair trial at the mints then its friends will be perfectly willing to submit it to the test of fire; but until the mints are opened to it upon equal terms with gold it is rank dishonesty to call it cheap money because the bullion is worth less than gold bullion.

It has been asserted by some that there are large quantities of silver bullion in other countries which will be thrown upon us as soon as our mints are opened to the free coinage of silver; that the difference between the present price of silver bullion and its coinage value will induce foreign silver to come to our mints and gold will be carried away in exchange for it.

Is there an accumulation of silver ready to be dumped on the United States? If so, where is it? The Secretary of the Treasury in 1889 in his report said: "There is no known accumulated stock of silver in the world." When we come to search for this alleged and large supply in the fresh product of the mines it is not to be found. The report of the exports and imports of the world show no large masses of silver bullion in existence at any one place. The products of the silver mines is not increasing more rapidly than gold and not as rapidly as the population. For 1,500,000,000 people in the world all the silver mines last year produced only $196,605,000, or about 15 cents per capita.

The United States produces nearly half of the world's supply, and she could use it all without any danger to bimetallism. Canada is the only English dependency that produces any silver, and that is inconsiderable when compared with what she must have for her India and China trade. Upon this point I desire to quote from William P. St. John, president of the Merchants' National Bank of New York, and in doing so I want to say that I regard him as one of the ablest and most patriotic defenders of bimetallism in the United States:

> Europe's only stock of silver is her money. Europe's primary silver money is the unlimited legal-tender equivalent of her gold. As such it circulates in settlement of every day's transactions. As such it constitutes a liberal share of the coin reserves which Europe's great banks accumulate for the liquidation of their vast liabilities, including the redemption of their circulating notes. This European standard coin values silver at 359.91 grains to the dollar. Our mints exact 371.25 grains pure silver for our standard dollar. Thus, 11.34 grains would be Europe's first sacrifice, with loss of weight and transportation costs additional, in every dollar-for-dollar exchange of Europe's standard silver coin for ours. Or, more intelligibly: Europe's silver money which circulates at home as 100 cents would recoin at our free mints into less than 97 cents.
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> France does not threaten us with silver. And yet the estimated sum of silver in bank and afloat in France exceeds $700,000,000, together with $900,000,000 gold. Her population is almost stationary at about 38,000,000. Her traders establish such relations to the foreigner that France is the accumulator of the money metals among nations generally in her international trade. Unless M. Leon Say has blundered, France has adopted "a waiting policy * * * being committed to the bimetallic standard." France can afford to wait and contentedly permit her merchants to establish title to foreign gold. If by our legislation, supported by the aid assured us elsewhere, the United States enhances the market price of silver to a parity of value for the gold and silver contained in our gold and silver dollars, the inducement to continue a waiting policy, on the part of France, is made to disappear. The act of France will dictate the policy of her neighbors.
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> But if imagination is still unsatisfied that Europe's silver will not denude us of our gold, recollect that Europe's money is deficient by 3.05 per cent for an exchange with us of silver coin for silver coin. Remember, too, that Europe's silver circulates in coin, and her coin is old. It will therefore shrink importantly in melting. The very moderate total shrinkage of 5 per cent of $1,100,000,000 of Europe's silver would contract her currency by $55,000,000. Think of this minimum contraction of her currency as Europe's entirely voluntary sacrifice in rejecting silver to obtain our gold. Remember that this sum exceeds by $25,000,000 the entire world's aggregate annual increase of money, if gold is the only acceptable coin. Allot to Europeans about as little sagacity as we modestly accord ourselves. And, finally, if I mistake not, "The Impending Avalanche of Europe's Silver" will rank hereafter with "Alibaba and the Forty Thieves."

In the same line I desire to quote from the St. Louis Republic, one of the few great daily newspapers that has thrown its great influence and power on the side of bimetallism in this fight:

> Before our financiers hastily conclude that this country would become the dumping ground of the world's silver if we alone adopted a bimetallic standard they should take into account the legal-tender quality of European and Asiatic silver. Latin Union silver is legal tender at 15½ to 1, and India's rupees are legal tender at 15 to 1. Both Europe and Asia have a use for every ounce they possess. Gold is not legal tender in India, and the present instruction of the government in London is that it shall not be. India will not dump silver on us as long as it is the common money of the people and the only money. The rating of India council bills at 1*s.* 6*d.* per rupee will not bring silver from India to the United States. Nor will European silver come until the legal-tender quality is taken away, for the coins are worth more there than they would be as bullion here. We would have, as far as the mass of silver to take care of is concerned, to count only upon our own accumulated stock and the annual increase.
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> This reminder of the legal-tender value of silver elsewhere does not lessen the reasons for the repeal of the Sherman act, but rather strengthens them by emphasizing the fact that it is not in any sense a bimetallic measure.
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> The silver in circulation among the East Indians is not a commodity. It is money. The stock kept in circulation by France is money. Coinage has been suspended, but the silver coins are money, and they will not leave to become bullion. India will not coin on private account, but the government will assume a coinage monopoly and will regulate it as seems advisable. Silver will probably still be coined in India, and every rupee coined will be money.
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> A bimetallist who weighs his words will not thus early undertake to say what silver movements would follow a free coinage in which the United States would be alone. The production of the mines, the requirements of the arts, and the course of trade with Asiatic and South American countries are only some of the factors which he would need to know. But he can say with confidence that the legal-tender silver money of Europe and Asia would not be melted and shipped here.

Now, Mr. Speaker, I want to say a word about the ratio. I do not think it necessary to change from that of 16 to 1, but I prefer to have free coinage at an increased ratio rather than no coinage at all. To my Democratic associates I appeal for the preservation of the principle of bimetallism. We should agree upon some ratio. I want it at 16 to 1 if possible, but if I should fail in this I will then make the best terms I can. There is not a Democrat here who does not believe in the use of silver money. If there be one, he is here by false pretenses. As Democrats we may honestly differ as to the ratio and disagree as to whether we should have free and independent coinage or an international agreement, but we all agree that silver money in some shape is a necessity, and we are squarely committed to its use.

If the ratio of 16 to 1 should be rejected, I would then regard a vote against an increased ratio as a vote against bimetallism. We are reminded that it will cost about $70,000,000 to recoin the silver dollars at 20 to 1. Mr. Speaker, why should the present dollars be recoined at all? If the Government declares its purpose to receive the 412½-grain dollar in exchange for that of the 516 grains, the lighter dollar will continue to circulate upon the same principle that the silver certificates now circulate side by side with gold. But suppose we should have to recoin and should lose this large sum, it is a mere bagatelle when compared to losing the whole of silver.

The gentleman from New York [Mr. FITCH] in his lecture to a portion of the Democratic party said that the President of the United States was elected on his first-term record and not on the Chicago platform. He read from the Warner letter of 1885 and the messages to the Forty-ninth and Fiftieth Congresses. The gentleman is very unfortunate in his reference to this record. Does he not know that his own State, the great Empire State, and the Electoral College as well repudiated Mr. Cleveland in 1888 when he went to the country on his record, without any declaration in the platform on the financial question? I believe that his record and the failure of the St. Louis convention to make positive declaration on the coinage question did more than anything else to defeat him.

Mr. FITCH. Do you want me to answer that?

Mr. MCRAE. Not now; I have no time to give you to answer; I am answering you. I would remind the gentleman that Mr. Cleveland, for whose courage and ability I have the very highest regard, and whose honesty and integrity of purpose I would not question, was never defeated by the people of the United States except when he ran on a gold record without a silver platform. In 1884 he proudly carried the banner of the Democracy to victory on a bimetallic platform against the ablest and strongest man in the Republican party.

Again, in 1892, he carried the country by an overwhelming majority on a bimetallic platform, against Gen. Harrison, who defeated him in 1888. Mr. Cleveland on a bimetallic platform has always been invincible.

The gentleman from New York, my friend [Mr. CUMMINGS], has felt called upon to lecture the Southern Democracy upon this question because it assisted in nominating Mr. Cleveland, and will not now consent to strike down silver.

Mr. CUMMINGS. They assumed to lecture the New York Democrats.

Mr. MCRAE. The Southern Democracy has never undertaken to lecture that of your State, except in convention, and then only when you were about to go wrong. The vote of Arkansas has been referred to. In 1884 I had the honor to be a delegate to the national convention, and it was my privilege and my pleasure to vote for the nomination of Mr. Cleveland. He was supported by the organization in New York. He was elected and gave the country an honest Administration. He united the party upon the tariff question.

Again, in 1892, the delegates from Arkansas voted for his

nomination, as did many others from the South. For this reason the gentleman from New York says that Mr. Cleveland was essentially the candidate of the South. In a measure this is true. We accepted and elected him upon the platform and his letter and the gentleman can not point to anything in his utterances since that nomination that is inconsistent with the use of silver. In his recent message he is silent as to silver coinage. I deeply regret this. I would like to know his plan for using silver. It is said by some who do not assume to speak by authority that he is in favor of this, that, and the other, but I prefer to hear from him his own plan for carrying out the pledges of the party. The gentleman says no man, friend or foe, has ever accused him of being untrue to his convictions. I believe it, and all I ask him to do is to adhere to his convictions as expressed in his letter of acceptance in 1892 and the platform upon which he was elected.

I will not undertake to say whether Mr. Cleveland will sign a free-coinage bill or not. None of you have authority to say that he will not. Suppose he is opposed to silver and that the South is responsible for his nomination, does that require us as Representatives to repudiate our pledge to our constituents? Are we assuming a "treasonable attitude toward the Democratic party" when we are only insisting on redeeming the whole of our platform pledges? I repudiate the suggestion that any man, or set of men, can control the Democratic party or have a right to expect Democratic Representatives to surrender their convictions upon this or any other question.

The great States of the South and the Mississippi Valley that marched to victory under the Democratic banner last year, did so not alone because of the men at the head of the ticket, but because the people had made up their minds to turn their backs on the class legislation of the Republican party. They were determined to defeat the Republican and elect the Democratic candidates, and it could have been done as successfully with Hill, Gorman, Boies, or Morrison at the head of the ticket.

The people were in earnest and meant to win. They did win, and it was a grand and complete victory for our party. The people voted for a change in financial and tax laws. The gentleman in speaking of the New York Democracy says they "merit praise, not denunciation." I have indulged in no denunciation of the New York Democracy. For the gallant, courageous, and successful fight by the organization in that State last year our people have nothing but praise. There is no occasion for this talk about dividing or splitting the Democratic party in the South. If there are differences we should settle them inside of the party and in the next convention.

The last Democratic convention and the election that followed settled two things of great importance to our party: (1) That the organization in the State of New York is loyal to the nominees, whether it gets its candidate or not; (2) that it is possible to nominate or elect a Democratic candidate without the vote of New York. I want no differences in our party, and hope we shall have none; but if our Eastern friends are determined to destroy silver money in this country, we will measure strength with them upon that issue in the next convention. We do not propose to be read out of the party, nor pushed off of the platform, but will assert our rights at the proper time. I make no threats, but I notify the Eastern Democracy now that if the pledges of last year are not redeemed that they will find the South and West solid in the next convention insisting upon naming the candidate and writing the platform.

The issue I make now is with the Democrats of this House, not the President. And that, sir, is the issue the people will make. Representatives will not be allowed to take shelter behind the President's broad shoulders and great personal popularity. His responsibility as Executive has ceased. Our duty as Representatives has just begun. It is not a question of what he will do, but what is our duty and what are our pledges to our constituents upon the coinage question? As honest men and loyal Democrats, we should sacredly live up to every pledge we made the people when we solicited their votes. Our duty and responsibility will not cease until we send to the President a bill providing for the use of both gold and silver upon equal terms.

The gentleman from New York [Mr. HENDRIX] attributes the prosperity of the six years beginning in 1879 to the foreign gold that came into our country. It is unfortunate for the gentleman's argument that this prosperity followed so soon after the passage of the Bland act. I believe, Mr. Speaker, that this little spurt of prosperity of which he talks so eloquently was in a large measure due to the partial remonetization of silver. The gentleman accounts for the depression that followed that period and culminated in the present panic, by saying that English capitalists saw the rising tide of silver and began to withdraw. If that is true, it is a strong argument against borrowing money from abroad. But I think there were other causes that were steadily and effectively at work.

As soon as the national banks saw that silver was popular with the people they began the clamor against it. To neutralize the effect of the increase in the silver circulation they began calling in the bank circulation. Why, sir, in 1883, the year the gentleman says the tide turned against us, the bank circulation was $356,073,281. Year by year since then it has been contracted, although the number of banks and the capital invested have largely increased. The last report of the Comptroller shows a circulation of only $172,683,850. During this same period we have added to our volume of silver about $200,000,000. As silver was coined the banks contracted. The deposits and loans of the banks have steadily grown in volume until we find that when this panic came the national banks alone had $1,765,422,984 of individual deposits, and had outstanding loans and discounts to the enormous sum of $2,153,498,829.

While the banks are receiving the money of one class of people on deposit, and loaning it out to another class, they are contracting their own circulation. Is there any wonder, sir, that the banks are in trouble and are now running on their credit? Do you wonder that they are unable to return the money to the depositors? Are you surprised that the people should become alarmed and distrust the ability of the banks to pay them? Here lies the reason for the lack of confidence of which we have heard so much recently. The credit of the banks and the people have been overtaxed. We have had too much speculation and watered stocks.

Let us, sir, consider for a moment the immense power and influence these associations can exercise upon the business and legislation when they owe to one class of our people a sum larger than the aggregate of all our silver and Treasury notes and have the merchants and business men in debt to them for over $2,000,000,000. To the depositors who want their money they say we can not pay because of the panic, but for the same reason the poor fellows who owe them are told that no extension of time can be granted and they must pay up. Truly, gentlemen, "monopoly and exclusive privileges have already struck their roots deep in the soil, and it will require all your efforts to check its further growth and to eradicate the evil." Disguise it as you may, this contest is a fight between the national banks on one side and silver and Treasury notes on the other. Which do you prefer? If the policy of which this is a beginning is voluntarily submitted to or by fear or favor enforced, the coinage of silver will cease, Treasury notes will be retired, and we will have nothing but gold and bank notes for our money.

Our friends from New England are much concerned about the deposits of their constituents held by the savings banks lest they may be paid in silver. They talk feelingly of the hard times now upon their people. The hearty and sincere sympathy of the people of the South goes out for the laborers who are out of employment in the North. Our people know what hard times are. For thirty years they have heroically struggled against them, and but few have ever known what it is to have a credit in bank. But that manly, independent, and hopeful spirit of the farmer of the South is fast breaking down under the increasing burdens of tariff taxes and unreasonable pensions. The discouraging and destructive restriction upon trade is bearing its bitter fruits in the cotton States. Instead of prosperity and contentment, we witness at every turn an appealing picture of distress.

May a kind Providence soften the hearts of those who have set to work the forces that have produced this panic and brought distress upon our country. If it is true, as has been said, that "when calamity comes down soul rises up," then this financial affliction, destructive as it is in some sections of our common country, may not be without its lesson. It may serve to arouse the better feelings of the soul of the people and unite them in an effort for financial and commercial freedom. Let us hope that it may serve to unite in closer bonds of sympathy and friendship the industrial and agricultural classes of every section of our country.

If this Congress desires the approval of the people of the United States it must fearlessly resist the spirit of greed, monopoly, and trusts; shift some of the burdens of taxation from the shoulders of the poor to the backs of the rich; provide an adequate money volume; dissolve the partnership between the Government and the national banks and remit the banking business to the people and the States; allow the States the right to hold their own elections without Federal interference; adhere strictly to the Constitution, and secure to the farmers North and South free access to all the markets of the world. [Loud applause.]

WILSON BILL.

Be it enacted, etc., That so much of the act approved July 14, 1890, entitled "An act directing the purchase of silver bullion and issue of Treasury notes thereon, and for other purposes," as directs the Secretary of the Treasury to purchase from time to time silver bullion to the aggregate amount of 4,500,000 ounces, or so much thereof as may be offered in each month at the

market price thereof, not exceeding $1 for 371.25 grains of pure silver, and to issue in payment for such purchases Treasury notes of the United States, be, and the same is hereby, repealed; but this repeal shall not impair, or in any manner affect the legal tender quality of the standard silver dollars heretofore coined; and the faith and credit of the United States are hereby pledged to maintain the parity of the standard gold and silver coins of the United States at the present legal ratio or such other ratio as may be established by law.

BLAND SUBSTITUTE.

Be it enacted, etc., That from and after the passage of this act all holders of silver bullion to the amount of $100 or more, of standard weight and fineness, shall be entitled to have the same coined at the Mint of the United States into silver dollars of the weight and fineness provided for in the second section of this act.

SEC. 2. That the silver dollar provided for in this act shall consist of 412½ grains of standard silver; said dollars to be a legal tender for all debts, dues, and demands, both public and private.

SEC. 3. That the holder of silver dollars herein provided for shall be entitled to deposit the same and to receive silver certificates in the manner now provided by law for the standard silver dollars.

SEC. 4. That so much of the act of July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes," as requires the monthly purchase of 4,500,000 ounces of silver bullion, be, and the same is hereby, repealed.

Silver.

SPEECH
OF
HON. GEORGE W. COOPER,
OF INDIANA.

IN THE HOUSE OF REPRESENTATIVES,

Friday, August 25, 1893.

On the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes."

Mr. COOPER of Indiana said:

Mr. SPEAKER: On a former occasion, when I had the honor to address the House at some length on the subject of the repeal of the Sherman silver law I made reference to various tables which I now desire to put in the RECORD.

First, I call attention to the table showing the amount of gold and silver produced in the world during the last one hundred years. That table is as follows:

Production of gold and silver in the world, 1792–1892.

Calendar years.	Gold.	Silver (coining value).	Total.
1792–1800	$106,407,000	$328,860,000	$435,267,000
1801–1810	118,152,000	371,677,000	489,829,000
1811–1820	76,063,000	224,786,000	300,849,000
1821–1830	94,479,000	191,444,000	285,923,000
1831–1840	134,841,000	274,930,000	409,771,000
1841–1848	291,144,000	259,520,000	550,664,000
1849	27,100,000	39,000,000	66,100,000
1850	44,450,000	39,000,000	83,450,000
1851	67,600,000	40,000,000	107,600,000
1852	133,750,000	40,000,000	173,350,000
1853	155,450,000	40,000,000	195,050,000
1854	137,450,000	40,000,000	168,050,000
1855	135,075,000	40,000,000	175,075,000
1856	147,600,000	40,650,000	188,250,000
1857	133,275,000	40,650,000	173,925,000
1858	124,650,000	40,650,000	165,300,000
1859	124,850,000	40,750,000	165,600,000
1860	119,250,000	40,800,000	160,050,000
1861	113,800,000	44,700,000	158,500,000
1862	107,750,000	45,200,000	152,950,000
1863	106,950,000	49,200,000	156,150,000
1864	113,000,000	51,700,000	164,700,000
1865	120,300,000	51,950,000	172,150,000
1866	121,100,000	50,750,000	171,850,000
1867	104,025,000	54,225,000	158,250,000
1868	109,725,000	50,225,000	159,950,000
1869	106,225,000	47,500,000	153,725,000
1870	106,850,000	51,575,000	158,425,000
1871	107,000,000	61,050,000	168,050,000
1872	99,600,000	65,250,000	164,850,000
1873	96,200,000	81,800,000	178,000,000
1874	90,750,000	71,500,000	162,250,000
1875	97,500,000	80,500,000	178,000,000
1876	103,700,000	87,600,000	191,300,000
1877	114,000,000	81,000,000	195,000,000
1878	119,000,000	95,000,000	214,000,000
1879	109,000,000	96,000,000	205,000,000
1880	106,500,000	96,700,000	203,200,000
1881	103,000,000	102,000,000	205,000,000
1882	102,000,000	111,800,000	213,800,000
1883	95,400,000	115,300,000	210,700,000
1884	101,700,000	105,500,000	207,200,000
1885	108,400,000	118,500,000	226,900,000
1886	106,000,000	120,600,000	226,600,000
1887	105,775,000	124,281,000	230,056,000
1888	110,197,000	140,705,000	250,903,000
1889	123,489,000	162,159,000	285,648,000

Production of gold and silver in the world, 1792–1892—Continued.

Calendar years.	Gold.	Silver (coining value).	Total.
1890	$113,150,000	$172,235,000	$285,385,000
1891	120,519,000	186,733,000	307,252,000
1892	130,817,000	196,605,000	327,422,000
Total	5,633,908,000	5,104,961,000	10,738,869,000

TREASURY DEPARTMENT, *Bureau of the Mint, August 16, 1893.*

Second. I call attention to the decrease in the market price of silver as shown by the following table:

Highest, lowest, and average price of silver bullion, and value of a fine ounce, bullion value of a United States silver dollar, and commercial ratio of silver to gold, by fiscal years, 1874 to 1893.

Fiscal years.	Highest.	Lowest.	Average London price per ounce standard, .925.	Equivalent value of a fine ounce with exchange at par, $4.8665.	Equivalent value of a fine ounce based on average price.	Bullion value of United States silver dollar at average price of silver, exchange at par.	Commercial ratio of silver to gold.
	Pence.	*Pence.*	*Pence.*				
1873–'74	59⅜	57½	58.312	$1.27826	$1.26247	$0.98865	16.17
1874–'75	58½	56½	56.875	1.25127	1.25022	.96777	16.52
1875–'76	57½	50	52.750	1.15184	1.15954	.89087	17.94
1876–'77	58½	50½	54.812	1.20154	1.20191	.92931	17.29
1877–'78	55⅝	52⅜	52.562	1.15222	1.15257	.89116	17.94
1878–'79	52⅝	48⅛	50.812	1.11386	1.11616	.86152	18.55
1879–'80	53⅜	51¼	52.218	1.14436	1.14397	.88509	18.05
1880–'81	52⅞	51	51.937	1.13852	1.13508	.88057	18.15
1881–'82	52⅛	50⅛	51.312	1.13623	1.13817	.87880	18.19
1882–'83	52⅛	50	51.023	1.11826	1.11912	.86490	18.48
1883–'84	51⅛	50⅝	50.791	1.11339	1.11529	.86115	18.56
1884–'85	50⅛	48¼	49.843	1.09262	1.09236	.84507	18.92
1885–'86	49⅜	42	47.038	1.03112	1.03296	.79750	20.04
1886–'87	47½	42	44.843	.98301	.98148	.76029	21.02
1887–'88	45⅛	41⅛	43.675	.95741	.95617	.74008	21.53
1888–'89	44¼	41⅛	42.499	.93163	.93510	.72355	22.18
1889–'90	49	42	44.196	.96883	.74932	21.33	
1890–'91	54¼	43¼	47.714	1.04195	1.04780	.80588	19.83
1891–'92	46⅜	39	42.737	.93723	.72430	22.07	
1892–'93	40⅞	30½	38.375	.84123	.84263	.65063	24.57
July	34½	32½	33.000	.72471	.72037	.56052	28.92

TREASURY DEPARTMENT,
Bureau of the Mint, August 1, 1893.

Third. Upon the subject of the amount of money in circulation I submit the following table prepared by the Treasury Department:

Amounts of money in the United States, and in circulation, on July 1 of each year from 1860 to 1892, inclusive.

July 1—	Amount of money in United States.	Amount in circulation.	Population June 1.	Money per capita.	Circulation per capita.
1860	$442,102,477	$435,467,252	31,443,321	$14.06	$13.85
1861	452,005,767	448,405,767	32,064,000	14.09	13.98
1862	358,452,079	324,607,744	32,704,000	10.96	10.23
1863	674,867,283	595,394,038	33,365,000	20.23	17.84
1864	705,588,067	669,641,478	34,046,000	20.72	19.67
1865	770,129,755	714,702,995	34,748,000	22.16	20.57
1866	754,327,254	673,488,244	35,469,000	21.27	18.99
1867	728,200,612	661,992,069	36,211,000	20.11	18.28
1868	716,553,578	680,163,661	36,973,000	19.38	18.39
1869	715,351,199	684,432,894	37,756,000	18.95	17.60
1870	722,868,461	675,212,794	38,558,371	18.73	17.50
1871	741,812,174	715,889,005	39,555,000	18.75	18.10
1872	762,721,565	738,309,549	40,596,000	18.70	18.19
1873	774,445,619	751,881,809	41,667,000	18.58	18.04
1874	806,024,781	776,083,031	42,796,000	18.83	18.13
1875	798,273,509	754,101,947	43,951,000	18.16	17.16
1876	790,663,284	727,609,388	45,137,000	17.52	16.12
1877	763,053,847	722,314,883	46,353,000	16.46	15.58
1878	791,353,576	739,132,634	47,598,000	16.62	15.52
1879	1,051,521,541	818,631,793	48,866,000	21.52	16.75
1880	1,205,929,197	973,982,228	50,155,783	24.04	19.41
1881	1,406,541,623	1,114,238,119	51,316,000	27.41	21.71
1882	1,489,531,719	1,174,390,419	52,495,000	28.20	22.37
1883	1,643,489,316	1,230,205,036	53,693,000	30.60	22.91
1884	1,705,454,189	1,248,925,069	54,911,000	31.06	22.65
1885	1,817,656,336	1,292,568,615	56,148,000	32.37	23.02
1886	1,808,559,694	1,252,700,525	57,404,000	31.50	21.82
1887	1,900,442,672	1,317,539,143	58,680,000	32.39	22.45
1888	2,062,955,949	1,372,170,870	59,974,000	34.39	22.88
1889	2,075,250,711	1,380,361,649	61,289,000	33.86	22.52
1890	2,144,236,159	1,429,251,270	62,622,250	34.24	22.82
1891	2,195,224,075	1,497,440,707	63,975,000	34.31	23.41
1892	2,372,599,501	1,601,347,187	65,560,000	36.21	24.44

NOTE.—The difference between the amount of money in the country and the amount in circulation represents the money in the Treasury.

Currency certificates, act of June 8, 1872, are included in the amount of United States notes in circulation in the tables for the years 1873 to 1891, inclusive; in 1892 they are reported separately.

The foregoing tables present the revised figures for each of the years given.

And also the following, from which it may be seen that we had in the country $9,149,692 more money on August 1, 1893, than we had at the same time last year, when there seemed to be sufficient for all demands:

Statement showing the amounts of gold and silver coins and certificates, United States notes, and national-bank notes in circulation August 1, 1893.

	General stock, coined or issued.	In Treasury.	Amount in circulation Aug. 1, 1893.	Amount in circulation Aug. 1, 1892.
Gold coin	$520,273,567	$103,363,626	$416,909,941	$410,447,360
Standard silver dollars	419,332,450	363,108,461	56,223,989	57,031,862
Subsidiary silver	76,563,878	12,556,749	64,007,129	63,346,937
Gold certificates	87,704,739	93,710	87,611,029	136,861,829
Silver certificates	333,031,504	2,843,114	330,188,390	327,336,823
Treasury notes, act July 14, 1890	148,286,348	4,512,210	143,774,138	101,756,301
United States notes	346,681,016	22,286,612	324,394,404	311,852,278
Currency certificates, act June 8, 1872	8,340,000	485,000	7,855,000	26,720,000
National-bank notes	183,755,147	3,620,150	180,134,997	166,595,935
Total	2,123,968,649	512,869,632	1,611,099,017	1,601,949,325

In further explanation of this table, it should be understood that of the item standard silver dollars, which the table shows are in the Treasury, viz., $363,108,461, the sum of $330,188,390 are really in circulation in the form of silver certificates, as is shown by the item under that head.

I call attention to this because my attention has been directed to an editorial in a very respectable newspaper, which undertakes to account for the panic partly upon the ground that the Government is hoarding these silver dollars, it having escaped the attention of the editor that these dollars were in circulation, but in the other form.

Since August 1, when this table was prepared, the circulation has in various ways been very much increased. Secretary Carlisle, in a recent interview, said:

No greater mistake could be committed than to assume that the present financial embarrassment is caused by an actual scarcity of money in the country. The fact is that the amount of currency of all kinds in the country, outside of the United States Treasury, on the 25th day of the present month, was $58,452,350 greater than the amount outstanding on the 1st day of the month, and $70,294,783 more than the amount outstanding on the 1st day of September, 1892, when business was active and prosperous. There is money enough to transact all the legitimate business of the people, but the difficulty is that it has been withdrawn from circulation and hoarded. The true remedy is to restore confidence and credit, and thus put the money now in the country in circulation again.

Silver.

SPEECH

OF

HON. JAMES R. WILLIAMS,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, August 26, 1893.

The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. WILLIAMS of Illinois said:

Mr. SPEAKER: In the short time allowed me in this debate I shall not attempt to review my opinion on the free coinage of silver, fully expressed in the Fifty-first and Fifty-second Congresses. But I do desire to submit a few observations in support of the votes I shall cast on the propositions now under consideration.

It is said we are summoned here to relieve the country of its present distress, and a speedy unconditional repeal of the Sherman act is proposed as the proper remedy. It is not my purpose to defend the Sherman law. I might say, however, that it is by no means the worst legislation with which the Republican party has inflicted the country. I desire to discuss its provisions for the purpose of showing, so far as I am capable, that it is not responsible for our present panic.

What are its provisions? It authorizes the Government to purchase every month four and a half million ounces of silver bullion at the market price and issue therefor Treasury notes redeemable in coin, and the notes are made a legal tender for all debts, public and private. Why are not these Treasury notes as good currency as our greenbacks or our bank notes? The greenbacks are redeemable in coin, and the Government is pledged for their redemption. These Treasury notes are redeemable in coin, and the Government is pledged for their redemption. They are based not only upon all the gold of the United States, but upon all the silver, coined and uncoined. We are only issuing a little over three millions per month. This is not inflation. This is not enough to alarm the banks or the people.

But the gentlemen who are anxious for the repeal of this act are equally anxious to authorize the national banks to increase their circulation. How much better would the bank notes be than the notes issued under the Sherman act? The bank notes are secured by Government bonds redeemable in coin. These Treasury notes are redeemable in coin, and they are backed by the Government, as well as the silver for which they are issued. There would be no more gold as a basis of redemption for the one than the other. Is it because these gentlemen believe these Treasury notes are unsound? Is that what is hurting the banks, or is it because they are issued by the Government and not by the banks? It is claimed by some that the banks are so anxious to take this power to issue money away from the Government and give it to themselves, that they are willing to help continue this panic in order to force a repeal of the Sherman act. I do not think, Mr. Speaker, there is anything in the character of these notes to have destroyed the confidence of the banks or the people.

But it was said by the distinguished gentleman from Indiana [Mr. BYNUM] that we should repeal the Sherman act because it was driving all our gold out of the country; and to prove that he showed that the export of gold had increased since the passage of the Sherman law. That does not necessarily prove that the Sherman law was the cause of it. During the same period the McKinley law has been in force, and I have no doubt that the distinguished tariff reformer from Indiana [Mr. BYNUM] could have demonstrated with still greater clearness that this increase in the export of our gold was due to the operations of the McKinley law. Mr. Speaker, in my judgment, causes outside of our own country and over which we have had no control are largely responsible for this increase in the export of gold.

I have said this much not as a defense of the Sherman law, but to show, so far as I am capable, that it is not responsible for our present panic, and that we should not become panic-stricken ourselves and rush into any hasty and inconsiderate action on this question; that we should take time here and now to repeal the Sherman law, by enacting a better one in its place, according to the declarations of the Democratic party.

I do not believe that it is a want of confidence in these Treasury notes, or this law that has produced so many bank failures. We have had some failures through my own section. Some of them, I know, failed for a lack of money, and not a lack of confidence. Some of them had the confidence of the people even after their doors were closed. They had established a credit too extensive for their reserve, and this, no doubt, has been the case in many instances. It only demonstrates that credit, after all, must be based upon money as a final redeemer. If the people have no confidence in the Sherman notes and silver, why are they now hoarding silver the same as gold?

But, sir, it is not for me to attempt to point out to this House the great combination of causes that has brought this country to its present unfortunate condition. It is enough for us to know, as we do know, that it was a greater combination than the Sherman act. It has not come upon us in a week or a month. Its frightful face was in full view while Mr. Harrison was still President of the United States, and, so far as legislative causes are concerned, it is the legitimate offspring of the Republican party. But, sir, why should we center our prosecution against the Sherman act when there is other legislation more vicious and more hurtful to the people, and which we are here to repeal? Whether the Sherman law is repealed or not, this panic is temporary and will pass off; but the effect of the proposed legislation will be permanent.

The Democrats are advised that they voted against this Sherman act when it was passed, and, therefore, should vote against it now. A vote against the Sherman bill at that time was a vote in favor of the Bland-Allison act then in force; a vote against the Sherman act on the Wilson bill is a vote in favor of no legislation whatever on the subject of silver coinage. Sir, sometimes a bad law is better than no law at all. Repeal the Sherman law, and the last link that attempts to hold gold and silver bullion together as the money metals of our country is broken. Repeal the Sherman act, and by your vote that very moment you drive the value of gold and silver still further apart, and render it more difficult to establish free coinage in the United States.

But, gentlemen tell us that we must have a sound currency. We must have an honest dollar. Well, what is an honest dollar? Is it gold, silver, or paper; it may be either. An honest dollar, sir, is a dollar which has the same purchasing power this year

that it had last, and will have next, so far as it is possible to make it. How can we maintain honest money in the United States? Not by contraction; not by inflation, but by a gradual increase of our currency as the volume of business transactions increase. May we expect this from gold alone? The best advice, the best information we get as to the annual product of gold shows that after deducting the amount used in the arts and in dentistry it is less than $50,000,000, and when it is divided out among the gold-using countries of the world the distributive share of the United States is too insignificant for consideration.

Mr. Speaker, if we are to have an increase in our currency I believe it must come from paper or silver. As a hard-money Democrat I would rather depend upon the restrictions which nature has placed upon the silver mines of the world as a protection against inflation than to depend upon all the statutory restrictions you can place upon the human desire for more money. But, sir, it is said that we should have an international currency, an international dollar, a dollar not only sound in the United States, but sound in England, in Germany, sound throughout the world, even to effect our own domestic exchanges.

Sir, I believe that a dollar worth 100 cents anywhere in the United States will have substantially the same value in every civilized nation with which we have commercial intercourse. They have confidence in our energy, our patriotism, our resources, and our responsibility to make good every dollar issued by the Government. Mr. Speaker, strange as it may seem, some of those gentlemen who are opposed to the American dollar worth 100 cents in every State in this Union are willing to have an Indiana dollar, an Illinois dollar, a Florida dollar, or almost any kind of a dollar but a silver dollar.

I would welcome international bimetallism, but is there any chance to obtain it? I see no hope of such a solution. I apprehend that any international agreement which did not include such countries as England and Germany would hardly be considered safe by those cautious gentlemen upon the other side. England, as it is known, is a creditor country. It is a fact that to-day the other nations of the world owe England between eight and ten billions of dollars, and therefore she is interested in having these securities paid in gold of the highest value.

The more you limit the use of silver as money the more you increase the demand upon gold and the more valuable will become England's securities. Why, the United States and its citizens to-day owe England many times the amount of all our gold; and yet gentlemen say that we can force England to the use of silver by ceasing to use it ourselves. Force England! When she has only to demand all our gold in payment of our obligations.

Sir, if we are to increase the use of silver money in the United States I believe it must be done by our own independent action, independent of England and regardless of her wishes. I believe we are able to take such action, and to take it now. Judging from the experience of France, I believe the United States, with its growing demands for money, is able of herself to maintain free coinage at the ratio of 16 to 1; but, sir, if she is not, then I would be in favor of changing the ratio; for I am in favor of free coinage at such ratio only as will cause both metals to circulate at par with each other. As to a change in our ratio, I confess I have not given that branch of the question that careful consideration which its importance demands, and will vote upon such propositions with some uncertainty.

But I shall endeavor to pursue such course as will best aid in bringing us nearer to bimetallism in the United States, instead of driving us further from it. I will say this much, however, that it would be very unfair to fix the ratio according to the present market value of gold and silver, with silver legislated almost out of use and gold crowned with all the value that law can give it. The increased use which we propose for silver would increase its value, and this fact should be fairly considered in settling upon a new ratio. It has been said if we should change the ratio, the country would sustain a great loss in recoining the present standard silver dollars. Sir, the amendments proposed by the gentleman from Missouri [Mr. BLAND] do not change or disturb the present standard silver dollar. The silver dollar of 412½ grains would remain the standard silver dollar of the United States, a full legal tender for all debts, public and private; and, in my judgment, there would be no occasion for its recoinage. We are trying to monetize the silver now uncoined, and I would rather see it admitted to our mints at an increased ratio than robbed of all its monetary functions.

It is much easier for one country to place itself upon a gold basis than it is for several countries to attempt it at the same time. The more countries that are bidding for gold as a basis for their currency, the greater is the value of gold and the harder it is to obtain. If the United States should attempt to purchase one hundred or two hundred millions of gold from England or elsewhere to supply ourselves with gold as a basis of currency, wherever she extracts that one hundred millions of gold it makes a new vacuum for more gold; and this constant bidding by the different nations of the world sends up the price of gold and sends down the price of products measured by its standard.

But, Mr. Speaker, the Democratic platform has been cited in favor of unconditional repeal. Why, sir, upon every principle of fairness the silver plank of our national convention should be construed as a whole and not by fragments. If the party in that convention meant the repeal of the Sherman law and nothing more, why did it not stop with that declaration? Because there were Democrats in that convention in favor of the free coinage of silver; others, occupying a middle ground, in favor of a more liberal use of silver as a money metal in the United States; and others, perhaps, who were opposed to any further legislation in favor of silver. The representatives of the different sections of the Democracy met in the committee and finally agreed upon that plank which was adopted by the convention.

Sir, the sentiment of the Western Democracy, the Southern Democracy, the Eastern Democracy, the American Democracy, was embodied in that plank of the Chicago platform. We clasped hands above it as Democratic brothers and carried the banner of our party on to victory, and now we are here to keep faith with the people who elected us. You gentlemen who are opposed to further legislation in favor of silver say here that we should observe that part of the platform which suits you, but disregard that which suits us. Is that fair among Democrats? If we can not have free coinage, why not let us, in a spirit of conservatism, try to agree upon some measure that will show some respect to Democratic sentiment as it exists in all parts of the country?

But gentlemen on the other side say, "Let us repeal the Sherman law now, and we will legislate in favor of silver later." I am reminded of the eloquent words of the gentleman from New York [Mr. COVERT] who, a few days ago, said, "Let us repeal the Sherman law at once, and then go to work coolly, deliberately, considerately, to frame a silver law." Why, Mr. Speaker, just imagine with what coolness, deliberation, and careful consideration these gentlemen would proceed to frame a silver law after the repeal of the Sherman act! [Laughter.] No doubt they would proceed with the greatest consideration and deliberation. They would say to us, "Gentlemen, it will not do to tinker with this financial question: the country is settling down now, and you must not disturb it, or you will destroy the confidence of the people."

Sir, there never can be a better time than now to legislate affirmatively upon this whole question, to consider it from top to bottom in all its parts, and, if we can not have free coinage, then let us meet upon some middle ground, and let the first measure presented in over thirty years by a Democratic Senate and a Democratic House to a Democratic President be a Democratic measure which every Democrat will proudly and loyally support. [Applause.]

This will preserve the unity and strength of the Democratic party to carry out the other great reforms to which we stand pledged. We denounced the Sherman act because it did not do enough for silver as money. Now, do you propose to repeal it by doing more or by doing less? Other gentlemen may interpret the silver plank in our platform by piecemeal if they desire. I know the construction placed upon it by the people I represent. They, sir, construed it to mean a repeal of the Sherman law by enacting a better one in its stead, which would bring us nearer to the restoration of the silver dollar. They believe in the use of both gold and silver as the standard money of the country. They have learned this from the platforms of our party. They believe it is one of the cardinal principles of Democracy, and to-day they are watching the proceedings of this Congress with the greatest anxiety, in the hope that we may repeal this Sherman law by enacting in its stead one which will at least increase the use of silver as a money metal in the United States. They expect this, and so far as my vote is concerned I can not, I will not, disappoint them.

Now, Mr. Speaker, before closing what I have to say I desire to allude to the words of another distinguished gentleman from New York, Mr. HENDRIX. In discussing this question a few days ago he said: "Let us repeal the Sherman law, go home, and let the people wait." Wait for what? Wait for tariff reform? Wait for other Democratic promises to be fulfilled? Sir, doubt and uncertainty have existed long enough in the minds of the manufacturers, importers, and other business men of this country as to what policy we propose to enforce in our legislation upon the tariff question.

It has already had its effect upon the country. Repeal the Sherman law, go home, and let the people wait; come back in December, pass a tariff bill in June or July, without giving it a chance to test itself before the next election, and this Congress will be swept into the same grave with the Fifty-first Congress so gallantly led by the gentleman from Maine. And you gentlemen, now followers of his upon this floor, if you do not look out,

your fate may be the same as that of the members who stood by him so blindly in that Congress. [Laughter.] Mr. Speaker, "Repeal the Sherman law and go home." Is that what we are here for? Is that all that we are here for as Democrats? Do the people expect no more?

Sir, they expect us to revise the tariff in accordance with their plain decree and to do it promptly. Then, sir, I say let us go to work at once to remove the unjust and unequal taxation of which we have so long complained. Forge from our international trade the fetters of the McKinley law, and give to the people more markets for the products of our farms and our factories, according to the pledges we have made. Let us proceed without any adjournment and without any delay to do this and do it promptly. Pass our tariff bill by the first of December, and the country will have time to adjust itself to this new and improved condition and enter upon a new era of prosperity by the time our November elections appear. And this Fifty-third Congress will be indorsed by the people we remember and relieved. [Loud applause.]

Silver.

SPEECH

OF

HON. JAMES G. MAGUIRE,

OF CALIFORNIA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, August 26, 1893.

The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. MAGUIRE said:

Mr. SPEAKER: I do not wish at this late hour, and in the closing moments of this great debate, to make another speech on the silver question. But, sir, since addressing this House on Wednesday last, my attention has been called to some very important facts, coming to us from the far-off colony of New Zealand, which tend very materially to confirm the views which I then expressed concerning the real cause of and the true remedy for industrial depressions.

I then took the position that the constant upward tendency and pressure of ground rent as a factor in the distribution of wealth periodically made production unprofitable to the active factors—capital and labor—and thus unnaturally checked production when all natural conditions were conducive to prosperity.

I also suggested, merely suggested, because its discussion in detail was not in order, that the true remedy for this primary and universal cause of industrial depressions was the appropriation of the unearned increment or rental value of all land to public use by means of a single tax on land values.

About five years ago, sir, the government of New Zealand took the same view of the cause of our periodical depressions and amended its taxation laws on the lines of the remedy which I have suggested. The amendments were crude, but they were on the right lines. All reports show that those amendments to her taxation laws have been of wonderful advantage to that colony.

Our consul at Aukland, Mr. J. D. Connolly, stated in a recent interview that there had been no industrial depression and no financial crisis there.

Mr. Thomas Brown, a leading citizen of that colony now in this country, in a recently published statement says that work is plentiful at good wages, that the colony has not, during the past five years, suffered any disturbance of either credit or industry, and that the future promises increased prosperity.

Mr. J. T. Farrell, of New South Wales, has just published a letter in the St. Louis Courier commenting on the marvelous escape of the colony of New Zealand from the depression and crises which have desolated all of the other English colonies in that section of the world.

From that letter, sir, I desire to read the following extracts:

Under the rule of the new political element which came into action there at the last general election, the prosperity of the colony has been amazing. To-day it is incomparably the best colony of the group for a majority of wage-earners, and its advantage increases. The latest returns show a great increase of imports and exports, a heavy surplus of current revenue over current expenses, made up of advances in the returns from every department of public service, great expansion of national wealth as shown by large deposits in the savings and other banks, and an almost total disappearance of the local unemployed.

A wholesale exodus of workers from all the colonies to New Zealand has been going on for months. The lands are being settled and used, and every indication points to a future of even greater prosperity. Good government and the taxation of monopoly have caused this result. It was predicted that the land and labor legislation would result in continual deficits in the revenue, but as a matter of fact last year they paid $1,000,000 of their national debt, besides carrying $500,000 into the public works fund, and the treasurer estimates the surplus this year at $1,650,000.

Landowners see that further taxation of land values is sure to come. These values are steadily falling and land speculation is dead. Therefore access to land for use is easier than ever before, and production goes on apace.

Why is New Zealand the only oasis in the industrial desert to which the civilized world has been reduced?

Is it because her reformed taxation laws have timely checked the monopoly of her natural resources? That is my conclusion.

I can not personally vouch for the correctness of the statements, but I believe them to be true.

If they be true, the reformed taxation system of New Zealand deserves a prompt and thorough investigation by this Government. If New Zealand has discovered an effectual method of averting industrial depressions, as I believe she has, the people of this country must be saved from any further recurrence of such awful calamities.

While upon this subject I will read the following extract from a recent number of the Sydney (N. S. W.) Register:

Mr. Henry Matthews, late home secretary of England, says of New Zealand: "Altogether it seems to me a most desirable place to go to. They have the labor difficulty there, of course, as elsewhere. There seems to be so much scope for individual enterprise that it is well nigh impossible to obtain labor for ordinary purposes at reasonable rates. But this difficulty will, I suppose, be overcome in time."

You will notice, sir, that Mr. Matthews speaks deprecatingly of "the labor difficulty" existing in New Zealand.

But the context of his statement shows that it is not a labor difficulty which laborers have any cause to fear.

The labor difficulty which they fear is the difficulty of obtaining employment, not the difficulty of obtaining laborers to perform the work which offers.

The secret of the matter is that under the taxation laws, which have broken up the land monopoly in that colony, by making it unprofitable, the surplus labor of the colony has been readily distributed upon the land.

This has made it impossible to maintain an army of unemployed laborers in New Zealand to menace employed laborers at the centers of industry.

This sets labor free and enables it to control the situation and to secure to itself a larger share of the wealth which it produces, while rent, the toll-gatherer's portion, is correspondingly reduced.

Every man at all familiar with our industrial system knows how the army of unemployed laborers maintained in every industrial center of this country and of Europe enslaves the laborers who are employed.

The unemployed laborers, driven by the fear of want, and too often by actual present hunger, bid at every point for the places of those who are employed.

As their necessities become more pressing, their struggle to secure the places of their employed brethren becomes more intense.

They offer to work for lower and lower wages, regardless of the value of their labor, because a bare living is better than starvation, or, as the homely adage expresses it, "Half a loaf is better than no bread."

This unnatural competition with hungry and helpless men, even in our land of "inexhaustible natural resources," forces all wages down to the starvation point (the bare living point), except in so far as labor unions have been able, by infinite toil and infinite waste of means, to resist the tendency.

This surplus labor should be distributed upon the unused land of our country. God made it for use, not for speculation, not for monopoly.

I do not say that all or even a quarter of the actually idle and destitute laborers who crowd our labor markets would or could go out upon the land if it were made free to them. But I do say that a large proportion of the laborers in the great centers, employed as well as unemployed, are better fitted for rural pursuits, and that rural pursuits would be more congenial to them than the intense struggles and privations of the city laborer's life.

These would go out upon the land if it were reasonably free, as they have done in New Zealand.

Their going would relieve the unnatural pressure of competition in the labor markets, and their new industries would create a new demand for labor.

The wages of labor would then be fixed by the value of the labor, as they should always be, and not by the competition of starving men.

"Back to the land," in the language of the distinguished Irish prelate (Bishop Nulty), is the only way to industrial freedom.

The gentleman from New York [Mr. COCKRAN] in his elo-

quent speech to-day dwelt most pathetically upon the cruel calvary which labor has been obliged to suffer in its struggle for justice.

In this he was spontaneously and most warmly applauded by the representatives of all interests upon this floor.

This is a hopeful sign and shows, I trust, that you are in favor of doing prompt and complete justice to labor as soon as you shall discover what justice to labor requires.

Justice to labor, sir, involves the constant right to labor upon the land which God hath given for the use and sustenance of all His children, and the right to retain, for the satisfaction of his own wants, all the wealth which his labor produces.

This is the labor question: constant employment with the right to all that it produces.

Free the land—the source of all wealth—from monopoly, and these rights will be secured to labor; but they will never come until the land is free.

It is important that we should establish the best possible system of finance in this country, but so long as our land system causes industrial depressions and financial crises, you can not cure them by amendments to our money system.

This sudden frenzy against the silver-purchase-act is a delusion, such as, in the morning twilight of our civilization, saw witchcraft behind all public and private calamities.

That act has enough of sins to answer for without being charged with the evils that flow from land monopoly.

It is wrong in principle, but it is better than the panic legislation which you propose to substitute for it.

Let us legislate deliberately upon the money question, and let us profit by the experience of New Zealand and cure our industrial depressions as she has cured hers.

Silver.

SPEECH

OF

HON. BINGER HERMANN,

OF OREGON.

IN THE HOUSE OF REPRESENTATIVES,

Friday, August 25, 1893.

The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. HERMANN said:

Mr. SPEAKER: In twenty-four hours hence the deliberations to which we have been invited by the proclamation of the President of the United States convening us in extraordinary session will, for the time being at least, be closed in this body. Not only do the people of the United States listen with the most profound interest to these deliberations, but the people of the civilized nations of the entire earth are likewise interested. The issue, sir, before us is now made up. It is plainly and clearly stated. The gold monometallist will find no difficulty in placing himself upon record by voting for the unconditional repeal of the Sherman law.

The bimetallist, he who believes in the equal use of gold and silver as the future money metals of this great nation, can find no excuse for evading the just responsibilities imposed upon him. If he shall find that the ratio of 16 to 1 will leave too large a fiat margin to be overcome by free coinage, and the increased use of silver as a money metal, he can vote for the ratio of 20 to 1, and thus insure a better guaranty for the interchangeability and the parity between gold and silver as money metals. The present advantage possessed by silver through the Sherman law should not be surrendered unless some satisfactory guaranty is offered that better terms favorable to silver will be conceded.

Bimetallism through international conference has been invoked by this nation at various times in its history, and each time in vain. The question now confronting American citizens is, Shall we demonstrate our own ability to procure relief through our own efforts? America's greatest achievements have been the result of her own genius, energy, and patriotic determination. Liberty itself could not have been won had we ourselves not first made the effort. If any Representative on this floor is a sincere bimetallist, is in favor of a free and equal use of gold and silver as the money metals of this nation, now is the time and this is the place to show it. In this trying hour in the history of our country, men can well afford to face their duty inspired by a feeling of mutual concession and of generous compromise.

No one, sir, can predict to a certainty the effect of any law. Much must be left to anticipation. Should the predictions of the bimetallists for free silver be verified, immediate benefit will follow and be experienced by all classes through every portion of our own expansive country and salutary reforms will quickly ensue in the financial policies of other nations.

Should, however, the more pessimistic views of the gold monometallists be realized and the impracticability of the law be revealed, we have the assurance that a regular session of Congress will in a brief time intervene in which to remedy, by repeal or otherwise, the possible mistakes of the present.

THE PRESENT CONDITION NOT DUE TO THE SHERMAN LAW.

In commenting upon the present condition of his country, the President in his message warns us of the existence of "an alarming and extraordinary business situation, involving the welfare and prosperity of all our people." Mr. Speaker, during all the time that we have been deliberating upon the great question before us, this statement of the President is the only part of his message upon which we are all agreed. In fact, the President himself, strong as his words are, has failed to picture the true condition. He says again as to the cause:

I believe these things are principally chargeable to Congressional legislation touching the purchase and coinage of silver by the General Government.

Upon this issue, Mr. Speaker, we do not all agree. The President, doubtless, sincerely believes what he states to be true. He probably thinks that the evils to which we are now subjected, the great convulsions in the commercial and business affairs of this great nation, are directly attributable to the effects and operations of the Sherman law. Sir, I do not agree with him in these views. He refers to the Sherman law as "legislation condemned by an ordeal of three years of disastrous experience." Mr. Speaker, three years ago, after long deliberation and after a careful analysis of the condition of the country at that time, and its past history, I voted with my party, and I voted, as I thought, intelligently and conscientiously upon the question then presented to us. I voted for the passage of the Sherman bill. I believed it was wise then. I believed it would accomplish great good for the interests of this country, and I have had no occasion to change my opinion since then.

While it may not have accomplished all that was expected of it, while it may not have produced that full satisfaction that we hoped it would, still, sir, the facts are before us, demonstrating to a certainty that it has accomplished a vast good to the people of this country. And now I ask my associates upon this floor what proofs have been submitted to this House either directly, through the Executive, or through any of the Executive Departments of this Government, or indirectly through other sources to demonstrate that the prevailing condition is chargeable to the operations of the Sherman law? What evidence, sir, have we even from any of the European countries with which we trade, or through their leading newspapers, or from their public men, that there is such an apprehension existing as to our inability in the near future to meet our obligations in the current money of the world, that it should have impelled the foreign creditors to forward their securities to this country for immediate payment in gold lest we shall come upon an exclusively silver basis?

I ask my associates what evidence is there to attribute to this cause that gold is leaving the country and producing a drain upon the gold reserve in the Treasury? Assume that it has, in the past year and since Cleveland's election, which is a fact. Is this the first time that gold has departed? That has occurred many times in our history heretofore. That can be accounted for in other ways than to attribute it to the operation of the Sherman law, as I shall show later on. But is it true that gold has left the country in excess of the amounts necessary to pay the balance of account against us? As a matter of fact, instead of the Sherman law driving gold away from the country, we have to-day far more gold than we had before the passage of that law, and if it were not for recent decrease of American exports through fear of probable free trade, we should have greater abundance. Our gold has not so much left the country as that it has gone from circulation. This is the difficulty. Loss of confidence in the uncertain future has driven capital into concealment. In 1890, when the Sherman law was enacted, there was in the United States $2,144,226,159, and in 1892, two years later, there was $2,372,599,501 of money. We have to-day more gold than Great Britain, but it is not in circulation. How many securities have been presented to us; what is the value of them, who has presented them, when were they presented, to whom were they presented, and what has impaired our ability to honor our obligations so recently? These are questions proper to be asked, and proper for reply.

Sir, I can not, therefore, after a careful investigation of the subject and after listening to what has been said by many eminent gentlemen on the floor, both for the continuance of the law and those in favor of its repeal, see my way clear to vote for the repeal.

But it is said that the distrust and lack of confidence existing throughout our own country is due to a fear that we shall go upon a silver basis and that a permanent disarrangement of business will follow. The facts do not confirm this assertion. I shall endeavor to prove that other fears, entirely well founded, are the basis for the existing depression.

Taking that view, sir, I feel that I should stultify my record supporting the original enactment of the Sherman law should I, without full proof of its injurious operation, deliberately vote now to repeal it.

Aside from the recommendation of the President for the repeal, no suggestion is proposed for a substitute, or for some legislative relief by which to restore confidence. Not a word is said and no recommendation is made as to the disposal of the 133,000,000 ounces of silver bullion which now lie stored up in the vaults of the Treasury. Nothing is said in the way of admonition as to the short time which will elapse before $172,000,000 of national bank currency will be retired, leaving us with less currency than before.

He simply contents himself by urging the repeal of a law which now contributes to the people of this country over $50,000,000 of metallic currency. In the face of a supposed scarcity of money, it is proposed to make it still scarcer with less in circulation among the people.

PENDING TARIFF CHANGES DISTURB BUSINESS.

But, Mr. Speaker, if our distresses are due to the Sherman law passed three years ago, is it not very singular that we should not have discovered something earlier of the approaching storm? Less than twelve months ago the Democratic national convention assembled, and not one sentence is found in its resolutions of any pending crisis; no word of warning was issued through the Republican platform; no word of warning came to us through the letter of acceptance of the President; no admonition was expressed in the inaugural address of Mr. Cleveland, delivered in front of the east portal of the Capitol no later than on the 4th day of March last; no forebodings were heard in this Chamber when we last left for our homes. Our nation was prosperous, our currency sound and satisfactory. But what sudden change has come over the spirit of our dreams? Whence comes it? What mysterious influence, sir, has brought about this widespread ruin in the commercial affairs of this country in so short a time?

The Sherman law has been in operation since 1890. Over $50,000,000 worth of silver bullion was purchased each year, and certificates issued therefor which went into circulation as the currency of the country. Was it supposed that a great nation like ours would break down financially, and become dishonored and unreliable, and pay our debts in fiat money simply because we purchased $50,000,000 of silver annually?

Foreign holders of American securities were aware of this increase in the currency, and no complaint was heard from any creditor. Our own people had expressed no dissatisfaction. Our Government had promptly remitted interest upon its obligations, and its calls for money would have met readier response and at lower rates of interest than on like calls from any other nation on earth. Since the experience with South and Central American and Australian investments no securities are so eagerly sought for as those of this country. Neither President Harrison nor the Treasury Department under him had advised Congress that our national credit was being impaired by the monthly purchase of silver bullion. Behind every certificate, which is maintained on a parity with gold, there is a gold dollar's worth of silver. No legislation had been attempted to pay the foreign creditor in less value than he had always been paid, and no such policy or legislation was proposed. In all foreign stock markets American securities ranked with the best.

Better than all, however, there stood as the best of guaranties, the undisputed and unsullied faith and honor of this nation. In view of these sterling facts, is it not remarkable that the Sherman law should have been discovered so full of peril to the country immediately after Grover Cleveland's election to the Presidency? We could have purchased several hundred millions more of silver bullion and yet not have had as much as France, which has 29,000,000 less people than have we, and much less resources and national wealth. And yet no holders are worrying over French securities. Then the American people have a right to ask for the cause of the troubles which have come upon us. There is but one answer: It is found in the election of a President and a Congress which are pledged to change the revenue policies which have existed in this country for over a quarter of a century, and which have encouraged and maintained an industrial growth unparalleled by any nation on earth. It is these vast concerns which are menaced. The very natural fear that the party which has characterized protection as a robbery, as an iniquity, and as unconstitutional will legislate in harmony with such unfriendly attitude, produces an unrest, a distrust, and an apprehension that incalculable ruin will follow such legislation. A fear is abroad that the prosperity of American industries is at stake and that a policy is to be inaugurated which will invite to this country the product of cheap foreign labor, which will come in conflict with American labor. The Sherman law did not drive gold from the country. Examine the Department reports and you will find why any gold is leaving in excess of what should leave. We import more than we export. We buy more than we sell. For the year ending June 30, 1893, we imported $93,652,981 more than we exported. The year previous, under a protection Administration, we exported—we sold—$202,875,686 more than we bought. Gold was plentiful and in circulation in this country then. As soon as this Administration was elected last fall manufacturers diminished their output and production decreased. Having less to sell we had more to buy. The balance of trade was against us. Much gold went out to pay our debts. Free trade increases imports. Protection encourages exports. Free trade drives gold out. A nation, like an individual, that long buys more than it sells will come upon troublesome times. When we adopt a policy of "a tariff for revenue only"—which is practical free trade—then will gold leave the country to remain away.

Is it not natural to assume that the people are impressed with these fears, and naturally withdraw from the ordinary operations of their business capital which they have invested? The uncertainty of the future prompts caution, and requires temporary suspensions, the discharge of labor, the diminution of production, and the hoarding of unemployed resources. Capital is always timid, and when threatened it seeks a refuge in concealment. The operation of the Sherman law can not even remotely affect the working of American factories, which find so much consumption in our own markets. Why, sir, to give an illustration: In my own State there is produced nearly twenty million pounds of wool annually. That wool product brings to our people ordinarily about $4,000,000 a year.

I met recently one of the wool-buyers of the East who usually seeks that portion of the Pacific coast to purchase those excellent wools. I inquired of him why it was that he did not continue his purchases there. He replied, "Why should I come to your people and purchase their wool, paying 20 cents a pound for it, as I did last year, when in the course of six months or so I shall purchase Australian wools at half that price, or American wools at the Australian price plus the cost of transportation?"

Sir, the illustration might be extended to a variety of other industries and occupations throughout this great country; and is it not reasonable, looking at the situation in that light, that I should form the conclusion that the great apprehension which is now entertained by the people of this country is founded upon the belief that in a short time they may expect legislation hostile to industries which it has occupied several lifetimes to build up? No, sir; it is not the Sherman law which has extinguished the fires in American factories, forges, and furnaces. It is not the Sherman law which depresses the farm product, or drives thousands of strong men into the streets to beg for bread. The repeal of the Sherman law will not produce relief. Nothing will so much allay existing apprehension among the people and restore confidence and revive business as the passage of a joint resolution through this Congress, proclaiming to the country that no material changes shall be made in the revenue laws, and that American industries shall be protected.

IF REPEAL, THEN FREE COINAGE.

If, however, it is determined to repeal this law, another question arises, and that is as to whether we shall adopt a substitute for it, rather than see that law unconditionally repealed. I, for one, am in favor of substituting free coinage at the highest ratio proposed by the committee in the pending amendment, being desirous of coining both metals upon such ratio as will most nearly recognize a parity between the reasonable commercial values of the metals, and thus maintain both silver and gold upon equal terms before all the world. I am in favor of bimetallism.

I believe, sir, that bimetallism in this country is our best financial policy. I believe in it because it is in harmony with the traditional policy of this nation: because it is recognized by the Constitution of the United States; because it insures an increase of circulating medium among the people of the United States; because it guarantees to the people at all times at least one of the precious money metals. We have discovered the benefit of that in past years. At one time gold left the country and silver was our only money metal. At another time silver departed and left us with gold as our only monetary resort. This may occur again at any time in the future as it has occurred in the past.

No, sir; I am not a monometallist. I believe that two standards are better than one, for, as the Scriptures teach us, "Two

are better than one, because they have a good reward for their labor. For, if they fall, the one will lift up his fellow; but woe to him when he is alone when he falleth, for he hath not another to help him up." Mr. Speaker, again, I am a bimetallist, because it favors the American product. I do not forget that the American silver mines yield to mankind nearly one-half of the entire world's product. The yield last year of the Western States and Pacific Slope exceeded $73,000,000. We, then, of all other nations, should be the last to depreciate our own vast wealth. But, whatever others may do, let the West prove loyal to silver—a factor so potential in its prosperity and development.

It affords a lucrative industry in twelve States and Territories of this Union. It gives employment directly to 100,000 people, and indirectly to greater numbers. It creates a home market to the people of that vast region, and patronizes the industries of the whole nation. It develops American mining and explores and builds up and makes flourishing the waste places. It has added sovereign States to the Union, drawn wealth from the mountains, aided our own people in other industries, invited transcontinental railway transportation, and, while it has added money metal to the world, it has also increased American exports to the foreign market, and returned to our own people the contributions of other lands. I am a protectionist in principle, and I shall aid one American industry as well as another. Protection involves mutuality and reciprocity. The success and prosperity of one industry, or of one class of the American people, adds to the wealth, the happiness, and aggrandizement of all the others.

POPULAR WILL GOVERNS THE REPRESENTATIVE.

But above and beyond these considerations it is the duty of a Representative to consult the declared wishes of the people he represents. If after knowing their desire he finds his own judgment in conflict with that desire and declines to subordinate his judgment to that of his constituents and to execute that wish, it is his duty to resign and to vacate his place in the councils of the nation, that another may be selected who will obey the popular wish. By reference to the platforms of the various parties in my State I believe it to be the desire that legislation shall continue to recognize the equality of gold and silver as the money metals of this country, and that this policy shall be extended and not restricted, favoring neither contraction on the one hand nor inflation on the other.

In the Republican platform of 1890, upon which I was nominated, adopted in my own State, I find the following:

Resolved, That, recognizing the fact that the United States is the greatest silver-producing country in the world, and that both gold and silver were equally the money of the Constitution from the beginning of the Republic until the hostile legislation against silver which unduly contracted the circulating medium of the country, and recognizing that the great interests of the people demanded more money for use in the channels of trade and commerce, therefore we declare ourselves in favor of the free and unlimited coinage of silver, and we denounce any attempt to discriminate against silver as unwise and unjust.

The platforms of all the parties in my State, at that time contained similar resolutions.

And, Mr. Speaker, in the platform of 1892, the one on which I was last nominated, similar resolutions were adopted, expect that they favored the coinage of American silver, the product of American mines. Under our present order this last can not be voted on.

BIMETALLISM OUR NATIONAL POLICY.

Now, Mr. Speaker, in looking at the teachings and reviewing the records of the early Revolutionary fathers, I find that we, as bimetallists, are also in harmony with them. Hamilton, Washington, Jefferson, and Madison, those grand old architects of our constitutional fabric, and those who came after them, such as Jackson, Webster, Clay, and others, favored free coinage, and believed bimetallism essentially the proper monetary system for this Republic, and as a guaranty against scarcity of money. Hamilton, in his report in favor of the establishment of the United States Mint, said:

To annul the use of either of the metals as money is to abridge the quantity of circulating medium and is liable to all the objections which arise from a comparison of the benefits of a full with the evils of a scanty circulation.

Again, Daniel Webster said:

I am certainly of opinion that gold and silver, at rates fixed by Congress, constitute the legal standard of value in this country, and that neither Congress nor any State has authority to establish any other standard or to displace this standard.

Now, sir, I desire to refer very hurriedly to another proposition that is involved in the issue under discussion here—the question of

WHAT SHALL BE THE RATIO?

This involves a study of the first principles which underlie a dual metallic currency. The greatest obstacle in the maintenance of bimetallism arises from the fluctuations in the metal values, and hence the necessity of so fixing the relation between the two that the difference should measure the relative commercial values of the metals. The original test of the values was the quantity of human effort represented by each. When the present ratio in this country was determined, it was considered that the coinage value always follows the commercial or intrinsic value. The silver dollar contains 371¼ grains of pure or 412½ grains of standard silver, and should be commercially worth 23.22 grains of pure or 25.8 grains of standard gold. Subsidiary coinage or fractional silver is intended to be confined to the country of its issue, and is intrinsically less in value than its face. It is legal tender for small payments. Hamilton and Jefferson recognized the necessity of establishing the ratio on the market value, and in fixing the difference in gold and silver at 15 to 1 they assumed this to measure the relative commercial values.

It was discovered, however, that gold was undervalued, and hence it sought other markets where, as in Europe, 15½ ounces of silver was equal to 1 ounce gold. There was, consequently, a scarcity of gold in the early days, and this led Mr. Gorham, President Jackson's Secretary of the Treasury, in his report to Congress in 1830, to say that it was impossible to fix "the relative value of two metals by law that one or the other may not at times become of more value in the market than estimated by regulation." He said:

When this happens it will be bought and sold according to its market value, regardless of the law.

During that administration, in 1834, the ratio was again changed from 24¾ grains to 23.8 grains; there being less per cent of gold in this change and the ratio was 16 to 1. Under this regulation, however, silver became undervalued. It was worth 3 per cent more abroad than American gold under the foreign ratio of 15½ to 1, and it left the country. Subsidiary coinage being of the same ratio with the dollar, it left also, being of greater value than 16 to 1, and it was only retained in the country in 1853 and after by reducing in that year the per cent of silver. It remained at home after that. Thus we find that one law demonetized gold, and another law demonetized silver. Of the $11,908,890 of gold coined from 1793 to 1834, every dollar was exported.

During that period our metallic money was silver. Under our ratio silver was cheaper in Europe, and hence it remained here. Before 1853 all silver coin was legal tender, but after that year subsidiary silver coins were only legal tender in amounts not exceeding $5, and free coinage denied them at the mints.

It is interesting, however, to know that during all the years of the free coinage of both gold and silver, which continued from 1792 to 1873, there was but slight fluctuation in the commercial values of gold and silver bullion in the world, it never going above 16 to 1, or below 15 to 1, or at the average rate in London of about $1.34 per ounce of fine silver.

At this point it is also of value to notice the world's silver production, since the amount and cost of production are material items in regulating the commercial value, which influences the establishment of ratio. Before 1873 the gold product of the United States was $1,229,286,769, while the silver product during all those years was but $153,522,000.

From 1873 to 1891 the gold product was $675,595,000, while the silver product was $879,520,000. Before 1873 the gold product was eight times in excess of the silver product, while for nineteen years after 1873 the silver product was $200,000,000 in excess of the gold product. At the present time there is an annual product of $33,000,000 of gold and $50,000,000 of silver, present value, in the United States, and silver is increasing proportionately far more than gold. The world's production of silver in 1892 was 139,733,936 ounces as against 108,888,000 ounces in 1888 and 63,276,000 ounces in 1873, and while the world's production of gold was 6,615,611 ounces in 1892, it was 5,333,000 ounces in 1888, and 4,650,000 ounces in 1873. The world's coinage of gold in 1891 was $119,310,014 of gold, and $136,508,083 of silver as against $134,828,855 of gold in 1888 and $134,922,344 of silver in 1888.

It is estimated that at the present time the world possesses about $3,582,605,000 of gold and $4,042,700,000 of silver money. In the past three years the world's coinage of gold and silver has been about equal. From 1873 to 1891—eighteen years—the silver production exceeded the gold production by $123,634,100.

For sixty years previous to the late war we did not produce in all the United States silver to the amount of $1,650,000. The first great movement was in 1861, when we mined $2,000,000, or more than in the preceding sixty years. In 1871 there was $23,000,000 mined, being an increase over the preceding year of $9,000,000. From this time on the increase was rapid. While the world's production in 1891 was 140,865,000 ounces, that of the United States in that year was $75,417,000 in value. Since 1873

the entire production alone of the Comstock lode in Nevada is valued at $125,419,022.

This shows how vastly the silver product in late years has exceeded the gold product.

THE CAUSE OF INCREASED SILVER.

The great increase of the silver production since 1871 is due largely to the improved facilities for operating mines. Greater improvements have been made in mining in the last thirty years than in the five hundred years preceding. Among them may be noticed the diamond drill for prospecting; machine drills for driving, sinking, and stoping; the use of compressed air for winding underground; the force of stronger explosives, especially that of the nitro-glycerin compound, dynamite, and blasting gelatin; the increased use of steel for various purposes, with Blake's stone-breaker and continuous jiggers; the extended application of hydraulic mining; the larger employment of electricity, both for blasting as well as for signaling, and for lighting and transmission of power; improved means of ventilation, natural as well as artificial; quickened and cheaper transportation of ores, metals, and supplies. Even magnetic attraction is utilized.

Silver is seldom found in the native state, and the ores were formerly difficult of reduction. Gold could easily be washed out of the sand and gravel by hand or by simple appliances, while silver, which is found in the solid rock, could only be released and obtained by subterraneous mining and at great expense. The ores are generally complex mixtures, and their metallurgic treatment depends much upon the conditions in the admixtures, and was slow and costly and crude. In Mexico, Peru, and Chile mules were used to tread together the ground, stamped ore and salt until, with crude sulphate of copper, the silver was converted into amalgam. All these old processes are now superseded by newer, later, more rapid, and more economical means. Hence it is that silver mining has cheapened more perhaps than any other class of metal mining. The silver miner can now profitably mine silver for $1 per ounce, which twenty-five years ago cost him $1.29 an ounce. Seventy-five men will now produce more silver than twenty-five years ago were produced by 100 men.

It can be seen why it was that for nearly a century the nations of the earth agreed upon and maintained ratios relatively close to each other. The cost and production of silver bullion varied but little in the long course of years. Inventive appliances were slowly adopted, and manual labor and difficult transportation were insurmountable obstacles.

DISUSE AND CHEAPNESS.

As soon, however, as steam, improved machinery, and cheaper transportation quickened the mining industry a new stimulus was given, and the earth gave forth the precious metals at greatly reduced cost. A great revolution at once ensued in the monetary world. Mints which for a hundred years had been opened to free coinage at the ratio of 16 to 1, one after another in the different great nations, were closed to silver. The market price was too low to maintain that legal ratio. It is true that demonetization, as in the case of England and Germany, was to a great extent influenced by political and diplomatic motives, yet later on it must be conceded that the vast production and cheapness of silver as a commodity were leading factors in bringing about the restrictive action upon free coinage.

The same means largely which made silver cheaper as bullion in the commercial world also made iron, tin, copper, nickel, cinnabar, coal, and other products cheaper in price than ever before. The great laws of trade asserted themselves, and no legislation could entirely avert the result. The cost of production is always an influential element, although controlled largely by the laws of supply and demand.

Dr. Smith, in his Wealth of Nations, referring to the decline of silver in northern Europe, says:

The discovery of the abundant mines of America seems to have been the sole cause of this diminution in the value of silver in proportion to that of corn.

The Portuguese were induced to change their mint ratio in 1688 by reason of the immense yield of gold in the placers of Brazil, and such was this influence on Spain that she altered her ratio to conform to the Portuguese, and this later on affected the French ratio.

The demonetization of silver by all the great commercial nations of Europe, and lately by the closing of the India mints, deprived silver of its greatest use and value—its use as a money metal. The disuse diminished the demand, and the lessened demand naturally depressed the price. Two causes have therefore united to depreciate the value of silver over the world: First, its greater and cheaper production, and, secondly, its demonetization and disuse for future coinage by the great money-absorbing nations of the world.

Even if there had not been the marvelous increase of the silver product and its cheapening, the adverse influence of such great nations as England, Germany, France, Spain, Belgium, and Switzerland would of itself have reduced the price of bullion in all the markets of the world. The extent of the use of silver for monetary purposes by some of those countries alone may be judged by a reference to the amount now in circulation among them: France has $700,000,000; Germany has $211,000,000; Belgium, $55,000,000; Italy, $60,000,000; Spain, $125,000,000; and India has $900,000,000. To suspend free coinage in such money-absorbing nations is to inflict upon silver a most incalculable injury by its future disuse.

Upon this point Secretary Windom reported to Congress in December, 1889, that of the annual production of $142,000,000 of silver, $35,000,000 was required in India alone.

The ratio of 16 to 1 represents the difference of the commercial value of gold and silver at a period when silver bullion was worth not less than $1.29 per ounce, and when coinage demand existed in every nation. Silver bullion was worth in the market just what it would bring in the European mints. Now this mint demand no longer exists. Silver, to that extent, is no longer in use. The result is that silver bullion is freely offered at 75 cents per ounce, and the supply vastly exceeds the demand.

FREE-COINAGE RATIO IS REGULATED BY COMMERCE.

In the face of this condition it is proposed by many of our countrymen to open our mints to free coinage of silver—the world's silver—and to attempt to impress by the stamp of the mint the value of $1 upon silver bullion which in all the world's markets is commercially sold at 57 cents. Personally I should prefer the ratio of 16 to 1 if it were possible for this nation alone to maintain it, by allowing free coinage to the world's silver.

We are asked to do what the nations of the earth have ceased to do. If our forefathers, and if other nations ever since coinage began, could not disregard the differences in the commercial values of gold and silver, how much less can we? If 16 to 1 was a just ratio when silver was $1.29 an ounce, and all countries with free and open mints to silver, how can it be now when silver is only 75 cents an ounce, and all mints closed to it? We changed our ratios before when 1 ounce was the difference, and shall we decline to do so now when 12 ounces is the difference between gold and silver values? The ratios of nearly all the principal countries between gold and legal-tender silver is 15½ to 1, but no longer free coinage. France, Belgium, Italy, Spain, Netherlands, Russia, and Central and South America all have this ratio. These nations, with Turkey and Japan, are bimetallic—gold and silver—while Russia, Mexico, Central and South America are upon a silver basis. Those on a gold basis are the United Kingdom, Germany, Portugal, Austria, Scandinavian Union, Australia, Egypt, Canada, and Cuba. The ratios of these nations were adopted over a century ago and upon a free-coinage system, and in every case upon the difference between the commercial value of gold and silver bullion. The coinage value was then the cost of production. There was not 1 grain of fiat. It was intrinsic value. When the difference in the commercial values after 1873 grew wider apart and silver bullion became cheaper, then we find the mints closing to the free coinage of that metal. Free-coinage countries would no longer maintain the legal ratio. If either of those nations alone should now resume free coinage, it would not be upon the old ratio, but the established rule and policy of the ages would be observed, and the reasonable commercial value would be the basis. Because 16 to 1 produced equality in value years ago is no reason it will do so now. Conditions have changed. New ratios must be adopted unless by international agreement the old ratios and free coinage are restored. And what are the incontestable facts of history? In remote times gold and silver were of equal value.

Tacitus tells us that among the Germans at one time silver was worth as much as gold, ounce for ounce. Such was the case also in Arabia. At other times 8 ounces of silver bought 1 ounce of gold. For hundreds of years 10 ounces of silver bought 1 ounce of gold. In Cæsar's time it was 9 of silver to 1 of gold.

Then for a long period 12 and 13 ounces bought 1 ounce of gold. In Greece, as we read in Herodotus, gold was thirteen times the value of silver. In England in the twelfth century it was 9 of silver to 1 of gold. Under Louis XIV the livre was one-half what it was under Henry IV. The Spanish-American colonies producing principally silver, Spain raised its ratio in 1775 from 1 to 15 to 1 to 15½ that of gold, while in the colonies it remained 1 to 15. France, whose ratio in 1726 was 14½, adopted the ratio of Spain in 1785—that of 15½.

THE WORLD'S BUSINESS WITH THE WORLD'S MONEY.

Experience has demonstrated that to do business with the great commercial nations of the world it is essential that the currency to do that business must be in harmony with the intrinsic value of the money of those nations.

To say that a silver dollar of 412½ grains shall be the equal of 25.8 grains of gold does not make it so before the world. Ma-

caulay, in his History of England, commenting on the depreciation of silver in England at one time and referring to the views of the then minister of finance, says:

He was not in the least aware that a piece of metal with the King's head on it was a commodity of which the price was governed by the same laws which govern the price of a piece of metal fashioned into a spoon or buckle, and that it was no more in the power of Parliament to make the Kingdom richer by calling a crown a pound than to make the Kingdom larger by calling a furlong a mile. He seriously believed, incredible as it may seem, that if the ounce of silver were divided into 7 shillings, instead of 5, foreign nations would sell us their wines and their silks for a smaller number of ounces.

If, then, from time immemorial, all nations coining free have changed their monetary ratios to correspond with the world's radical changes in commercial values, what rule or law of trade shulod exempt us from doing the same in the face of greater changes in the same time than ever before known in the history of man?

AMERICAN FREE COINAGE AND SILVER APPRECIATION.

But if such nations will decline to join us in restoring free coinage at 16 to 1, and we alone on that ratio are unable to repair the injury inflicted by so many, are we not, with our mighty energy, unparalleled resources, world-wide power and influence, and our vast foreign and domestic commerce, and money-absorbing capacity—are we not, I say, at least partially able to revive values by adopting a more liberal ratio? Our single action would affect the world's values. The recent movement of India alone by the closing of her mints to free coinage of silver was sufficient to reduce the price of silver everywhere from 82 to 70 cents an ounce. If that one country by demonetizing silver can depress its value 12 cents an ounce, can not we, a far superior power, by remonetizing it, restore the value in much greater proportion? I read in the published cablegrams from Europe that the very anticipation of favorable silver action by this Congress is having a tendency to advance values. I quote the following:

GERMAN INTEREST IN THE STRUGGLE.

BERLIN, *August 13.*

The proceedings of the American Congress are watched with keen interest here. President Cleveland's message gave bourse operators in this city and elsewhere in Germany the impression that silver was doomed, and this caused a heavy drop in the values of Mexican securities.

There was intense and general uneasiness over the commercial situation in America. The apparent strength of the silver men in Washington, coupled with the rise in the price of silver, led to a reaction of opinion, and Mexican securities have recovered three points since Thursday, even though it is asserted that agents in Mexico of the Bleichroeders, the well-known German bankers, have information of an intended reduction in the rate of interest now paid on Mexican bonds.

Do we realize the supreme power of this nation in the world's affairs? We are the greatest manufacturing, the greatest agricultural, and the greatest mining nation of earth. We produce nearly one-half of the world's silver product, and we consume nearly one-fifth of the world's silver. We consume one-fifth of the world's sugar supply, nearly one-fourth of the world's coffee, one-third of the world's iron and lead, one-fourth of the world's cotton, one-third of the world's wool, one-half of the world's tin, and one-third of the world's coal, and yet we have but 5 per cent of the world's population. We have more miles of railroad than has all Europe, Asia, and Africa combined. The freights on the United States railroads in 1890 exceeded by 36,000,000 tons the aggregate carried on all the railroads of the United Kingdom of Great Britain and Ireland, Germany, France, and Russia in 1889. The freight traffic passing through the Sault Ste. Marie Canal on our Great Lakes exceeds the combined tonnage of all nations passing through the famous Suez Canal. We are a great money-absorbing nation, and, unlike the older nations, we have marvelous resources yet undeveloped which require unlimited capital to develop. We are not only able, but our necessities require that we should advance silver to its proper monetary use. No other nation has so great an interest in free coinage. If England and the other nations will not aid us, should we make no effort ourselves?

We could as late as 1890, when the Sherman act was passed, have established free coinage on the basis of 16 to 1 and appreciated the value of silver over the world to that parity had we then adopted such policy. The legal and commercial variance was not wide. Any other great nation with ours could have maintained the parity then. Referring to the demonetization of silver by Germany, Del Mar, in his Money and Civilization, says:

Had France and the United States not also closed their mints to silver, even this action by Prussia would apparently have had no effect upon its value.

After the Sherman act was passed India in 1890 was coining silver which was worth $1.04 per ounce as bullion. Our action then or later might have averted the decline which so rapidly followed, and we might by sustaining India in her policy have prevented her suspension of free coinage recently.

Now, the task before us is infinitely greater than ever. We are the only great nation even proposing free coinage of silver.

THE UNITED STATES AIDED IN SILVER'S DECLINE.

At the same time it may be said that no other country is more responsible than the United States for the decline in silver. In 1873 we discontinued the coinage of the silver dollar when silver was at a premium. The Bland-Allison act of 1878, which required not less than $2,000,000 and not more than $4,000,000 of silver coinage, was systemetically antagonized by the Treasury Department—the smaller and never the larger amount was coined. The Sherman law of 1890 was even more unkindly treated. It is not to that law, so much as to its reluctant enforcement, that we are in extraordinary session to-day. It is to that we may trace the closing of the India mints and the disuse at least of $35,000,000 annually for money. The following extracts from the law will leave no room to doubt as to what is the duty of the Government:

SEC. 2. The Treasury notes issued in accordance with the provisions of this act shall be redeemable on demand, in coin, at the Treasury of the United States, or at the office of any assistant treasurer of the United States, and when so redeemed may be reissued. * * * Upon demand of the holder of any of the Treasury notes herein provided for, the Secretary of the Treasury shall, under such regulations as he may prescribe, redeem such notes in gold or silver coin, at his discretion, it being the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio, or such ratio as may be provided by law.

SEC. 3. The Secretary of the Treasury shall each month coin 2,000,000 ounces of the silver bullion purchased under the provisions of the act into standard silver dollars until the 1st day of July, 1891, and after that time he shall coin of the silver bullion purchased under the provisions of this act as much as may be necessary to provide for the redemption of the Treasury notes herein provided for, and any gain or seigniorage arising from any such coinage shall be accounted for and paid into the Treasury.

In the face of this plain language, and in violation of the spirit of the law, gold coin is paid to the silver seller, on redemption of certificates payable in coin. With a Treasury overflowing with silver and a gold reserve rapidly diminishing, gold is paid. It is claimed that this must be done to maintain the two metals on a parity. This course tends to destroy, not maintain, the parity. The definition of parity is, "equality," "of the same degree." Is it equality to discriminate between one of two things of equal degree? Both metals are legal tender. Does it promote parity to discredit and reject one of a pair? No wonder foreign countries regarded with suspicion a country acting in this manner toward a metal which she produced more than any other country in the world.

No wonder that India, beholding the indifferent—not to say hostile—conduct of America to its own product as money, concluded that it was time for her to abandon the struggle for free coinage and to close her mints. How long would the credit of an individual last who should stand upon the house tops and belittle his own resources or condemn his own obligations?

THE SHERMAN LAW A BENEFIT.

The Government purchases each month are mainly of American silver; and the payment, if made in silver, would largely have passed into the hands of the mine owner, and thence to his workmen, and from them to the merchant, the farmer, the marketman, the mechanic, and to numerous divisions of trade. All would have been glad to receive silver in payment. None can claim that such distribution of the Treasury silver would have "destroyed the parity between the two metals." It would, on the contrary, have maintained the parity and have retained that much gold in the Treasury, which was paid out to American mine owners. After perpetrating the mischief then comes the cry from President Cleveland, his Secretary, and friends, "The gold is leaving the country. We shall soon be upon a silver basis. Repeal the Sherman act."

The $50,000,000 annually paid out is small in comparison to the gold paid into the Treasury from all sources, and the Government could not be inconvenienced. The certificates are used in lieu of the bulky coin, and no objection can arise on this score from the people. The market value is paid for the bullion, and this on deposit is always an ample credit to the Government for the outstanding certificates. The fact remains that the people of our nation are benefited by this additional money, and the Government is neither injured nor embarrassed by such limited purchases.

THE FALLACY OF SILVER AND PAPER FIAT MONEY.

Some of those who advocate free coinage at 16 to 1 believe that it is the stamp of the Government which alone impresses value upon the metal, and hence with them a "dollar" containing but 56 cents in silver is the equivalent of another dollar containing 100 cents in gold or silver. A so-called "dollar" with only 5 cents of silver would be just as acceptable. That theory drives us to fiat paper—to populism. Why longer sweat and toil for gold and silver if cheaper paper will supply the world's money needs? Close the mines entirely, except for the mechanic arts' supply, and expend no more severe labor for a metal useless to commerce for money circulation. Relieve labor and substitute paper. To that class of believers the cheaper the material the more consistent the currency, since the stamp alone controls. When, however, they are reminded that as to the settlement of

our foreign accounts the stamp will add no value to the currency, they have no further defense to make.

We are not yet surrounded by a Chinese wall and secluded from all the rest of mankind. We intermingle and travel among other nations and we trade with them, and they trade and travel among us. Our foreign commerce—exports and imports—aggregate the enormous sum of $2,000,000,000. We are a great debtor nation also, and we owe to foreign nations on individual and corporate obligations in actual gold coin hundreds of millions of dollars. These can not be paid in irredeemable stamp money, or in 56-cent stamp silver dollars. We also owe as a Government on our bonded indebtedness to foreign holders. They will not accept "stamp" money. The balance of trade is against us, and we owe to foreigners $100,000,000. This is gold.

Shall we dishonor these obligations and publish ourselves as a nation of repudiators? We are told, however, that intrinsic value is not recognized by our Government; that the Bland silver dollar, which was a legal tender and contained 412½ grains, was of greater purchasing power than the silver trade dollar, which contained 420 grains and not legal tender except for small amounts, and we are asked what we have to say to this for intrinsic value. They forget that for home payments the legal-tender coin is current. Here is where all this class of reasoners go astray. The trade dollar was not intended for domestic trade, although allowed free coinage. To the world it was worth more than our legal-tender dollar. They assume that our money is alone intended for internal commerce, and that it is on the same basis as fractional currency, except that among ourselves it has a more extended legal tender. They refer to the fiat in the greenback, but forget that this currency was not at par until specie payment was resumed, and when there was a fund of $100,000,000 behind it for redemption, and then it was as good as gold in London and Berlin, but not before. The debts of the world must be paid in the money of the world. Fiat and stamp money will not count. Silver goes in the melting pot, and to be worth a gold dollar it must be worth intrinsically $1 in bullion.

This may not be precisely as we would have it, but unfortunately we are the debtor and the foreigner is the creditor, and still more unfortunately we yet find it necessary to seek the foreign markets to buy as well as to sell. We should encourage protection, sell more and buy less, and then we could be more independent.

My friend from Kansas [Mr. SIMPSON] in his speech recently said, "Now, those who believe with me and my party hold the position that it does not matter what material your money is made of." As to a limited amount of legal-tender currency this may be true, and for Government payments it is true, but even for domestic trade if the volume becomes excessive people lose confidence and decline to receive it in large sums and will evade the law of legal tender through specific contracts, which the Supreme Court decides to be valid as against such law. The American silver dollar of 412½ grains at present will be received in London substantially at its face—about on a par with gold—while the Mexican silver dollar of 420 grains, and just as pure silver, will only be taken for 65 cents. The American dollar is maintained at par with gold, while the Mexican dollar travels on its stamp and intrinsic value. The stamp does not make it a dollar in the world's markets. Mexico has free coinage of silver, but its dollar is not on a parity with gold, although its ratio is 16½ to 1.

Our dollar abroad with free coinage will only be valued at its bullion price. The stamp will add nothing to its purchasing power. In harmony with this fiat theory it has been proposed that such stamp money be issued by the Government to the extent of $50 per capita, or to the enormous sum of $3,350,000,000, and to circulate among the people. No promise of payment is to make this currency exchangeable for any of the world's money metals, nor is it to be redeemable in anything. It is assumed that the stamp will confer upon it full monetary value, and that the faith and resources of the Government will always guarantee solvency. It is not probably understood that such money would at once drive away all other money, and that with other people we shall have no money to carry on our exchanges. Nor is it reflected that governments are not immutable; that, like mortals, they also perish, or they change their forms, or repudiate their obligations, or become unable to maintain their fiat currency. There is hardly a system of government on earth that has not suffered mutilation or radical change, and but few systems survive a century without some alteration.

GOLD AND SILVER THE ONLY STANDARDS.

Money from time immemorial has been understood to mean the precious money metals—gold and silver. "Money" is defined by Webster as derived from the Latin "Moneta," a surname of Juno, in whose temple was coined money, and which he says was stamped coin. The word "dollar" is from the German "thaler," and this was a piece of money first coined in 1518 in Bohemia. It must be a metal derived from manual labor and the least given to fluctuations. The true measure of money is human toil. Paper is only directly or indirectly a representative of the metal. All sound money is on this foundation. As it was said of Job: "And thou shalt have plenty of silver," or as in Deuteronomy: "Neither shall he greatly multiply to himself silver and gold." From remotest time these have been the earth's money metals. Many schemes and fine-spun theories have been preached to the people, proposing some other substitute, which by its cheapness would lighten the load of labor and cheer the way of all mankind alike. But alas! like perpetual motion, they have all proven illusory, and the old Scriptural admonition still remains: "In the sweat of thy face shalt thou eat bread."

To say that a government can create money merely by legislation is to assert that it can create any value by legislation, which is an absurdity. If man possessed the power of creation by proclamation, then indeed would the philosopher's stone be discovered. Then would come the millenium. The lamb and the lion would lie down together.

IRREDEEMABLE MONEY IS NO MONEY.

A government is merely the people in their collective capacity, acting through their agents in prescribed forms and for the benefit of the whole number. The monetary legislation and stamp of the government is like the contract and the signature of the individual. There can not be value to the one that is not value to the other. Government is supported by taxes, not upon itself, but upon the property and earnings of the people as individuals. Payments for taxes represent so much individual effort and value. There is no fiat in taxes, as every taxpayer will seriously confess. Taxes represent sweat and toil, mental or physical.

To say that the people in their governmental capacity can acquire property by a mere stamped paper or legislative edict, which it names "money" irredeemable and extrinsic of value, is to claim the power of Omnipotence. The paper of the Government is like the paper of an individual, valued just in proportion with the ability to pay by redemption in intrinsic value. The war promise of the "greenback" was not irredeemable stamp or fiat money. It was a promise to pay.

"THE UNITED STATES WILL PAY THE BEARER FIVE DOLLARS."

The promise was to pay in dollars. The only dollars of the Constitution are of gold and silver coin. Everybody knew what dollars would be paid. When the Government became able to pay in specie money, greenbacks at once went to par. People then knew when the payment would be made, and they knew how the payment would be made. And until people do know these essential things as to money or promises, whether of individual or government, experience as well as human nature teaches us that little faith will be reposed in any of such promises. History is replete in examples of the failures of experiments to make money either through alchemy or through paper mills.

FRENCH FIAT MONEY.

We remember the case of the French assignats. In order to prosecute the great wars in which the French people were then engaged, they concluded to issue a large amount of irredeemable paper. But they were wiser than many of our own people, for they realized from the experience with former ventures that it was necessary to base their paper upon some value, and they accordingly secured it on the pledge of the national domain. This property consisted of the rich landed estates of the nobility and priesthood which had been confiscated previously by the Government, and embraced about two-thirds of the French Empire. This and the public credit was the basis for the fiat money. There was provided no redemption in sound money and no time for payment. The people soon became tired of using a money good nowhere else on earth and without value to maintain confidence at home, and it depreciated rapidly, although a legal tender for all purposes.

The first issue was in 1790, but by 1795—five years later—it was only worth as currency among the people themselves 18 per cent of its face value. Gold and silver all left the country. Then the Government resorted to another scheme and substituted the mandat—another paper money—for the assignats; but soon these also depreciated to nothing. During all these agitations for cheap money it was declared by the politicians that gold and silver formed an unsatisfactory basis, that a currency should not go out of a country, and that commerce with other nations was a curse. The rich and property-holders were assailed, and the poor and indebted were promised relief. Merchants who declined to sell their wares for fiat money were proceeded against. The legislative body of the French Republic passed the "maximum laws," which made sales of goods compulsory for paper money. Mobs were incited to rob and to plunder, and the rights of property were everywhere outraged. Values of all property

fluctuated, enterprises were suspended, and thrift and energy were paralyzed. The money declined, although based on Government credit, and panics prevailed in the midst of good crops and plenty. When the crash did come it was found that the poor generally held the money, and they suffered most. The speculators, seeing the end, unloaded the worthless money upon the unthinking and hoarded the property exchanged for the stamp dollars. Thousands and thousands of people were ruined, worse panics followed, and distrust entered everywhere. Values were inflated, and every product brought high prices. Money was plenty, and yet it was worthless. In the midst of abundance there was famine; and yet at this very time the French Government was one of the great nations and maintained armies in the field.

Thibaudeau, an eminent writer, referring in his Memoirs to the inflation of prices, states that sugar sold for 500 francs a pound, soap 230 francs a pound, and other things in proportion. Another writer mentions that "he who in 1790 had borrowed 10,000 francs could pay his debts in 1796 for about 35 francs." Practical repudiation became the order of the day. The lesson of this paper money with the stamp of the government guaranteeing soundness has never been forgotten by France. When Napoleon was fighting the European Coalition and was hard pressed for money, he was advised to issue paper money. He wrote to his minister:

I will never resort to irredeemable paper money.

CONTINENTAL CURRENCY.

Another example, but in our own country, is that of the Continental currency, an issue made to cover the expenses of the Revolutionary war, and which amounted to $359,546,825. It was irredeemable and based on the faith of the Government. This was also a failure. The first year the rate of exchange for hard money was 4 per cent, the second year it was 6 per cent, the third year it was 45 per cent, and the fourth year it was 100 per cent, and it ceased to circulate as money. When in the Continental Congress it was proposed to establish a sound system of finance by providing a regular revenue system, one member said:

Do you think, gentlemen, that I will consent to load my constituents with taxes when we can send to our printer and get a wagon load of money, one quire of which will pay for the whole?

Congress at last by act of August 4, 1790, did enact that the Continental currency should be funded in a loan "at the rate of $100 in the said bills for $1 in specie." This money was issued in our revolutionary period and when we were strong enough to triumph over the veteran armies and navies of Great Britain. We formed a new nation of 4,000,000 of people and the money issued on the Government faith and legal tender for all debts was not worth over one cent on the dollar as late as 1790!

CONFEDERATE MONEY.

Another instance of the failure of irredeemable paper money is that of the Confederate money of the late war. It was based on the faith of the government, and was legal tender for all debts. It was made a felony for any person not to receive it at its nominal value. The taxable resources of ten millions of people were a guarantee for its solvency. The issue amounted to $654,465,936. It passed as money among the people—a people confident of their success in maintaining the government at that time.

The first issue was March 9, 1861, but before March 20, 1861 (see Richmond Examiner of that date), this money, with the government stamp upon it and the resources of numerous States as a credit, possessed but little purchasing power, as shown by the prices current in the Richmond market. Coffee was $5.10 a pound, calicoes $2 a yard, lard and bacon 35 to 45 cents a pound, salt $25 a bushel, sugar from 60 to 80 cents a pound, eggs 60 cents a dozen, and butter $1 a pound. There was plenty of money, everybody was employed, and prices were high. Printing presses were kept constantly in motion, and the money went as fast as printed. All gold and silver and bank notes at once sought places of concealment. Here was another proof that as between conflicting or competing currencies the one least valuable will alone remain. By December, 1863, $100 in specie would buy $300 in paper money; by December, 1863, $100 would buy $1,900, and by December, 1864, $100 would buy $5,000, and by March, 1865, $100 would buy $6,000 in this stamp money.

EXPERIENCE A DEAR TEACHER.

The widespread destitution and financial wreckage which came upon the Argentine people in South America by the inflated paper money of that Government is too recent to be forgotten. Its effects were communicated to other countries, and almost every nation suffered more or less.

Mr. Speaker, in this way history speaks. Experience is a dear teacher, in finance as well as in other schools. We have learned that an unstable currency damages business, discourages industrial effort, invites reckless investments, and ends in commercial crisis. We require enough money and more money, but, sir, for heaven's sake, on behalf of the poor as well as the rich, let it be a reliable money.

INTRINSIC VALUE THROUGH HIGHER RATIO.

In conclusion, sir, and consistent with my examination of the subject, I can not conceive of the possibility of bridging over the fiat chasm between a dollar which at present contains 56 cents in silver bullion and a dollar which contains 100 cents in silver bullion. I believe, sir, in a ratio nearer to the commercial price. I shall stand upon the ratio of 20 to 1, believing that the increased use which will be given to silver in this great nation of ours will so appreciate silver all over the world that in a very short time the difference between the ratio of 20 to 1 and the present low, artificial, and depressed commercial price will be bridged over. The inconvenience of increased size in the dollar will not be felt, since the amendment provides that silver certificates may be issued "in the manner now provided by law for the standard silver dollars."

I am of opinion that the present price of silver is unduly depressed. Combinations have evidently been at work, as well as other causes named by me. It is not warranted. The miners of this or any other country can not produce silver at the present low purchasing price. But I believe that by placing silver on a ratio of 20 to 1 we can bridge over the difference immediately; for, as is well known, the greater the use you confer on an article the greater its demand, and the greater its demand the greater its value. So that, looking at the ordinary marketable value, the price of bullion all over the world will appreciate immediately up to the arbitrary standard which we shall fix if we adopt the ratio of 20 to 1.

FREE COINAGE, INCREASED USE, GREATER VALUE.

Now, Mr. Speaker, in further illustration of this, I will ask my friends from the wool-growing States what they think would be the value of wool if it should be disused for the purpose of clothing? What would be the value of wheat if it should be disused for the purpose of flour-making? What would be the value of cotton, my Southern friends, if cotton should be disused in the manufacture of the ordinary fabrics of life? What would be the value of iron if it should be disused even for the one purpose of the manufacture of iron rails? What would be the value of pork if it should no longer be called for to supply the consumption of hams and lard?

Mr. BOATNER. And if the gentleman will permit me to interrupt him I will call his attention to a case in point. In the Fifty-first Congress a bill was reported to this House imposing a prohibitory tax on the manufacture and sale of what is known as compound lard—an article of food made by mixing hog's lard with cotton-seed oil. Under apprehension of its passage, cotton seed fell in price at least 33 per cent. The continued and enlarged use of this oil for this purpose has since increased the value of this seed nearly 100 per cent.

Mr. HERMANN. I thank my friend from Louisiana for this additional illustration that enlarged use produces increased demand, and increased demand induces improved values.

What, I may say, would be the value of gold itself if it were no longer used for monetary purposes? It has, however, unlimited free-coinage use by all the greater nations of earth. Even if this one nation should disuse either of these products there would be a material decline in the world's quotations. No, sir; I believe that the more you disuse an article the more it will depreciate; and the more use you make for it the greater will be its value. Take, for instance, the article nickel. This was of very low value until a short time ago, when it was discovered that nickel enters as a very valuable factor into the composition of armor plate; that united with steel it is thus made impervious to the strongest attacks which can be made upon it. As soon as experiment had demonstrated this fact nickel went up all over the world because of this additional use which was discovered for it. And so it is with regard to everything else which we can conceive of in connection with the wants of human life.

THE BEST SYSTEM IS BIMETALLISM.

Believing, sir, in the bimetallic system and favoring the fullest use of gold and silver upon equal terms, it is my opinion that the repeal of the Sherman law will produce evils of incalculable extent unless free coinage is substituted. We must not forget that our population is increasing; that our commerce is enlarging; that our demands are more diversified; that more money rather than less is needed in this country; that in a very short time we shall have to meet the alternative of the retirement of $174,000,000 of bank notes. Let us, then, maintain the double standard; for it is true, sir, that gold and silver countries possess more average wealth and happiness among the people than any single-standard nation. Take any nation which has a bimetallic currency; take France, take the United States, take

Belgium and the Netherlands, and you will find that as a general rule every bimetallic country has a greater average prosperity than those countries which adopt the policy of gold monometallism. While England has instances of great individual fortunes and palatial splendor, it also has more extremes of poverty, degradation, and suffering among the lower walks. As a distinguished Representative once said in this Chamber:

The gold and silver nations like France can exhibit no such individual fortunes as abound in England, but it has a peasantry that, with their silver savings, can pay a war indemnity that would have beggared the gold bankers of London, and to which the peasantry of England could not have contributed a pound sterling in gold nor a single shilling in silver.

The two metals have existed side by side in harmonious, honorable companionship as money ever since intelligent trade was known among men. It is well-nigh forty centuries since Abraham weighed to Ephron the silver which he had named in the audience of the sons of Heth—four hundred shekels of silver—current money with the merchant. Since that time nations have risen and fallen, races have disappeared, dialects and languages have been forgotton, arts have been lost, treasures have perished, continents have been discovered, islands have been sunk in the sea, and through all these ages and through all these changes silver and gold have reigned supreme as the representatives of value—as the media of exchange. The dethronement of each has been attempted in turn, and sometimes the dethronement of both—but always in vain. And we are here to-day deliberating anew over the problem which comes down to us from Abraham's time, the weight of the silver that shall be current money with the merchant.

These, sir, were the words, these were the sentiments expressed by that grand old tribune of the people, James G. Blaine, of Maine, and in uttering them he spoke the heartfelt sentiments of the common people, the sovereigns of this the greatest, the most liberty-loving, the most powerful, and the best nation among all the nations of this earth. [Loud applause.]

Silver.

SPEECH
OF
HON. W. BOURKE COCKRAN,
OF NEW YORK.
IN THE HOUSE OF REPRESENTATIVES,
Saturday, August 26, 1893.

The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. COCKRAN said:

Mr. SPEAKER: After the very interesting address which we have just heard nobody will deny that the argument for free silver coinage may be made picturesque, even if it fail to be convincing.

Sir, when the gavel of the presiding officer descended upon the desk of this House on the 4th of March last, and members of Congress returned to their homes, they found the country blessed with universal prosperity. Everywhere the fires of content blazed upon the hearthstones; the light of hope illumined every household; yet in a period when everything that ought to produce prosperity was ours, the skies over our heads became somber; the dark cloud of a panic settled down over the length and breadth of the land, wrapping in its sinister folds countless thousands of American citizens, threatening to send the gaunt specter of starvation stalking over American highways, menacing the cottages that shelter American labor.

When we seek the source of the dangers that are now impending over us, we can find nothing in the character of providential interposition to prevent our continued march towards prosperity. Our bursting granaries show that Providence has smiled upon us in seed time and in harvest; yet, in every section of the country mills are closing, industry is suspended, the public mind is disturbed with apprehensions that during the coming winter our highways will be thronged, not with tramps who shirk work, but with industrious laboring men, vainly seeking a market for their labor. There is reason to fear that self-respecting men and women, who have been active forces in the production of our national wealth, may be forced to taste the bitter and humiliating bread of charity. When we see ourselves surrounded by these grave perils, and realize that our condition can not be attributed to the frown of Providence, we are forced to the conclusion that we must be suffering from the folly of man in the form of a vicious system of laws, which, in a time of bountiful production, has deranged and paralyzed the whole machinery of distribution.

I do not agree with my friend from Maine [Mr. REED] in his conclusion that financial crises are mysterious but unavoidable incidents in the progress of the human race. I believe that every commercial disturbance can be traced to settled and well-defined causes, and that this panic has been produced by vicious monetary laws, just as the panic of 1837, the panic of 1857, and the panic of 1873 were produced by unsound systems of finance. And a condition which has been produced by bad laws can be remedied by wise laws.

The President of the United States has called us together at a period of intense heat to apply a remedy to the evil from which this country suffers, and he suggests that the disasters which threaten us have their root in the operation of the act of 1890, known as the Sherman silver law. A proposition to repeal the purchasing clause of that act has been submitted to this House, and we have a series of substitutes offered for it—one a proposition for free coinage of silver with an assortment of ratios, and the other a proposition to revive the Bland act.

When we scrutinize the arguments that have been offered in support of these amendments I believe we may reduce them to two—one that the Democratic party, by its platform adopted at Chicago, declared in favor of free coinage of silver, and the other that if the amendment proposed by the gentleman from Missouri be adopted the value of silver will be increased so that it will circulate freely on a parity with gold at a ratio of 16 to 1.

Mr. Speaker, I do not join in the tone of levity with which the platform of the Democratic party has been treated in some quarters. I believe that a declaration of political principles is binding upon a political party, and when I stand here to-day opposed to this measure of free coinage, I stand on the Democratic platform with both feet, and he who seeks to pass such an act in the name of the Democratic party is trying to push me off the Democratic platform and to place me on the Populist platform. [Applause.] I assisted in the deliberations of the Democratic convention [laughter]; and, Mr. Speaker, the good humor which that remark provokes induces me to say that I had a good opportunity to discover with what vigor it set its foot upon opposition when any person undertook to interfere with its settled purpose. [Laughter.]

I remember, sir, that when the financial plank of the platform was under consideration, a delegate from Colorado proposed as an amendment the insertion of the word "free" before the word "coinage" and supported it in a speech of about an hour's duration, and did not poll ten votes for it on the floor when the convention took final action upon the proposition. Talk to me about the Democratic party having declared for free coinage! I believe the claim comes from Colorado and from Nevada, that those of us who favor the bill introduced by the gentleman from West Virginia [Mr. WILSON] are turning our backs upon the platform of our party. Why did Colorado and Nevada take to the woods during the election of 1892? [Laughter.] Why did they abandon both the great political parties of the country and take refuge in the Populist ranks?

Why, sir, I believe it is owing to a great upheaval in Colorado and Nevada, caused by the union of Democrats and Republicans with the Populists, upon the ground that both the old parties had declared against the free coinage of silver, that we are honored with the presence of the eloquent gentleman from Colorado [Mr. PENCE], who has delighted us so often since he has been added to our membership. [Applause.]

The Democratic party did not declare for the free coinage of silver. It refused to declare for it, and the assertion that we who are loyal to its declarations are abandoning our platform, is not the least extravagant of the many extravagant assertions made by gentlemen on the other side of this question in the course of this debate.

The Democratic party did declare for the use of both metals as money; and, sir, while I am opposed to the free coinage of silver, I am equally opposed to the total demonetization of silver.

Silver is a part of the world's money, and it is and always will be a part of the money of every country, but there can never be a bimetallic standard of value in any one country. There never has been and there never will be.

Mr. Speaker, we have heard it said here, and it is the principal delusion cherished by our friends who support the amendments offered to this bill, that there was bimetallism in this country prior to 1873, and that there was bimetallism in France from 1803 to 1873. Now, I venture to state that while there was free coinage of both metals in these two countries, there never was bimetallism in either, in the sense of the two metals circulating together.

These two metals never have been at one and the same time the standard of value in any country, and in the nature of things one metal must always be the standard of value. This proposition was laid down by Locke in 1695, when the principles of finance were still obscure, and when the experience of the human race in a high state of civilization had not contributed to the sum of human knowledge upon the subject. In one of the papers which Locke contributed to the discussions which preceded the great recoinage in England at the close of the seventeenth century, he said:

Two metals, as gold and silver, can not be the measure of commerce both

together in any country, because the measure of commerce must be perpetually the same, invariable, and keeping the same proportion of value in all its parts. But so only one metal does or can do itself: so silver is to silver, and gold to gold. An ounce of silver is always of equal value to an ounce of silver, and an ounce of gold to an ounce of gold; and two ounces of the one or the other of double the value to an ounce of the same. But gold and silver change their value one to another, for, supposing them to be in value as 16 to 1 now, perhaps the next month they may be as 15½ or 15¼ to 1. And one may as well make a measure, *e. g.*, a yard, whose parts lengthen and shrink, as a measure of trade of meterials that have not always a settled, invariable value to one another.

And that doctrine was repeated by Mill one hundred and fifty years afterward, when he said:

The plan of a double standard is still occasionally brought forward by here and there a writer or orator as a great improvement in the currency. It is probable that, with most of its adherents, its chief merit is its tendency to a sort of depreciation, there being at all times abundance of supporters for any mode, either open or covert, of lowering the standard.

* * * * * * *

And again:

The particular kind of variation to which the currency is rendered more liable by having two legal standards is a fall of value, or what is commonly called a depreciation, since, practically, that one of the two metals will always be the standard, of which the real has fallen below the rated value.

Mr. Speaker, these are the speculations and conclusions of the two chief philosophers who have written on this subject. And what Locke declared, what Mill repeats, is attested by the experience of the whole human race. I make the statement here now (and I challenge my friend from Missouri [Mr. BLAND] to contradict it, familiar as he is with the historical development of this question) that never in the history of the world have these two metals circulated side by side as a double standard of value. They never will so circulate and they never can. Let us take the experience on this subject of the three leading countries of the world—Great Britain, France, and the United States.

Our friends on the other side tell us that in this country a tremendous wrong was committed in 1873, that silver was then demonetized. Does not my friend from Missouri know that silver was expelled from our circulation in 1834, by the simple process of undervaluing it at the mints? He is too familiar with the economic history of the world not to be fully aware that the demonetization of silver has seldom been accomplished by specific enactment. The usual method pursued by nations to accomplish the demonetization of a metal has been that of undervaluing it at the mints. Silver was undervalued at the mints of the United States in 1834; and down to 1873 the annual coinage of it never rose above $8,000,000 except twice, and for seven years, I believe, it fell below a million dollars annually. The average coinage of silver dollars for thirty years prior to 1873 was about $1,800,000 a year. Although there was free coinage before 1873, there was no bimetallism. Silver disappeared. It left the country. It was shipped abroad, because it was undervalued about 3 per cent at the mints.

Yet my friend from Mississippi [Mr. ALLEN], following the lead of my friend from Missouri [Mr. BLAND], tells us in his own picturesque way that in 1873 a stealthy crime was committed by the demonetization of silver, while the fact remains attested by history that the demonetization, the practical demonetization of silver occurred in 1834, and the act of 1873 was but a legislative declaration and recognition of what was then the actual financial system of the country. Nay, more: since the "stealthy crime" of 1873, the average coinage of silver dollars has been nearly thirty million a year, so that the "conspiracy against silver" has resulted in trebling the use of silver at the mints, but even this extensive use of the metal has not sufficed to maintain it on a parity with gold.

Now, in England, where we find the best opportunity of studying the development of this question, in 1696 the great recoinage occurred, and from that period every person who comments upon the development of international wealth dates the beginning and rise of England's financial greatness. Prior to that time there were circulating everywhere throughout that country numbers of pieces of metal of different weight, though bearing the same denomination. The kings had set the example of plundering the public by doing what my friend from Missouri suggests we should do now; that is to say, debasing the coins of the country. Kings in all ages, rulers of all characters and in all countries had debased the coinage for their own profit by increasing the amount of seigniorage levied upon the metal at the mint.

The subject, seeing the king occupied in this nefarious business, retaliated by clipping the coin on his own account, and in England, the coinage was thrown into such confusion that in 1694 Lowndes, the secretary of the treasury, in a report to the lords of the treasury called attention to the fact that all trade was paralyzed through the demoralization of the currency. After persons had met in the public market places and had agreed upon the barter and sale of their commodities, they were launched into new discussions as to the rates at which the pieces of silver that then passed current should be accepted. Oftentimes these disputes prevented the most promising trades. The state of the currency was so universally debauched that the name or denomination of a coin was no indication whatever of its value.

The shilling might be worth 9*d.* or 10*d.* or 11*d.* Lowndes tells us that the officers of the exchequer made some experiments with money which had come into the treasury from various sources. In one instance coins which according to the standard should have weighed 230,000 ounces were found to weigh but 114,000 ounces. Other experiments showed that one hundred pounds, which according to the standard should have weighed about 400 ounces, when collected in different parts of the kingdom varied in weight from 240 ounces at Bristol to 116 ounces at Oxford.

Now, when this deplorable monetary condition had at length aroused the public opinion of the country, a suggestion was made, as we find a similar suggestion made here, that the true remedy for commercial disturbances is to reduce the value of the coin, to make it "the poor man's money," and that proposition Locke combated in a series of papers, from one of which I have read an extract.

In the settlement of the question of the recoinage in England a difficulty was presented, much more serious than any we have here. After the proposal to reduce the amount of metal in the shilling had been abandoned, and after it was decided that the whole money of the country should be recoined on a sound and honest basis, the question arose who was to pay the cost of the difference between the amount of metal in the old, debased coins, and the amount of metal in the new.

At first it was proposed that the loss involved in the recoinage should be borne by those who held the clipped coins, but it was pointed out that if such a policy were adopted, those who were possessed of base coins would keep them away from the mint and take their chances of passing them in trade. And finally, rising to the height of a great occasion, in the broadest statesmanship which that country ever displayed, it was decided that all the loss attending the recoinage should be borne by the government; and the people were invited to bring their clipped coins, their debased coins, their bullion, and their plate to the mint and to receive in return standard coin of full value. This was done, and the amount of silver minted amounted altogether to about £6,812,000. Lord Liverpool in his letter to the King, written, I believe, in 1805, points out that this recoinage of £6,812,000 cost the Government £2,780,000, owing to the debased condition of the currency. Mr. Anderson, in his history of coins, tells us the recoinage cost £3,000,000; but a great reform was accomplished, and England took an upward leap in the march of progress.

Now, Mr. Speaker, the English Government prescribed silver as the standard money of the country. It had spent £3,000,000 to recoin upon a stable and equitable basis less than £7,000,000. All the weight and influence of government were placed behind the metal. But, sir, in that same coinage the guinea was overvalued at the mint. It then passed current at a valuation of 21*s.* and 6*d.*, and silver left the country to such an extent that in 1717, eighteen years after the coinage had been completed, Sir Isaac Newton reports that if the scarcity of silver continues it will command a premium. And Lord Liverpool says that when the ministry asked Sir Isaac Newton's advice, he then being master of the mint, as to how silver could be kept in the country, he suggested the reduction of the value of the guinea to 21*s.*; that is to say, to 252*d.*

But the market or bullion value of the guinea at that time was 20*s.* 8*d.*, or 248*d.*, about 1½ per cent less than the mint valuation; and that 1½ per cent sufficed to drive silver so completely out of circulation that in the last forty years of the last century there were coined at the mint altogether but £63,933 in silver, a demonetization as complete and as entire as ever was accomplished by specific enactment of any legislature or the decree of any government. And we all know that the act of 1816, by which England was formally placed upon a gold standard, was a mere confirmation of the condition which already existed, for silver practically disappeared from circulation for seventy-five years.

Such was the experience of England where an undervaluation of 1½ per cent at the mint drove silver out of circulation in the country.

Now, my friend from Missouri and my friend from Nebraska tell us that in France there has been bimetallism since 1803, and that for seventy years the two metals circulated there on a perfect parity. There was a panic in England in 1825. There was the same complaint of scarcity of money that we hear around us now. A proposition was made to remonetize silver, as we hear a similar proposition made now. One of the Barings appeared before the House of Commons and advocated it. It was said then, as our friends say now, that France had a system of bimetallism which operated to swell the circulating medium to abundance; but Mr. Tooke, writing in 1826, answering the sugges-

tions of the Barings and all those who were advocating the establishment of a double standard, says:

The example of France has been cited as one in which the two metals circulated with perfect convenience and harmony upon a footing of a double standard. But this, though nominally correct according to the mint regulations, is not true in the real meaning of the terms. Silver is there the only actual standard, while gold constantly fetches a premium from 1 to 10 per mille, or from one-tenth to 1 per cent.

And Giffen, in the tables which he has appended to the book called The Case Against Bimetallism, shows that down to 1847 gold was at a constant premium and silver was practically the sole money of the country.

With the inrush of gold in 1850, the proportion of the two metals began to vary. Silver then, instead of being over-valued, was undervalued at the mint, and an exportation of it at once began. From 1850 to 1867 France imported the enormous sum of $600,000,000 in gold and went to a gold basis, and has been practically upon a gold basis ever since. True, she coined silver at the mint, but did not and could not keep it in circulation. There was free coinage of silver under the conditions of the Latin Union, but in 1872 the amount coined was about 5,000,000 francs, while in 1873 the amount deposited at the French mints was nearly 150,000,000 francs. Then it was that France herself came to the conclusion that she could not do that which these gentlemen here seem to insist that she is doing to-day. She closed her mints in order to preserve the parity and value of the silver coin she had, just as we, on this side of the question, ask you now to relieve the Treasury from any further purchases of silver, so that we may do what France did—maintain the parity and value of the silver coins which are now in circulation. [Applause.]

If my friend from Missouri claims—and I understand it is the chief feature of his argument—that the mere impression of the coinage stamp upon silver will prevent all fluctuations in the value of the metal, he must be ignorant of the history of the price of silver when it was nominally at least a part of the circulating medium in England. Lord Liverpool in his very interesting work tells us that the fluctuation in the value of silver in 1797 was 9½ per cent. and he states, on the authority of a merchant who bought silver bullion, that in one year, 1792, I think, its value value varied 13½ per cent.

Why did not the coinage stamp upon gold in England make up the difference of 1½ per cent between the market value and the mint value of the metal? Why did not the stamp upon silver from 1820 to 1850 in France raise the value of silver so as to bring it to a parity with gold? Why did the undervaluation of silver 3 per cent at the mints of the United States drive it out of circulation and place this country on a gold basis in 1834? Yet, in the light of all this experience, our friends would have us believe that a stamp which was powerless for forty years to obliterate a difference of 3 per cent between the market value and the coinage value of a metal can now exercise a magic power which will cause the value of silver to take an upward leap of 45 per cent.

My friend from Nebraska [Mr. BRYAN] says you can not have an honest dollar, and that there is no such thing as a perfectly stable measure of value. He might as well tell you that there is nothing perfect on this earth and that human ingenuity is unable to make a government that can not be improved. Gold fluctuates in value as all things must fluctuate; but the principle which makes bimetallism in one country impossible is this: that to the unavoidable fluctuations of one metal the bimetallist wants to add the additional fluctuations of another. To the variations of the metal which fluctuates least he wants to add the variations of the metal which fluctuates most.

We on this side of this question want to have the minimum of fluctuation; we want to have the maximum of stability. In fixing our standard of value we want to take the experience of the world for our guide: we are unwilling to trust to the prophecies of the gentleman from Missouri. [Applause.]

Even assuming that by any exercise of governmental power we could bring gold and silver to a parity, we would still be unable to retain a bimetallic currency; any attempt to establish it would inevitably reduce this country to a silver basis. If it were possible to bring these metals to a parity at a ratio of 16 to 1, that result could only be achieved by the use of an enormous mass of silver bullion at the mints. There is no other principle upon which such an increase in the value of silver could be accomplished.

But if such immense quantities of silver bullion be deposited at the mints for the purpose of coinage, a redundant currency must be the result. According to an economic law to which I will refer later, a redundant currency in any country always causes an exportation of bullion. Now, as between gold and silver, gold will always be exported on account of its smaller bulk and the comparative cheapness in the cost of transportation. So that even if we follow our friends on the other side, fly in the teeth of all human experience, and accept their prophecies that the free coinage of silver at our mints will increase the value of the metal 45 per cent, after we have done violence to common sense and consented to base our laws upon prophecies rather than upon experience, we are confronted by another economic principle, which shows that even if we succeed in bringing the two metals to an absolute parity, gold would still be driven from circulation, and we would be left upon a monometallic basis, with silver as the standard of value.

Are we not therefore justified in stating that such a thing as national bimetallism is a mere figment of the brain, a chimera, a delusion, a thing which is absolutely impossible in the ordinary operations of life? My friend from Nebraska is not bound by the commonplace restraints of economic laws. He tells us that he has climbed the sun-crowned summit of Democratic victory, and we may therefore be excused if the sonorous periods which have rolled down to us from that high altitude are a little beyond our comprehension. He tells us with the solemnity of a seer warning us of unspeakable dangers that if we pass this act silver will be demonetized and gold will be brought to the auction block. I wonder where he would like to have it brought!

The purpose and business of money is to go to the auction block, there to be exchanged against commodities. If the farmer parts with his produce to-day in order to obtain gold, will he not be at the auction block to-morrow with gold buying the things he needs? Does my friend imagine that the purchasing power of gold will shrink the moment it enters the farmer's pocket? If the purchasing power of gold be high when the farmer exchanges his commodities for it, will it not be equally high when he uses that identical gold for the purchase of the commodities which are necessary to his comfort?

My friend tells us, moreover, and here we approach the ground occupied by all our adversaries, that an ounce of silver still measures the value of corn and wheat and lard as well as it ever did. Well, if that be so, in the name of God and common sense, give the farmer a full ounce of silver when he is entitled to it, and do not deprive him of any part of the silver which is the fair equivalent of his produce. Computing the value of an ounce of silver at 72 cents, we find that the bullion value of a silver dollar is about 54 cents. A dollar in gold is worth, therefore, about 651¾ grains of pure silver, while the standard dollar contains but 371¼ grains. For every dollar's worth of produce which the farmer sells you want to give him 371¼ grains of pure silver, while I want to give him 651¾ grains of silver. [Applause.]

You want to give him 371¼ grains and a stamp; I want to give him 651¾ grains, and let him with a very few grains buy his own stamp, or use the whole in buying butcher's meat or clothing for his family. If silver be so essential to agricultural prosperity, why in Heaven's name do you not let the agriculturist obtain all of it that his produce can command? Do you think silver operates on the farmer like alcohol on the human body—a little stimulates, an abundance stupefies and destroys? [Laughter.] Mr. Speaker, the stamp which these gentlemen would add to the 371¼ grains of silver may increase their value, it may make them worth a dollar and it may not; but I know that 651¾ grains will buy a dollar's worth anywhere in the world. [Applause.] You want to give the farmer for every dollar's worth of his produce 371¼ grains of silver, plus the prophecy of the gentleman from Missouri. I want to give him 651¾ grains without any prophetic adornment, and you may take my word for it that he would rather have the additional 280 grains than the words of any seer, of any sage, or of any prophet. [Laughter and applause.]

I have noticed, during the course of this debate, that gentlemen have quoted from a pamphlet of Archbishop Walsh, of Dublin, one of the most illustrious of Irish churchmen.

Archbishop Walsh believes in bimetallism, and so do I. I believe in international bimetallism, for the reasons so thoroughly stated and explained by the distinguished gentleman from Maine [Mr. REED]; and on this economic question I do not believe there can be any party lines. I believe that on a question of coinage you must obey the economic laws of the universe, or, by opposing them, invoke disturbance and disaster; and when those laws are laid down as they have been by the gentleman from Maine, in clear, succinct, and precise terms, I am glad to accept his statement of them for the guidance of this House and of the American people. [Applause.]

Now, the pamphlet of Archbishop Walsh, as I have read it, does not advocate national bimetallism. But, Mr. Speaker, many years ago there lived an Irish churchman who gained a popularity in Ireland such as never was attained by any other man who wore the cassock, one who left a name which causes to throb in the heart of every member of the Irish race the same chord that vibrates when he hears the name of Grattan, of Emmett, of O'Connell, or of Parnell; I refer to Jonathan Swift. What was the cause of his popularity? Was it because he wrote Gulliver's

Travels to entertain the young by its narrative and to instruct and amuse the mature by the keenness of its satire and the brilliancy of its wit? Was it because he wrote the Tale of a Tub or the Journal to Stella? No, sir; it was because he led brilliantly, successfully, and patriotically the Irish revolt against an English attempt to force upon the Irish people a debased coin.

I hold in my hand Orrerry's Life of Swift, with Sir Walter Scott's notes, and here we find the whole story of Swift's popularity and the foundation on which it was built. In the year 1724, there having been a very great scarcity of small copper coins in Ireland, the English Government issued a patent to one William Wood to strike off £108,000 worth of brass half pennies and place them in the Irish circulation. They were of less intrinsic value than the coins which had previously circulated in the country, and Swift protested against the proposal to choke the circulation with a degraded currency. He assailed Wood and his patrons in a series of papers bristling with sarcasm and invective, which were known as the Drapier letters, and which roused the whole island to a fierce and determined resistance. Referring to the pretense that the patent issued to Wood was rendered necessary by the scarcity of small coins, Swift said to remedy a scarcity of money by the issue of debased coins was like cutting off an arm to cure a scratch on the finger.

The British Government sought to indict the publisher of the letters and had him presented before the grand jury, and the only two grand juries that live enshrined in the hearts of the Irish people are the first which threw out the bill, and the second grand jury, which, when the same question was brought before them, instead of presenting the publisher or Swift, who was suspected of being the author of the letters, presented everybody concerned in the attempt to pass the coin.

And they presented them in these words:

We, the grand jury of the county of the city of Dublin, this Michaelmas term, 1724, having entirely at heart His Majesty's interest and the welfare of our country, and being thoroughly sensible of the great discouragements which trade hath suffered by the apprehensions of the said coin, whereof we have already felt the dismal effects; and that the currency thereof will inevitably tend to the great diminution of His Majesty's revenue, and the ruin of us and our posterity, do present all such persons as have attempted, or shall endeavor by fraud or otherwise, to impose the said half pence upon us, etc.

Walpole and the Duchess of Kendal were suspected of being the authors of Wood's patent. They had both writhed under the lash of Swift's sarcasm in his description of the royal court of Lilliput. Amazed, dismayed, and discomfited by the blighting sarcasm of the Drapier's letters, they quailed before the storm which had been unchained, Wood's patent was canceled and withdrawn, the debased coins were never put in circulation, and Swift became the idol of the Irish people.

Sir, I refer to the popularity which Swift achieved through a defense of honest money, because the most extraordinary feature of this free-silver movement is that it appears to be an attempt to win popularity by the debasement of the coin of this country. Never before in the history of the human race has such an attempt been made in the name of popular rights. Among the causes which led to the French revolt against royalty, there was none more decisive than the habit of the French court to debase the coinage in almost every reign. And when, in 1857, in order to prevent the export of silver from France, it was suggested that the amount of gold in the 20-franc piece should be reduced, although it was a suggestion that was conceived in patriotism and prudence, the French people, with the memory of the robberies which the kings had formerly perpetrated at the mint, rose like one man and protested in such tones that even the slavish Corps Legislatif of the second Empire respected their protest, and the coin remained untouched.

The adoption of the amendment of the gentleman from Missouri [Mr. BLAND] would place us at once on a silver basis. Mark you, I do not believe that if we went to a silver basis today all industry would be abandoned; that the fields would remain untilled; that the course of the waters would be arrested in the beds of the rivers. We would still work; we would still raise grain and wheat; we would still fatten hogs, and we would still sell the products of the soil. But the immediate effect of such legislation would be the robbery of every creditor throughout this Union of 45 per cent of the sum due him.

I know that my friend from Missouri, my friend from Nebraska, and all those who think with them are rather proud of the fact that the enactment of their proposals into law would be likely to interfere with the collection of debts throughout the country. They tell us that they are not anxious arbitrarily to scale down debts; but, in the language of my friend from Nebraska, "if we are to have a doubt, let us give the benefit of it to the debtor." Mr. Speaker, that brings up the question, who are the debtors of this country and who are the creditors? As we recall the rhetorical vehemence with which these gentlemen assailed the national banks, we must conclude that they believe all the banks are creditors and all the laborers and producers are debtors.

Here, sir, we see a striking instance of that strange disposition of gentlemen on the other side to stand upon their heads whenever they examine economic questions, to turn all economic law topsy-turvy, as my friend from Nebraska turned the facts of history when he undertook to explain the victory of an army by attributing the supreme command to a drummer boy. The debtors of the United States are not the laborers; the debtors of the United States are not the farmers; the principal debtors of the United States are the bankers, the railroad companies, the great corporations whom my friend from Missouri loves to denominate as Shylocks, gold bugs, and Wall-street sharks.

My friend from Nebraska [Mr. BRYAN] smiles, and I will take advantage of his complacent mood to instruct him on this subject. [Laughter.] I hold in my hand the report of the Comptroller of the Currency, containing a full statement of the business of the national banks of the United States for a single year. Opening it at random, I find the report of the largest bank of the country, the National Park Bank of the city of New York. It appears that the deposits of all kinds in this bank amounted during that year to about $34,000,000, while its loans were $25,000,000; that is to say, its debts to its depositors were nine millions in excess of the loans which it had made.

If my friend from Nebraska will consider the principles of banking for a moment and will examine this matter in his own mind, he will see that the very business of banking is the business of dealing with other people's money. The money which the banker deals with is not his own; it is the money which he owes to his depositors. Here we find in the case of this one bank that its debts are about $9,000,000 more than its credits; and if you pass a free-coinage law you simply reduce that $9,000,000 45 per cent; you enable that bank to settle the balance between its debts and its credits for about $5,000,000. Instead of suffering a loss it would actually gain four millions by the adoption of the amendments proposed by the gentleman from Missouri.

I hold in my hand the Statistical Abstract for 1892, and at page 38 I find that during that year the net deposits of all the banks of the city of New York were $391,900,000 in round numbers, while the loans were $344,200,000, a difference of $47,700,000. If the deposits and the loans, that is to say, the debts and the credits of these institutions be reduced to 55 per cent of their present value, as they would be reduced by the enactment of a free-coinage law, the debts due by the banks to their depositors would amount to $215,545,000, while the debts due to them would amount to $189,310,000, a difference of $26,235,000. Under our existing gold standard the banks would be compelled to add to the total amount of the debts due to them, $47,700,000, from their reserves in order to meet the claims of their depositors. Under the operation of a free-coinage law $26,235,000 would suffice to balance their debts and credits, and these Shylocks, these gold bugs, these objects of Populistic detestation, would gain about $21,500,000 from the operation of a law leveled against Wall-street sharks.

Mr. BRYAN. Will the gentleman allow me to interrupt him a moment?

Mr. COCKRAN. Yes, sir.

Mr. BRYAN. I would like to ask the gentleman whether it is not true that every solvent bank has for every dollar that it owes either somebody's note or the money in the vault and its own capital besides?

Mr. COCKRAN. The gentleman undoubtedly presents a truism in his question. It is upon precisely that statement of facts that I have been endeavoring to penetrate his intellect. [Laughter.] It is because the reserves of a bank which constitute the difference between its credits and its debts are held in cash—in coin, in specie, that you can not injure it by legislation such as you propose.

The loans and reserves of a solvent bank, taken together, must exceed its liabilities—the excess represents the capital and profits. But as between their debts and their credits all banks are debtors. If you debase the value of the circulating medium so that the debts due them will be reduced, the debts which they owe will be reduced to a corresponding extent, and since their indebtedness exceeds their credits, they will be gainers by any legislation which degrades the standard of value.

We all know the method by which railroad companies are capitalized. They issue stocks and bonds not alone on the property they have—they issue them on their franchises, on their earning capacity, on the money which they make and which they hope to make. That is to say, they are capitalized for an amount far exceeding the value of any property which they possess. The debts which they owe must, therefore, exceed any sums which are due to them. Cut down those debts 45 per cent, and who will be the beneficiaries of your legislation?

But my friend from Nebraska [Mr. BRYAN] has spoken in behalf of the workingman. He tells us the legislation he favors is in the interest of the laborer, because it is avowedly hostile to the creditor.

I say now that the banker, the railroad company, the insurance company, the great corporation, is not a creditor, but a debtor. The man who is and must be always a creditor while the world lasts and while economic conditions remain the same—the man who, by the nature of his situation and the character of our social organization, is and always must be a creditor, is the laborer.

Mr. SNODGRASS. Because he has got everything everybody else has in his hands.

Mr. COCKRAN. I do not know exactly the meaning of my friend's language, but that is my usual condition after one of his orations. [Laughter.]

I say that the laborer is not paid in advance for his day's labor. His capital is his labor—that which he can expend in production. When you show me a mechanic who has been paid his week's wages in advance, or a day laborer who has been paid his day's wages in advance, then I will show you a laborer who is a debtor; but while work must be done before wages are paid, the laborer is necessarily a creditor. [Applause.] And he is different from all other creditors.

For, as my friend from Maine [Mr. REED] put it to-day, if I want to loan $10,000, I will find plenty of people eager to apply for it. I will find in the exigencies and stress of circumstances that force men to become borrowers my opportunity to incorporate a gold-payment clause in the contract, or any other provision for my own security; but if I be a laborer seeking a market for my toil, I can not choose my debtor. I must accept employment whenever and wherever I can get it. I can not hoard my capital for a day without injuring my family, without endangering the roof that shelters their heads and the clothes that protect them from the winter's blast. On behalf of those men, the real creditors, in the name of the laborers of this country, I protest against the degradation of the dollar, because it means a reduction in the value of the wages paid to toilers. I protest against the adoption of a variable and fluctuating standard of value, because it means that the wages of the laborer will be paid in a dollar of uncertain value, which will be rated at its highest when paid to him by his employer, and rated at its lowest when he seeks to use it in the purchase of the necessaries of life.

My friends insist that gold has appreciated in value. I deny it. If it has appreciated in value as measured by corn, by wheat, by pork, it has not appreciated in value as measured by wages. I hold here in my hand the Aldrich report, which comes to me with the approval of the distinguished Secretary of the Treasury, and which emanates from a Democratic Bureau of Statistics. The accuracy of its figures has never been impugned; and it shows that never in the history of human civilization have wages been so high, measured by gold. [Applause.]

Now, if in its relations to commodities, gold appreciates, while in relation to the wages of labor it remains stationary, we are impelled to the conclusion that there has been a rise in the laborer's wages. It means that the purchasing power of his money has increased. It means, in short, that he obtains a larger measure of the product which his toil creates. That is the true meaning of this apparent appreciation in the value of gold. It is the healthiest sign in the entire body politic. If you pass a law to-day for the free coinage of silver, you reduce these wages 45 per cent by reducing the value of the dollar in which his wages are paid, and you accomplish that which the employers of this country to-day are anxious to see accomplished but which they hesitate to undertake.

Oh, sir, remember the long tedious route, a veritable Calvary, which labor has ascended in the long struggle to benefit its condition. Remember that every stone along that dreary way is stained by bleeding feet, by the tears of hungry women, weeping over children who moaned as they vainly sought sustenance at their mother's breasts. Through long strikes and suffering and woe labor has improved its condition in this country until, by the figures of this Aldrich committee, we find that it enjoys to-day the largest proportion of that which it produces, that it has ever enjoyed in the history of the world. [Applause.] And you, my friend from Nebraska, you, my friend from Missouri, in the name of labor, in the name of the producers, in the name of the common people, would make the banks of New York a present of $21,000,000 and cut down the wages of toil 45 per cent in every State and Territory of this broad land. [Applause on the Republican side.]

Mr. BRYAN. Mr. Speaker, may I ask the gentleman a question?

Mr. COCKRAN. Mr. Speaker, I am limited in time. If the gentleman will take notes of what questions he wishes to ask I will give him fifteen or twenty minutes at the close and guarantee to answer them all.

Mr. BRYAN. I will ask just one question.

Mr. COCKRAN. If the gentleman will be satisfied with one question, I will yield.

Mr. BRYAN. If it be true that the gentleman from Missouri [Mr. BLAND] and the gentleman from Nebraska [Mr. BRYAN] are desiring to make a present to the banks of New York and are trying to oppress the toilers of this country, will the gentleman from New York [Mr. COCKRAN] state why it is that the banks of New York denounce us, and why it is that Terrence V. Powderly stands with us? [Applause.]

Mr. COCKRAN. Mr. Speaker, I will answer the gentleman's question. It is because the banks of New York have discovered that in all the dealings of life honesty is the best policy. [Applause.] And the attitude of Mr. Powderly can only be attributed to the same mental operation that has caused the gentleman from Nebraska [Mr. BRYAN] to urge the debasement of the dollar in the interest of labor. [Applause.]

Now, Mr. Speaker, while I believe national bimetallism to be impossible, I believe that international bimetallism is entirely feasible. On that question, if the House will indulge me, I will read from Mr. Francis A. Walker's book on Money and Trade, premising it with the statement that Mr. Walker is an ardent bimetallist, one who believes that the action of France and Germany in 1872 was unwise and unfortunate for those countries and for all the world, and yet he says, speaking of the suggestion about bimetallism in 1878:

> For us to throw ourselves alone in the breach, simply because we think silver ought not to be demonetized and ought now to be restored, would be a piece of Quixotism unworthy the sound practical sense of our people. The remedy of the wrong must be sought in the concerted action of the civilized States, under an increasing conviction of the impolicy of placing the world's trade on a single money metal. The demonetization of silver was a work of ill-advice; let its restoration be a work of good advice.

On that platform, sir, I stand here to-day, hoping for bimetallism through international agreement, and meanwhile favoring the use of silver by this country so far as it may be used with safety to our monetary system, but, with the Democratic convention, refusing to put the word "free" before the word "coinage."

We have to-day a quantity of silver in use, and we always must have. The reason why silver can never be entirely demonetized is found in the fact that you can not subdivide gold so as to obtain the coins necessary to do the business embraced within the list of small transactions. If we attempted to utterly demonetize silver, trade would remonetize it of itself.

We know that in the early history of California counterfeit Spanish coins passed current, the dealers who accepted them knowing them to be counterfeit. They were taken at their face value, because traders felt the necessity of subsidiary coins, and being unable to obtain coins of intrinsic value these counterfeits circulated freely from hand to hand under an implied agreement that whoever offered them should accept them again at their nominal value. We would undoubtedly be compelled to use buttons, or some other form of token money, if we demonetized all our silver. The necessities of trade compel us to keep a large stock of it. The promise of the Democratic platform is that we will use all of it we can, and we urge the repeal of the purchasing clause of the Sherman act in order to enable us to carry our existing stock, and in the hope that in the course of time we will be able to add to it without disturbing the progress of trade or debasing the standard of value.

Gentlemen claim that an increase in the circulating medium is absolutely essential to national prosperity. My friend from Mississippi [Mr. ALLEN] pins his faith to this Sherman act because it operates to increase the quantity of money by a given amount every month. The advisability of increasing the circulation has been used as an argument alike for the free coinage of silver and for opposition to the repeal of the Sherman act, and it may therefore be advisable to examine the character of this argument and the grounds upon which it is based.

I think I speak within the bounds of strict accuracy when I say that no man can tell the amount of money which is necessary to the trade of any country at any given time. When that problem is solved the greatest difficulty in economics will be removed. I do not believe even the gentleman from Nebraska [Mr. BRYAN] knows how much money is essential to carry on the trade of this country on any one day, because the prosperity of trade depends not alone on the amount of the circulation, but largely on the activity of the circulation.

Let me illustrate. Assume this coin which I hold in my hand to be a dollar. It is not a dollar, I am sorry to say, but following the example of my friend from Missouri [Mr. BLAND] I will invoke an exercise of faith on the part of the House and ask gentlemen to believe that this is a dollar. Assuming then that with this dollar a man purchases at a fruit stand a dollar's worth of fruit. The dealer goes to the market and purchases a dollar's worth of fruit to replenish his stock, the wholesale fruit dealer goes to the meat stall and purchases a dollar's worth of meat, the butcher goes to the hardware store and purchases a dollar's worth of cutlery necessary to his trade, the hardware merchant

goes to the dry goods store and purchases a dollar's worth of cloth, the dry goods merchant goes to the grocery store and buys a dollar's worth of groceries, the grocer goes to the haberdasher s and buys a dollar's worth of neckties, the haberdasher goes to the stationery store and purchases a dollar's worth of note paper, the stationer goes to the book store and buys a book for a dollar, and the bookseller goes to the restaurant and pays a dollar for a dinner, each of these persons using in turn the same coin which was first invested in the purchase of fruit.

It is plain that in this case $1 has been sufficient to circulate an amount of commodities equal to the value of $10. It has been just as effective for that purpose as if $10 had been used in these ten transactions. If the coin had been twice as active it would have circulated $20 worth of goods; if only half as active it would have circulated goods to the value of $5. The value of money, then, so far as trade is concerned, is not necessarily in its quantity, but its activity, or, as John Stuart Mill says, "its efficiency."

Mr. Speaker, I venture the assertion that we are not suffering to day from a lack of money, but from a redundancy of money; and I think that proposition can be demonstrated to the satisfaction of any man who sits in this Hall. According to the statement of the Secretary of the Treasury the circulation to-day exceeds by some seventy millions the amount in circulation last year, but last year the volume of business was vastly greater than it is to-day. If a smaller amount of money be able to circulate a greater quantity of commodities, will anybody pretend that the quantity of money we have now is not sufficient for all the purposes of commerce?

The fundamental mistake which gentlemen make in discussing this question springs from the assumption that money is wealth. It is not wealth. You can purchase wealth with money; but to obtain the wealth you must part with the money. If I buy $100 worth of books I have purchased $100 worth of the wealth of this Union, but I no longer have the $100 in money. The whole basis of industrial activity is parting with money to purchase goods, and when these goods are sold for money it is for the purpose of buying addditional goods, money being used as machinery to increase the stock of commodities. The pretense that there is not sufficient money in the country is a pretense which has been refuted by the experience of the human race. It is the favorite cry of amateur statesmen; it has been the butt of every man who is familiar with the elementary principles of political economy. Adam Smith, writing in the eighth decade of the last century, said:

> No complaint, however, is more common than that of a scarcity of money. Money, like wine, must always be scarce with those who have neither wherewithal to buy it nor credit to borrow it. Those who have either will seldom be in want of the money or of the wine which they have occasion for. This complaint, however, of the scarcity of money is not always confined to improvident spendthrifts. It is sometimes general through a whole mercantile town and the country in its neighborhood. Overtrading is the common cause of it. Sober men, whose projects have been disproportioned to their capitals, are as likely to have neither wherewithal to buy money nor credit to borrow it, as prodigals whose expense has been disproportioned to their revenue. Before their projects can be brought to bear, their stock is gone and their credit with it. They run about everywhere to borrow money, and everybody tells them that they have none to lend.

Scarcity of money really means scarcity of credit, and scarcity of credit is the consequence of imprudence in trade. Every writer on political economy lays down the rule that money is merely the machinery by which trade is kept in operation. It is not property; it is not wealth; it is the great wheel that keeps commodities in circulation.

Adam Smith says:

> Money is neither a material to work upon nor a tool to work with; and, though the wages of the workman are commonly paid to him in money, his real revenue, like that of all other men, consists, not in the money, but in the money's worth; not in the metal pieces, but in what can be got for them.

And again the same author says:

> A guinea may be considered as a bill for a certain quantity of necessaries and conveniences upon all the tradesmen in the neighborhood. The revenue of the person to whom it is paid does not so properly consist in the piece of gold as in what he can get for it, or in what he can exchange it for. If it could be exchanged for nothing it would, like a bill upon a bankrupt, be of no more value than the most useless piece of money.

On this subject, Mill says:

> There can not, in short, be intrinsically a more insignificant thing, in the economy of society, than money, except in the character of a contrivance for sparing time and labor. It is a machinery for doing quickly and commodiously, what could be done, though less quickly and commodiously, without it; and, like many other kinds of machinery, it only exerts a distinct and independent influence of its own when it gets out of order.

Sir, the machinery of our trade is disordered because the Government is every day forcing a large quantity of paper into the channels of circulation. Our currency has been swelled far beyond the requirements of trade, and as a necessary consequence the good money, the buoyant circulating medium of international value, has left our shores, and we have been compelled to maintain our commerce with a paper money over which there hangs a cloud of suspicion, forcing us to do business in an atmosphere of doubt and distrust.

An excessive circulation always shows itself by the departure of good money. Suppose $1,000,000 would do the business of a community, circulating its commodities, securing to labor the amount of its product to which it is entitled, and suppose that $1,800,000 should be put in circulation. You would then have $800,000 more in circulation than the trade of the community could possibly assimilate or use.

But money abhors idleness. When there is more money in a country than the business of that country needs the surplus is exported, and, as the best money is always the money of export, you find every panic preceded by a redundancy of money and an export of bullion. The panic from which we now suffer is a striking illustration of this rule. Now, it is perfectly true, as my friend from Maine [Mr. REED] says, that these panics do not always come from vicious legislation, they often result from overtrading, from an undue expansion of credit. Sometimes peopeople spread their capital over an extent that is too vast. They exercise their credit to a degree not warranted by their stock, for the purchasing power of every man is the money he has, plus the credit he has.

But credit often feeds upon itself. When a man gets credit in one place and uses it to make a purchase of goods, that very fact operates to give him credit in another place, which he often uses to make an additional purchase. Of course, these purchases operate to cause a rise in prices. Other traders, seeing an advance in prices, and not realizing that it has been caused by this exercise of the first purchaser's credit, begin buying on what they conceive to be a rising market, and thus help swell the upward movement, which goes on increasing with each addition to the number of purchasers till some of the traders try to realize their profits. Then the upward movement hesitates and stops. Those who hold goods become alarmed. They hasten to offer their commodities for sale. The market becomes crowded with sellers, while few purchasers are to be found. Prices decline, the anxiety to sell becomes aggravated and produces a further decline, till the downward movement becomes a veritable panic, a total collapse.

I have said, Mr. Speaker, that the history of all these panics shows either an unreasonable extension of the circulating medium or the extension of credit out of all proportion to the capital of the people. My friend from Maine seems to treat these recurring crises as something necessarily produced by the action of the human race in its march of progress. I do not believe it. I do not think the history of the world proves it. I think these commercial crises are like the great pestilences that sweep over the world. Ignorance attributes them to God; science knows they are the consequences of human folly. The black death that swept over Europe in the Middle Ages was called a scourge of God: but to-day we battle with cholera and all other epidemics according to scientific methods. We trace them to their sources, discover their causes, and arrest the march of contagion. So these commercial crises can be investigated, their sources discovered, and their causes removed. I have searched the history of this country and of Great Britain in vain to find a single panic that was caused by a scarcity of money. I speak within the limits of all authority when I say that the most pronounced cause of all crises has been the redundancy of money resulting from issues of paper by government itself, or by banks chartered by government. I call attention, briefly, to the experience of England. In 1793, just one hundred years ago, a panic swept over that country very similar to the panic which now broods over this country. From 1784 to 1792 the number of banks of issue had more than doubled. The currency had been greatly swollen, there was a period of wild speculation, and there was an export of bullion. Then came the crash, in 1793, which was so complete that its consequences led to the suspension of specie payments by the Bank of England in 1797. The panic caused a general suspension of banks throughout the country, and that suspension having reduced the circulating medium, credit revived of itself.

In 1798 and in 1800, although specie payments were still suspended, the notes of the Bank of England commanded a premium. During the first decade of this century the circulation was steadily increased and in 1810 the notes sank to about 13 per cent discount. In 1812 the currency was again in a condition of inflation; there was another period of extensive speculation.

Although England was then engaged in a death-struggle with the great powers of the Continent, although she was upon the point of a desperate conflict with this nation, still trade prospered in the teeth of all these adverse circumstances through an inflation of the currency. An export of bullion, the sure indication of a redundant currency and the inevitable precursor of disaster, set in, and in 1814 there was another panic. Fortunes were destroyed, all business was disturbed, credit was wiped out; yet

when the circulating medium through this very disaster was again reduced, we find that in 1817 the paper of the Bank of England went to par of itself: and although the resumption act of 1819 did not require the bank to resume until 1823, of its own accord it resumed specie payments in 1821.

In 1821, 1822, 1823, and 1824 there was another wild movement of speculation. Credits were extended to an enormous degree, gold was again exported, and in 1825 there was another panic, the panic which caused an agitation for a bimetallic standard in England on the ground that such a system worked well in France. A few Englishmen, however, took the precaution to go to France and study the financial system which prevailed there, and they found that while silver was in circulation, gold was at a premium: instead of bimetallism, they found a silver monometallism.

In 1837 the same causes produced precisely the same result. In 1844 the banking act was passed which separated the issuing department of the Bank of England from the banking department, limiting the power of the bank to issue notes, and providing that there should be no increase of the currency excepting such as might come from the natural operations of trade. And from that day to this, while there have been disturbances, while there have been hard times, while there have been periods of depression, England has never known what it is to have a panic in the sense in which we interpret that word.

The great panics which have convulsed the commercial life of this country have been preceded by similar symptoms and conditions. In 1830 the various State banks had issued notes to the amount of $66,000,000. In 1837 this amount had swelled to $149,000,000. And we all know the crash that followed. Everybody is familiar with the dark cloud of commercial distress that settled down over this country in 1837; and it was not until 1843, when the circulation was reduced to $58,000,000, that trade revived. In 1857, twenty years afterwards, another panic burst over the country. The stringent provisions which after 1837 had been adopted by several of the States against any overissue of bank notes had prevented the excessive circulation of paper money; but credits were swelled to an extraordinary and improvident degree. We find that in August, 1857, in the city of New York the loans and discounts of the banks amounted to about $122,000,000, while the deposits amounted to $94,000,000, which meant that those banks had lent to various borrowers much more than the amount of their deposits.

In August the Ohio Loan and Trust Company collapsed, and a period of wild confusion followed. Banks closed their doors, merchants failed, industry was suspended. The contraction of credit caused the subsidence of the panic and the revival of good times. In 1873 we again had a currency redundant beyond any necessity. From 1865 to 1873 there was a constant efflux of bullion. Gold was exported to the amount of from $20,000,000 to $90,000,000 a year. In 1873 the crash came, and for five years the trade of the country seemed to be paralyzed. The volume of the circulating medium was steadily reduced until 1878, according to the report of the Secretary of the Treasury; and in 1879 prosperity once more dawned upon us, and we had the immense business revival of 1880 and 1881. Surely, in the light of all this experience, I am justified in saying that a circulating medium swollen by the issue of Government paper has been a prolific source of commercial disturbance.

Now, sir, the operation of the Sherman law has been to flood this country with paper money without providing any method whatever for its redemption. The circulating medium has become so redundant that the channels of commerce have overflown and gold has been expelled. No power is conferred on any officer to secure sufficient gold to redeem the notes which the Treasury is compelled to issue.

My friend from Missouri finds fault with the operation of the act, as does my friend from Mississippi. These gentlemen think that the Government should redeem the notes in standard silver dollars. And here, sir, we are confronted with one of the most extraordinary ethical exhibitions that I have ever known in public life. Here are men honest as the sun. The great apostle of free coinage of silver is a man whose rugged independence and integrity are an ornament to the membership of this House. Yet, under the extraordinary mental operation that is involved in the support of his monetary doctrine, he coolly proposes that while the Government purchases 651¼ grains of silver for a paper promise to pay, yet, if in the course of trade, I find that same piece of paper in my hands, I be allowed to collect but 371¼ grains for it, the Government confiscating the balance in spite of my protest.

If the case involved the issue by the Government of promissory notes against purchases of oats or barley or wheat, and the redemption of them on any such plan of confiscation, my friend would condemn the proposition as absolutely dishonest; he would say that what the citizen can not honestly do the Government can not do and respect its moral obligations; that robbery is none the less an outrage when it is perpetrated openly by force of law than when it is perpetrated stealthily by fraud or violence. Yet we find gentlemen here insisting that the Government shall plunder its own citizens by forcing them to accept little more than one-half the commodity which had been purchased by its notes, when these notes are presented for redemption.

I think it is safe to assert that every commercial crisis can be traced either to an unnecessary inflation of the currency or to an improvident expansion of credit. In the midst of the universal distress which has overtaken us, we are unable to discover any symptoms of overtrading. During the last few months the whole business of the country has been subjected to the severest tests; it has undergone the closest scrutiny, and no evidence of reckless expansion of credit has been discovered. On the contrary, business seems to have been conducted on very conservative principles. The panic which has almost shipwrecked our commerce can be attributed to no other cause than the operation of the Sherman act, which has inflated our currency with questionable paper, and driven good money from the country.

This Sherman law has given us a redundant currency, and what has been the consequence? The greater the amount issued, the less we find in circulation. Mill, in his work on political economy, points out that it is not the amount of money in existence, but the amount of money in circulation that affects prices.

> Whatever may be the quantity of money in the country, only that part of it will affect prices which goes into the markets for commodities and is there actively exchanged against goods. Whatever increases the amount of this portion of the money in the country certainly tends to raise prices. But money hoarded does not act on prices. Money kept in reserve by individuals to meet contingencies which do not occur does not act on prices.

The principle laid down by Mill we see in active operation to-day. The issue of promissory notes by the Government for a commodity which it can not use has aroused distrust of our monetary system. Under the influence of gloomy apprehension money is hoarded, withdrawn from circulation, deprived of any beneficial influence on trade. Thus we see an expansion of currency by the Government, resulting, as it always must result, in an actual contraction of the circulating medium. The notes issued by the Government are absorbed and disappear from sight as a gallon of water is absorbed by the thirsty sands of the desert. You can no more fill the channels of circulation by a stream of questionable money from the Treasury than I could wash away the hill on which this Capitol stands by the little stream of water that is used every day to refresh the grass. Commerce resists every attempt of government to arbitrarily create money, but commerce in its own way proves the truth of Adam Smith's assertion that money can never become permanently scarce while we have commodities to give for it.

We produce the commodities which will always purchase money; but when my friend from Missouri [Mr. BLAND] tells us exultingly that gold is now returning to this country, although the Sherman law is still in operation, I want to remind him of the method by which it has been forced to return, the sacrifice that has been made to secure it, and to tell him who it is that pays for it.

The currency famine from which we have suffered was the result of distrust in our monetary system, caused by the increase of paper money and the export of gold. We do not need more money, but we need better money. The inexorable laws of commerce are even now bringing back to this country the good money which is essential to its prosperity; but how? I ask the friend of the farmer who speaks on this floor as his special champion and who declares that the Sherman act operates to maintain the price of agricultural products—I ask him how is the quality of our currency to be restored, and who must pay the penalty which every violation of economic law entails upon the country?

I hold in my hands a report from the Treasury Department of the exports of wheat for the last three months and for the corresponding three months of 1892. It tells the whole sad story. I find that in 1892 there were exported 28,004,334 bushels of wheat, and they brought $25,722,835. In the corresponding three months of 1893 there were exported 32,400,791 bushels of wheat, and they brought $24,599,794. That is to say, in 1893 we exported 4,400,000 more bushels of wheat than in 1892 and received 1,200,000 less dollars for them. I have computed again the amount exported during the last two months, and I find that in June and July, 1892, the exports of wheat were 17,236,543 bushels, which realized $15,497,539. In 1893, during June and July, there were exported 23,067,466 bushels, which realized $17,289,964.

If the wheat exported during June and July, 1893, had been sold at the rate which prevailed during the corresponding period in 1892, that is to say, at 90 cents a bushel, $20,760,719 would have been realized instead of $17,289,964, which shows that the agricultural producers of this country have sustained a loss of $3,-

500,000; and this is the sacrifice they were compelled to make in order to bring back into the channels of our trade the honest circulating medium expelled by the promissory notes forced into circulation under the operations of the Sherman law.

Where is the friend of the farmer who looks upon that result and wants to perpetuate the financial system which has produced it? Yes, gold will return to this country. Our currency will not remain permanently debauched. The commodities which we produce will always command a generous supply of the best money in the world. But when vicious laws force us to part with these commodities in order to replenish a circulating medium exhausted of its gold, the burden of the sacrifice falls on the shoulders of the producer.

Bread must always be consumed. While men live they must eat bread, and whoever can sell the material from which bread is made can force the stream of gold to flow in his direction.

My friend from Nebraska [Mr. BRYAN] alluded in his speech to the recent purchase of gold by the sacrifice of agricultural products as though the farmer had submitted voluntarily to the loss. He was not a voluntary sufferer. He was the victim that was compelled to suffer under the imperious laws of trade which imposed this loss upon the primary source of national wealth. How can we bring gold back to this country except by offering for sale the products of the soil? We have no luxuries to sell, and there is no market for luxuries even if we were able to offer them. Our securities have been sent back by the cord, until they have depreciated in price so that we see a market full of sellers and void of buyers.

But bread must always be eaten and breadstuffs will always be purchased, and while we have the great staple products of the field we can always get our share of the circulating medium of the world. But when we are forced to extraordinary exertion in order to get the supply necessary to meet an extraordinary condition, we are forced to obtain a market for our agricultural products by a sacrifice in price such as we have made during the last few months. And the same laws that forced us to sacrifice our wheat will force us to sacrifice all other products unless we remove the causes which rendered the sacrifices necessary.

Sir, the friends of the farmer and the friends of labor, the enemies of the creditor and the friends of the debtor, are moving in a strange way to improve the condition of the producer. They oppose the repeal of a law which, by expelling gold from the country, has forced us to sell at a grievous sacrifice the product of the farms. They advocate a system of coinage which would reduce the debts due by the capitalist, and would enable the banker to escape paying 45 per cent of the balance which he owes to his depositors over and above the debts which are due to him. The laws which they propose can not affect the reserve—the accumulated specie which represents the banker's capital and his dividends. But the great army of creditors, which comprises all the laborers and producers of this country, these men they will strip of 45 per cent of the progress which they have achieved, and all this they would do in the name of the masses of the people, claiming to be the champions of the oppressed against the oppressor.

Gentlemen have appealed here to the country and to the sentiment of the country members as though the interests which they represent were hostile to the interests of the cities. Sir, I stand upon this floor, a Representative from a district in the greatest city on this continent, and I say now to this House that the interests of the city can never be hostile to the interests of the country; that municipal wealth and prosperity depend upon the productive energies of the laborers who toil in the fields and who dig in the mines. Show me legislation which will benefit the farmer, the laborer, the producer, and even if it cut down the profits of the banker or the capitalist 50 per cent, I would gladly vote for it. I believe in the lesson which Mentor impressed on Telemachus, that it is not the splendor of the cities but the prosperity of the fields that constitute the greatness of a nation; not the opulence of its palaces but the comforts of its homes.

But the interests of the city and of the country are identical. What benefits the one must benefit the other; what retards the growth of the one will reduce the prosperity of the other. In city and in country alike, labor is the sole source of wealth. In both man must eat his bread in the sweat of his brow. We have heard a great deal here of the conflicting interests of the various sections, and an attempt has been made to array the North and East against the South and West. As we heard the vehemence with which appeals were made to sectional prejudice a doubt must have arisen in the minds of the listeners as to whether after all the heroic struggle to preserve the Union was not a mistake.

Must we be forced to the conclusion that this country is so vast, its interests so diversified and irreconcilable, that any policy which the Government may adopt must necessarily be injurious to some part of the population; that legislation which is essential to the safety of urban interests must necessarily be hostile to rural interests; that laws which operate for the protection of New York must necessarily result in the oppression of Missouri and Nebraska? I do not believe that a law which benefits any part of this country can injure any other part. I do not believe that there ever has been a time in this country's history when an attempt to arouse sectional prejudice has resulted to the profit of anybody.

I believe this attempt to create prejudices based upon the occupations and interests of the various sections will be regretted by gentlemen when they come to realize the meaning of what they say; when they remember that the fires of disunion were stamped out by marching armies in this country; that the embers were quenched by the blood of martyrs and the tears of widows. [Loud applause.]

I prize my citizenship in this country, not simply because it embraces New York, but because it embraces Nebraska and Missouri and every square inch of the territory which is comprised within the Union. New York has no function except as she administers to your welfare. No grass grows between the stones of her pavements; she produces none of the things which she consumes or which furnish employment to her workshops. Her mechanics, working at their benches, transform the rude products of the soil and of the mine into the finished articles essential to the luxury or the comfort of the human race. Her laborers transship the fruits of your toil from the cars in which they reach her borders to the great argosies of commerce that bear them across the sea for distribution throughout the globe; and so she stands upon the verge of this western continent, with one arm gathering the fruits of your industry to distribute them throughout the universe, and with the other gathering for your benefit the golden tribute which the world pays to the producers of this country. As you prosper, she prospers. As this nation grows, she grows. As this country becomes great, she becomes great: but material greatness will not satisfy our national aspirations unless it be accompanied by moral progress; and we who ask you now to make honesty, equity, justice, the distinguishing features of your legislation, ask you to do that which will conserve the greatness we have achieved, which will broaden before labor and industry the broad horizon that even now is theirs, which will make the march of this country along the pathway of material development a decisive step in the progress of the human race towards the cultivation of the virtues that dignify humanity, justify republics, make the flag of liberty glorious, and democratic institutions perpetual. [Prolonged applause and cries of "Vote!"]

J. Logan Chipman.

REMARKS

OF

HON. GEORGE F. RICHARDSON,

OF MICHIGAN,

IN THE HOUSE OF REPRESENTATIVES,

Friday, September 15, 1893.

On resolutions of respect to the memory of J. Logan Chipman, late a Representative from the State of Michigan.

Mr. RICHARDSON of Michigan said:

Mr. SPEAKER: Michigan sent her first Representative to the Twenty-fourth Congress. Since that time she has been represented in twenty-nine Congresses by 93 different Representatives, having since the last apportionment 12 members. Of these 93 Congressmen, 1 was elected for five terms, another for six terms, and still another served eight terms. Six were elected for four terms, 9 for three terms, 27 for two terms, and single-termers numbered 48.

Of this number, 6 have died in office. Hon. Edward Bradley died in 1847, and was succeeded by Hon. Charles E. Steward as the representative for the Third district in the Thirtieth Congress. Mr. Bradley died before having qualified.

Hon. Wilder D. Foster, of Grand Rapids, was elected to the Forty-second Congress, but he died in 1873, during his term. He was succeeded by Hon. William B. Williams, of Allegan, who was reelected to the Forty-fourth Congress.

Hon. Alpheus S. Williams was elected to the Forty-fourth Congress, and reelected to the Forty-fifth, but his death occurred in December, 1878, during his second term.

Hon. Seth C. Moffett, of Traverse City, was elected to the Forty-ninth and Fiftieth Congresses. He died in December, 1887,

while serving his second term, and was succeeded by Hon. Henry W. Seymour.

Hon. Melbourne H. Ford, of Grand Rapids, was elected to the Fiftieth and Fifty-second Congresses, but died April 20, 1891, and was succeeded by Hon. Charles E. Belknap, also of Grand Rapids. Mr. Ford's first speech in these Halls was in eulogy of his colleague, Mr. Moffett. Seldom has a member distinguished himself during his first term as did Mr. Ford. He secured a national reputation by his efforts to discover and correct the abuses of the immigration laws, and his patriotic efforts in that behalf endeared him to the people of his district. His death before entering upon a second term, which was so full of rich promise to his constituents and the country, was a severe blow to his party and the district he was chosen to represent. His grand funeral, which was attended by the Legislature of Michigan in a body, was an appropriate testimonial of his ability as a legislator, of his fidelity to the people's cause, of his political and social standing, and the love and esteem of his fellow-citizens.

The Hon. John Logan Chipman, of Detroit, was elected from the First district to the Fiftieth, Fifty-first, Fifty-second, and Fifty-third Congresses. When the present Congress assembled he was prevented from meeting with us by what was supposed to be a temporary illness. The malady proved fatal, however, and his death ended the career of a man who had proved by his life work that he was a good citizen, a learned man, an able lawyer, a faithful public servant, an incorruptible judge, and a wise statesman. During six consecutive sessions of Congress his relations with his colleagues were at all times pleasant and cordial. The concise history of his life work, as so ably given by my colleague in the opening remarks upon the resolution, is ample evidence that he was a man possessed of great individuality and force of character; of uncommon integrity and fidelity. These traits not only made him useful, noted, and popular, but made him respected and loved by the people.

I had long known him by reputation, though personally and intimately acquainted with him but a short time. I had great respect for him and feel a personal loss in his death. I accompanied the committee appointed to attend the funeral of my deceased colleague. Such a funeral I have never seen equaled. We accompanied the remains from the house to the church, where most appropriate and beautifully solemn services were held. From the house to the church and from the church to the cemetery, a distance of nearly 4 miles, for the most part through broad avenues that were thronged with sorrowing people on either side so that there was barely room for the procession to pass, the cortege moved. The scene at the cemetery is indescribable. The solemn grandeur was impressive as the last sad rites were performed in consigning to earth a man who had made the world indeed better for having lived in it.

Mr. Speaker, that impressiveness and my love and respect for the subject of these eulogies has been intensified by the noble words and beautiful sentiments voiced by those to whom he had long been intimately known. These are but just tributes of respect to our departed colleague, but they are ennobling to the living.

May we not hope that one who has done so much and so well, and of whom so much good has been truly said, has passed to a reward impossible of attainment in this world?

Silver.

SPEECH
OF
HON. DAN WAUGH.
OF INDIANA.

IN THE HOUSE OF REPRESENTATIVES,

Friday, August 24, 1893.

The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. WAUGH said:

Mr. SPEAKER: I have the honor to represent in part the great State of Indiana. She has neither gold nor silver mines within her borders, yet she is rich in her coal, stone, natural gas, and oil fields, and in the productiveness of her soil and industry and intelligence of her people, and is interested only in such legislation as may be in the interest of the whole people.

This is not the hour or occasion for bitter words. That can have no other office than to estrange and widen the differences between the judgment of members on this floor. Calumny and prejudice have never in the history of man brought about a righteous compromise or a just judgment. [Applause.] This is an hour of our nation's distress, and calls for the exercise of our deliberate judgment and highest patriotism and statesmanship. I therefore come to this discussion with hands unfettered, with no feeling of animosity toward any class or section of the country, desiring the welfare of all the people—East, West, North, and South—and if I err, it must be recorded as an error of judgment and not of the heart.

This discussion has been limitless; it has covered the field of gold and silver, monometallism, bimetallism, free coinage, fiat money, and all the vagaries and financial heresies conceived by the mind of man. The question submitted for our consideration, stripped from all confusing and extrinsic matter, is not whether the Government should adopt the policy of gold or silver, monometallism, bimetallism, or free coinage of silver, but whether the Government shall pursue the policy of purchasing 4,500,000 ounces of silver monthly under the provisions of the Sherman law.

I am in favor of the use of both gold and silver in our currency, under such legislation as will maintain the parity of values of the two metals, so that the purchasing and debt-paying power of the dollar, whether of gold or silver, shall at all times be equal.

The Republican party has always been in favor of a sound and stable currency, the same dollar for the rich and the poor. The coinage of silver, without reference to the parity of values of the two metals, is as unrepublican as a tariff without reference to protection.

THE REPEAL OF THE PURCHASING CLAUSE OF THE ACT OF 1890 FIRST PROPOSED BY SHERMAN AND NOT CLEVELAND.

Mr. Speaker, the proposition to repeal the purchasing clause of the Sherman act did not have its origin with this Administration, or with the Democratic party; it originated in the Republican ranks. Senator SHERMAN, almost nine months previous to the inauguration of President Cleveland, introduced a bill in the Senate for its repeal, which is in the following language:

Be it enacted, etc., That so much of the act entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes," approved July 14, 1890, as directs the Secretary of the Treasury to purchase, from time to time, silver bullion to the aggregate amount of 4,500,000 ounces, or so much thereof as may be offered in each month, at the market price thereof, and to issue in payment for such purchases of silver bullion Treasury notes of the United States, is hereby repealed, to take effect on the 1st day of January, 1893: *Provided*, That this act shall not in any way affect or impair or change the legal qualities, redemption, or use of the Treasury notes issued under said act.

The Wilson bill under consideration is in all legal respects the same, and almost a verbatim copy of the bill just read.

THE SHERMAN ACT NOT RESPONSIBLE FOR OUR FINANCIAL DEPRESSION.

While I shall give my support to the pending measure, yet I do not believe the law it proposes to repeal to be the controlling cause of our present financial and industrial distress. I believe that it is traceable to other causes, namely, the threat of the Democratic party, which is now in control of every department of the Government, to destroy the economic policy of the country, under which we have prospered until we have become the marvel of the world. In other words, the threat of the Democratic party to destroy the system of protection to American labor, and to destroy our financial policy by inaugurating the old State-bank system.

A MEMBER. That is it.

Mr. WAUGH. Capitalists are holding and hoarding their money, afraid to loan or put it out for fear they may be compelled to accept in return worthless or depreciated State-bank notes. The owners of manufacturing industries have closed the doors of their shops and factories for fear that if they continue the manufacture of their products at the present prices of material and labor they might be compelled to sell their goods at a great sacrifice in a free-trade market.

What the business of the country wants is stability. The owners of capital or labor want to feel reasonably certain that when they have invested or parted with their capital, that they at least will receive a fair equivalent in return. When this is uncertain they each refuse to perform their legitimate functions; and being the very lifeblood of commerce and prosperity, stagnation in all business and industries inevitably follows, just as we are now experiencing.

A REMEDY FOR OUR TROUBLES SUGGESTED.

If I were called upon to prescribe a remedy for our present national ills, I would have the Executive issue his proclamation that our protective system should remain undisturbed, and that every dollar issued to the people should be under one uniform system and under the authority and control of the Government and not by the States. I would have capital and labor declare a truce to the strife so unholy begun and make friends. [Applause.] These two forces or elements are so intimately connected in our com-

mercial and industrial system, and are each so dependent upon the other that there can be no discord between them without injury to both and a resultant injury to the whole country.

WHY THE PURCHASING CLAUSE OF THE SHERMAN ACT SHOULD BE REPEALED.

Mr. Speaker, returning to the main proposition before the House, should the purchasing clause of the Sherman law be repealed? An intelligent answer to this question involves an inquiry into the provisions of the act, and what has been its practical results. The clause of the act sought to be repealed reads as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby directed to purchase, from time to time, silver bullion to the aggregate amount of 4,500,000 ounces, or so much thereof as may be offered in each month, at the market price thereof, not exceeding $1 for 371.25 grains of pure silver, and to issue in payment of such purchases of silver bullion Treasury notes of the United States to be prepared by the Secretary of the Treasury, in such form and of such denominations, not less than $1 nor more than $1,000, as he may prescribe, and a sum sufficient to carry into effect the provisions of this act is hereby appropriated out of any money in the Treasury not otherwise appropriated.

By the terms of the clause just read, which is section 1 of the act of 1890, the Secretary of the Treasury is compelled to purchase 4,500,000 ounces of silver bullion monthly, or so much thereof as may be offered at the market price, and to issue in payment thereof Treasury notes. The policy of the Government has been to maintain the two metals on a parity with each other, and not discriminate against silver. Hence the Government in pursuance of its declared policy has stood ready to redeem or pay off these Treasury notes, issued for the purchase of silver bullion, in gold whenever demanded. We are therefore practically buying silver bullion and paying for it in gold, thereby increasing our gold obligations over $2,000,000 monthly.

We have purchased under the Sherman law 5,558 tons of silver bullion, for which we have issued Treasury notes, aggregating $151,081,492, which are outstanding and redeemable by the Treasury of the United States in gold. These Treasury notes, under the law, are also receivable by the Government for customs duties. Thus we see it operate to deplete the Treasury of gold and cut off our gold supply which we formerly received by the payment of tariff duties in gold. We have but $100,000,000 in gold to meet the gold obligations incurred under the Sherman act, besides other obligations of the Government payable in gold amounting to millions of dollars.

The most skeptical upon this financial question must readily see that the business world may have well-grounded fears if this policy is continued. Our Treasury will sooner or later be depleted of its gold, and we will be on an exclusively silver basis, with a currency depreciated in the commerce of the civilized world.

We have to-day this enormous amount of bullion, costing us $151,081,492, stored away in the Treasury of the United States, absolutely worthless for all practical purposes. We can neither coin nor sell it under the law, and it has depreciated in value since its purchase, if sold to-day at the market price, $34,367,597, making an entire loss of that amount to the people and taxpayers of the country.

I submit, Mr. Speaker, as a simple business proposition that it is not a good policy for the Government to purchase more silver than it can use, and that, too, at a loss, any more than for a farmer to buy more horses and wagons than he can use or dispose of without sustaining a loss.

I have given to this subject the most painstaking consideration, because it is vital to the interests of the entire country. I shall therefore, as already stated, cast my vote for the repeal of the purchasing clause of the Sherman law, conscientiously believing I will be discharging a patriotic duty and subserving the very best interests of the business men, manufacturers, farmers, and laborers of the district I have the honor to represent on this floor, and of the country as well, and being the shortest road to true bimetallism, as I believe these convictions I have just expressed to be in the interest of all the people, I can not surrender or consent to do an act of injustice to any class, be they capitalists or laborers, for a title quieted to a seat in Congress during my natural life. [Applause.]

I am in favor of a sound, stable, and unvarying currency, which is in full accord with the principles of the Republican party and in accord with the Minneapolis platform, which I do not propose to run away from simply because a Democratic Executive has stepped onto it.

WE HAVE BEEN ON A GOLD BASIS SINCE 1834—THE ACT OF 1873 UNJUSTLY CRITICIZED—SILVER DEMONETIZED BY A DEMOCRATIC CONGRESS IN 1853.

It has been asserted in this discussion that to repeal the Sherman law will bring us to a gold standard, and that the advocates of repeal are obeying the behests of England. These advocates forget the history of the country. We have, in fact, been on a gold basis since 1834, with the exception, perhaps, of the war period.

Gold is the standard of the commercial world to-day. England is waiting and wishing the United States to go deeper into the silver torrent, until retreat is impossible. Gold for the Monarchy and silver for the Republic is what Britain is hoping may come to pass. England stands by our free-coinage advocates, who are her true allies in this controversy. These wails have been made vocal with the bitter denunciation of the act of 1873. Our friends seem to have reserved the vials of their wrath to be poured out upon that act, charging it as being responsible for untold miseries.

I shall not take the time of the House to discuss the question whether it was or was not a wise measure, but will say it has been greatly misunderstood; many sins have been laid to its door of which it is innocent.

The chief of its sinning, which so enrages our friends that they refuse to be comforted, is its alleged demonetization of silver, when in fact that crime had been committed by a Democratic Congress twenty years before the passage of the act of 1873. Up to 1853 silver of all denominations—the dollar, the half-dollar, quarters, dimes, and half-dimes—were legal tender for any amount. In that year a Democratic Congress struck down and demonetized all the silver subsidiary coins, depriving them of their legal-tender qualities excepting in amounts not exceeding $5. I refer to the act of February, 1853, which act, so far as it involves the point under discussion, reads as follows:

An act amendatory of existing law relative to the half-dollar, quarter-dollar, dime, and half-dime.

Be it enacted, etc., That from and after the 1st day of June, 1853, the weight of the half-dollar, or piece of 50 cents, shall be 190 grains, and the quarter-dollar, dime, and half-dime shall be respectively one-half, one-fifth, and one-tenth of the weight of said half-dollar.

SEC. 2. *And be it further enacted*, That the silver coins issued in conformity with the above section shall be legal tender in payment of debts for all sums not exceeding $5.

That act demonetized all the subsidiary silver coins, which was substantially the entire silver currency of the country. Up to 1853 the Government had coined but 2,516,890 standard dollars, and $76,684,894.50 in the smaller denominations or subsidiary coins.

The act of 1853 destroyed as we have seen over $76,000,000 of the silver currency then in existence as legal-tender money, leaving less than $3,000,000 of silver money with unlimited legal-tender qualities. This condition of affairs continued up to 1873, when the act was passed which is so bitterly denounced. That act dropped the standard dollar from our coinage, which only continued for a period of four years, until the passage of the Bland-Allison act, when its coinage was resumed. Now for this offending the act of 1873 is held up in derision as the sum of all villainies and a crime without a parallel in the history of the country.

I desire, however, to call the attention of our friends to the fact that it was not the first time the silver dollar had been dropped from our coinage. Thomas Jefferson—no Democrat will rise to his feet to abuse him—suspended the coinage of the silver dollar in 1805, and our fathers kept it from our coinage and mints, not for four years only, but for a period of thirty consecutive years, from 1805 to 1835. If it was an offense in the law of 1873 to drop the coinage of the silver dollar for four years, what must have been the crime of our fathers for refusing to coin it for thirty consecutive years?

It must be borne in mind, however, that while the act of 1873 dropped the standard silver dollar from our coinage, it substituted in its place what is known as the trade dollar. The act did not stop the coinage of the silver dollar, but simply made a change in the kind of dollar to be coined. It is believed by many that we coined no silver dollars under the act of 1873. That is a mistake. During the suspension of the coinage of the standard dollar under that act we coined at our mints 35,965,924 trade dollars and added to the volume of our silver currency.

Nearly five times as many dollars were coined under that act as had been coined from the organization of the Government up to that time. We had only coined 8,081,338 standard dollars, not enough by nearly half a million to pay off our Indiana Democratic State debt. We have under the laws and policies of the Republican party since 1873 coined and added to our silver currency over 400,000,000 standard dollars, making fifty times more silver dollars coined in the last twenty years than had been coined in all the preceding history of the country. Therefore, I assert as an historical fact that silver has received infinitely greater consideration in recent years than was ever accorded it by our fathers. Yet the constant cry about the dollars of our daddies disturbs our ears.

In concluding this branch of the discussion, I desire to say that the act of 1873 has been seized upon by fanatical alarmists as a scapegoat to carry sins that justly belong to other shoulders.

REASONS WHY WE SHOULD NOT ADOPT FREE COINAGE.

It is conceded on all hands that the purchasing clause of the

Sherman act should be repealed, but it is contended by the silver advocates that free coinage should be substituted. They seek to maintain the following propositions:

First. That free coinage by us will have the effect to advance the price of silver to a parity with gold.

Second. That it will not attract the silver of the world to our mints.

Third. That we are strong enough to maintain such parity independent of all other commercial nations.

I shall discuss for a short time each of these propositions.

Our friends seem to forget the history and experience of the past, and are still proclaiming that free coinage will bring the two metals to a parity of values. When that question has been put to trial and decided against them, in the language of the lawyers, it has become *res adjudicata*. During the Fifty-first Congress they were then, as now, clamoring for free coinage. The conflict between the friends and opponents of that proposition was waged with great zeal and earnestness. Finally, the act of 1890 was brought forward as a compromise measure, which was acceptable to the friends of free coinage then in Congress.

That act provided, as already stated, that the Secretary of the Treasury should purchase monthly 4,500,000 ounces of silver bullion. Our friends said then that the purchase of that amount of bullion was such a recognition of silver by the Government that it would materially advance the price of silver, possibly to a parity with gold: the compromise measure became a law July 14, 1890, and has been in operation ever since, a period of a little over three years, and the Secretary of the Treasury has been purchasing silver bullion in pursuance to its provisions ever since its passage. What has been the result? Just the reverse of the predictions of our friends.

Immediately after the passage of the act it caused an artificial stimulation in the production and market of silver, which had the effect to appreciate the price of silver for a short time, until matters assumed their normal condition, when the price of silver began to go down, until it is now lower than ever known in the history of the world, and in spite of the purchase by the Government of an amount of silver bullion almost equal to the product of our mines.

We paid for our purchase of silver soon after the passage of the act over $1 per ounce, and on the 13th day of August of this year we paid 73¼ cents per ounce, a decline of 40 cents per ounce in the period of three years.

This, it seems to me, is a fair illustration of the inability of this Government to hold up the value of the world's silver to a parity with gold unaided by the other commercial nations of the world.

This decline in the value of silver teaches another lesson, that prices are fixed by natural causes in spite of law, and the sooner we learn the folly of trying to create values or change natural conditions or suspend the inflexible law of supply and demand, the only forces in the domain of commerce that impresses values, the better for the country. It is true the law may create a use, and the value of the article may be enhanced by reason of such use, but supply and demand will step in and fix the price.

The decline in the value of silver may be accounted for independent of the so-called unfriendly legislation against that metal. It is affected by the same natural causes as other commodities. The improved methods of mining and refining it has cheapened its cost of production, besides its yield has greatly increased in the last few years.

A statement issued by the Treasury Department shows that the entire silver product of the world in 1873 was $81,800,000. In 1892 it had increased to $196,605,000. Our own mines produced 27,650,000 fine ounces in 1873, and in 1892 they produced 58,000,000 fine ounces. The demand has not kept pace with the production. Silver has fallen in value on account of the operation of the same influences that have reduced the value of iron, steel, sewing machines, and other commodities.

The leading commercial nations having ceased or greatly limited the coinage of silver, thereby lessening the demand, for us to now open the doors of our mints to its free coinage would make us the dumping ground for the cheap silver of the world. It would be a repetition of the experience of France. She continued to coin silver at her mints after part of the commercial countries of Europe had closed the doors of their mints to silver, when, in 1873, she was startled to find that 154,000,000 francs' worth of silver had been deposited at her mints, as against 5,000,000 francs' worth in 1871–72.

Such a policy would ultimately drive us to a silver basis, and our silver would fall to its bullion value, and would drive out of circulation our gold. Bankers and money-changers would keep and hoard the good money and pay out the cheap money, and the effect would be that the volume of our circulation would be diminished rather than increased.

Our friends contend, however, that a coin bearing the stamp of the United States, "This is a dollar," will make it so regardless of the intrinsic value of the metal composing it; and as a proof of this contention they ask us if our present dollar, that intrinsically is worth but 60 cents, has not the purchasing power of a dollar. I answer, Yes, undoubtedly. The silver dollars we have to-day are made by the Government, and in pursuance to her declared policy to maintain both coins at a parity, she has pledged the credit of the nation to keep the silver dollar as good as gold, and she has put a gold dollar under every silver dollar to maintain and hold it up to the dollar mark.

The Government, however, will not stand as security for free-coinage dollars. They will not be hers, they would belong to the private corporations and individuals that have their silver bullion coined at our mints at the expense of the people. Such dollars will be worth just their bullion value and no more. The unwritten law of trade and commerce will fix their value despite the Government stamp.

The free coinage of silver, in my judgment, would create and foster the greatest monopoly and open fields for speculation unparalleled in the history of the country. The foreign importer could bring his cargo of foreign products worth $100,000, together with $100,000 of cheap silver bullion purchased from the four quarters of the globe to our shores and he could exchange his cargo for our gold. He could take his bullion to our mints and have it coined into $140,000 in our money at the present market price and ratio between the two metals, and with his cheap dollars that cost him 60 cents apiece he could buy $100,000 worth of American products from our farms and shops for his return cargo, and take back home with him $100,000 of our gold, $100,000 worth of our products, and 40,000 silver dollars in the transaction. And yet it is contended that free coinage will increase the volume of the currency.

The wealth of this country could buy up the cheap silver of our mines and have every 60 cents' worth of it coined into a dollar and compel the people to take it for 100 cents.

Should such policy ever prevail in this country all things should be made equal. The toiler should receive a dollar for 60 cents' worth of labor, the farmer should have the right to take 60 cents' worth of wheat to mill and have it ground into a dollar's worth of flour. [Applause.]

Mr. Speaker, as I have already stated, I am in favor of a bimetallic standard, and greatly desire the restoration of silver in the monetary system of the world that it formerly occupied. This, in my opinion, can not be done by us without the coöperation of the leading commercial nations, fixing by international agreement the ratio between the two metals, so that the commercial world will accept the two metals at such fixed ratio without discrimination against either.

Can this be accomplished? I think it can. The distinguished gentleman from Kentucky [Mr. McCREARY], who was a member of the Brussels monetary conference, and who represented the free-silver interests of this country in that conference, told us in his speech the other day, in substance, that the only hindrance in the way, he believed, was that England would not enter into such an agreement, because she believed that this country would ultimately drift to the silver basis by adopting the system of free coinage. That belief removed, he thought we could receive the coöperation of the leading commercial nations, including England, in restoring the bimetallic standard in the commerce of the country.

DID THE WANT OF MONEY CREATE THE PANIC? MONEY IS NOT WEALTH.

Mr. Speaker, it is asserted by some in this discussion that the remedy for our present financial depression is more money. The time allotted me through the courtesy of the Speaker will not permit me to enter into a full discussion of this proposition, but I must content myself with a few incontrovertible facts bearing on this branch of the subject.

Mr. Speaker, we never had so much money as we have now; we have some $70,000,000 more in circulation than we had last year; we have more money to-day in circulation and in the Treasury than we have ever had in the most prosperous days of the country. It should be borne in mind that it is not the amount of money made that is beneficial to the people or commerce, but the amount in circulation, and the only way to circulate money that I know of is to have something to give in exchange for it.

I hold in my hand a statement prepared by the Secretary of the Treasury, which I will append to my remarks, showing the amount of money in circulation and in the Treasury. From it we find we have in money $33.88 per capita and $24.47 per capita in circulation, hence we see we have almost $10 per capita more than is now in circulation. I suggest, without comment, do we not want something to give in exchange for the money we already have instead of more money?

These financial theorists that dwell in visions and fancy that money should fall like dew and be gathered like manna, forget that money is not wealth. You can purchase wealth with money.

Our wealth consists of our cities, farms, railroads, telegraphs, mines, and the productive energies of the people. The wealth of the nation is about $65,000,000,000. Should we measure our wealth by the money we have we would be worth just $2,219,719,193.

Money is only valuable in proportion to the amount of wealth it will buy. The wages of our workmen are paid in money, yet their real capital is their labor. They are only interested in money for its money worth—not in the metal piece, but what they can get of the necessaries of life for it.

In conclusion, Mr. Speaker, I desire to say that an honest Government should issue to its people an honest dollar, and that if we maintain a sound financial policy in the future as in the past, preserve our Americanism, and not call a halt and take company with free silver and the second-class powers of the earth, the day is not in the distant future when we will sway the scepter of the commercial world. [Great applause.]

APPENDIX.

Statement showing the amounts of money in the United States, in the Treasury and in circulation, on the dates specified.

Year.	Amount of money in United States.	Amount in circulation.	Population.	Money per capita.	Circulation per capita.
1860	$442,102,477	$435,407,252	31,443,321	$14.06	$13.85
1861	452,005,767	448,405,767	32,064,000	14.09	13.98
1862	358,452,079	334,697,744	32,704,000	10.96	10.23
1863	674,867,283	595,394,038	33,365,000	20.23	17.84
1864	705,588,067	669,641,478	34,046,000	20.72	19.64
1865	770,129,755	714,702,995	34,748,000	22.16	20.57
1866	754,327,254	673,488,244	35,469,000	21.27	18.99
1867	728,200,612	661,902,069	36,211,000	20.11	18.28
1868	716,553,578	680,103,661	36,973,000	19.38	18.39
1869	715,351,180	664,452,891	37,756,000	18.95	17.60
1870	722,868,461	675,212,794	38,588,371	18.73	17.50
1871	741,812,174	715,889,005	39,555,000	18.75	18.10
1872	762,721,565	738,309,549	40,596,000	18.79	18.19
1873	774,445,610	751,884,809	41,667,000	18.58	18.04
1874	806,024,781	776,063,031	42,796,000	18.83	18.13
1875	798,273,500	754,101,947	43,951,000	18.16	17.16
1876	790,693,284	727,602,388	45,137,000	17.52	16.12
1877	763,053,847	722,314,883	46,353,000	16.46	15.58
1878	791,253,576	729,132,634	47,598,000	16.62	15.32
1879	1,051,521,541	818,031,793	48,866,000	21.52	16.75
1880	1,205,929,197	973,382,228	50,155,783	24.04	19.41
1881	1,406,541,823	1,114,238,119	51,316,000	27.41	21.71
1882	1,480,531,719	1,174,290,419	52,495,000	28.20	22.37
1883	1,643,489,816	1,230,305,696	53,693,000	30.60	22.91
1884	1,705,454,189	1,243,925,909	54,911,000	31.06	22.65
1885	1,817,658,336	1,292,568,615	56,148,000	32.37	23.02
1886	1,808,559,694	1,252,700,525	57,404,000	31.50	21.82
1887	1,900,442,672	1,317,539,143	58,680,000	32.39	22.45
1888	2,062,955,949	1,372,170,870	59,974,000	34.39	22.88
1889	2,075,350,711	1,380,351,649	61,289,000	33.86	22.52
1890	2,144,225,159	1,429,251,270	62,622,250	34.24	22.82
1891	2,100,130,092	1,500,067,555	63,975,000	32.83	23.45
1892	2,219,719,198	1,603,073,338	65,320,000	33.82	24.47

NOTE.—The difference between the amount of money in the country and the amount in circulation represents the money in the Treasury.

Highest, lowest, and average price of silver bullion, and value of a fine ounce, bullion value of a United States silver dollar, and commercial ratio of silver to gold by fiscal years, 1874 to 1893.

Fiscal years.	Highest.	Lowest.	Average London price per ounce standard .925	Equivalent value of a fine ounce with exchange at par, $4.8665.	Equivalent value of a fine ounce based on average price of exchange.	Bullion value of a United States silver dollar, at average price of silver, exchange at par.	Commercial ratio of silver to gold.
	Pence.	*Pence.*	*Pence.*				
1873-'74	59⅜	57⅞	58.312	$1.27826	$1.28247	90.98865	16.17
1874-'75	58⅛	55½	56.875	1.25127	1.26022	.96777	16.52
1875-'76	57⅛	50	52.750	1.15184	1.15954	.89087	17.94
1876-'77	58⅛	50½	54.812	1.20154	1.20191	.92331	17.20
1877-'78	55½	52½	52.562	1.15222	1.15257	.89116	17.94
1878-'79	52⅜	48½	50.812	1.11386	1.11616	.86152	18.55
1879-'80	53⅛	51½	52.218	1.14436	1.14397	.88500	18.06
1880-'81	52½	51	51.937	1.13852	1.13508	.88057	18.15
1881-'82	52 5/16	50⅝	51.812	1.13623	1.13817	.87880	18.19
1882-'83	52 3/16	50	51.023	1.11826	1.11912	.86490	18.48
1883-'84	51⅜	50 1/16	50.791	1.11339	1.11529	.86115	18.56
1884-'85	50⅛	48¼	49.843	1.09262	1.09226	.84507	18.92
1885-'86	49 7/16	42	47.038	1.03112	1.03295	.79750	20.04
1886-'87	47⅛	42	44.843	.98301	.98148	.76029	21.02
1887-'88	45 7/16	41⅛	43.675	.95741	.95617	.74008	21.59
1888-'89	44½	41 1/16	42.499	.93163	.93510	.72055	22.18
1889-'90	49	42	44.196	.96883	.96839	.74932	21.33
1890-'91	54½	43⅞	47.714	1.04195	1.04780	.80588	19.83
1891-'92	46⅜	39	42.737	.93648	.93723	.72430	22.07
1892-'93	40 7/16	30½	38.375	.84123	.84233	.65063	24.57
July	34½	32⅜	33.060	.72471	.72037	.55662	28.52

TREASURY DEPARTMENT,
Bureau of the Mint, August 1, 1893.

Product of gold and silver in the United States from 1792–1844, and annually since.

[By the Director of the Mint.]

Years.	Gold.	Silver.	Total.
April 2, 1792, to July 31, 1834	$14,000,000	Insignificant.	$14,000,000
July 31, 1834, to December 31, 1844	7,500,000	$250,000	7,750,000
1845	1,008,327	50,000	1,058,327
1846	1,139,357	50,000	1,189,357
1847	889,085	50,000	939,085
1848	10,000,000	50,000	10,050,000
1849	40,000,000	50,000	40,050,000
1850	50,000,000	50,000	50,050,000
1851	55,000,000	50,000	55,050,000
1852	60,000,000	50,000	60,050,000
1853	65,000,000	50,000	65,050,000
1854	60,000,000	50,000	60,050,000
1855	55,000,000	50,000	55,050,000
1856	55,000,000	50,000	55,050,000
1857	55,000,000	50,000	55,050,000
1858	50,000,000	500,000	50,500,000
1859	50,000,000	100,000	51,100,000
1860	46,000,000	150,000	46,150,000
1861	43,000,000	2,000,000	45,000,000
1862	39,200,000	4,500,000	43,700,000
1863	40,000,000	8,500,000	48,500,000
1864	46,100,000	11,000,000	57,100,000
1865	53,225,000	11,250,000	64,475,000
1866	53,500,000	10,000,000	63,500,000
1867	51,725,000	13,500,000	65,225,000
1868	48,000,000	12,000,000	60,000,000
1869	49,500,000	12,000,000	61,500,000
1870	50,000,000	16,000,000	66,000,000
1871	43,500,000	23,000,000	66,500,000
1872	36,000,000	28,750,000	64,750,000
1873	36,000,000	35,750,000	71,750,000
1874	33,500,000	57,800,000	70,800,000
1875	33,400,000	31,700,000	65,100,000
1876	39,900,000	38,800,000	78,700,000
1877	46,900,000	39,800,000	86,700,000
1878	51,200,000	45,200,000	96,400,000
1879	38,900,000	40,800,000	79,700,000
1880	36,000,000	39,200,000	75,200,000
1881	34,700,000	43,000,000	77,700,000
1882	32,500,000	46,800,000	79,300,000
1883	30,000,000	46,200,000	76,200,000
1884	30,800,000	48,800,000	79,600,000
1885	31,800,000	51,600,000	83,400,000
1886	35,000,000	51,000,000	86,000,000
1887	33,000,000	53,350,000	86,350,000
1888	33,175,000	59,195,000	92,370,000
1889	32,800,000	64,646,000	97,446,000
1890	32,845,000	70,464,000	103,309,000
1891	33,175,000	75,417,000	108,592,000
1892	33,000,000	73,697,000	106,697,000
Total	1,937,881,769	1,146,869,000	3,084,750,769

Silver.

SPEECH

OF

HON. JAMES D. RICHARDSON,

OF TENNESSEE,

IN THE HOUSE OF REPRESENTATIVES,

Friday, August 25, 1893.

The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. RICHARDSON of Tennessee said:

Mr. SPEAKER: During the Fifty-second Congress, on the 23d of March, 1892, a bill was pending in this House for the free coinage of silver and for the issue of coin notes, and for other purposes. While that bill was pending I took occasion to submit some remarks to the House upon it. I stated that I thought it was the plain duty of Congress to provide for the coinage of both metals unless it could be shown that of one of the metals there was a sufficient quantity which could be coined into money to to meet the demands of our trade and commerce. I also quoted from the Constitution of the United States the provision that Congress shall have power "to coin money, regulate the value thereof, and of foreign coin." I also quoted the provision, "No State shall coin money," and the provision, "No State shall make anything but gold or silver a legal tender in payment of debts."

I insisted then, Mr. Speaker, that if both metals, gold and silver, could be coined, there would not be enough coin in the United States to meet the just and legitimate demands of trade and commerce. I have seen nothing since that time to lead me to change the views which I then entertained and expressed. I

stated then that if silver was admitted to free coinage in this country and to its rights before the law and under the Constitution, I believed it would go to a parity with the other metal.

In the beginning of my remarks to-day I wish to say that I still entertain those views, and I shall vote for the free coinage of silver at the ratio of 16 to 1, that failing for 17 to 1, then 18 to 1, then 19 to 1, and 20 to 1; and I shall vote in favor of the Bland-Allison bill, and against the unconditional repeal of the Sherman law. [Applause.]

I shall not vote for any ratio higher than 16 to 1, the present ratio, however, without some feeling of reluctance. I say this because the ratio of 16 to 1 puts more silver into the standard silver dollar of the United States than any government puts into any silver coin in the world. I fear if the United States should establish a ratio greater than 16 to 1 at an early day in the future all the silver of the United States would go abroad. It could not be kept here. Foreign governments, then opening their mints to the free coinage of silver, would have all our silver flowing to them. No nation, so far as I know, ever adopted a much larger ratio than 16 to 1. To change the ratio would mean the recoinage of all our gold coins, or of all our silver coins, and during the process of taking up the old coins and getting the new ones into circulation great confusion and trouble would ensue.

I do not believe there is necessity for a change of the ratio, for if we are to have bimetallism—the use of both metals—we can as easily have it at 16 to 1 as at any other ratio. The ratio between the two metals in the days of Washington was about 15 to 1. At a later period, June 29, 1834, it was fixed at about 16 to 1, and thus, in my opinion, it should remain. I can not believe I am mistaken, that with free coinage we can absorb the annual supply of silver, and maintain the parity of the metals at 16 to 1 with as much certainty as at a new ratio.

I will only vote for a new and increased ratio now that we may show a spirit of compromise and fairness to our friends, members of the same party to which I belong, who honestly favor silver as money, yet who insist there is too much difference between the present standard silver and the gold dollar. The present disparity in value between the two metals, it is conceded, is great, but I contend that this great disparity is largely if not altogether the result of legislation hostile to silver. I shall insert here an extract from the speech made by me in the House on March 23, 1892, and which I now ask the Clerk to read.

The Clerk read as follows:

From time immemorial, perhaps from the beginning of civilization, these two precious metals have been recognized as money, and have been made the media of commercial exchange. Gold and silver were the money of our colonies before the States were formed. The framers of our Constitution made our monetary system bimetallic when they made recognition of the two metals in the provisions which I have quoted. I think it can be safely assumed upon these premises that as representatives of the people in Congress our duty is a plain one—that is, to establish the ratio of value for the coinage of the two metals, and then to provide for their free coinage. Such, I assert, was the policy of Congress from the beginning of our Government under the Constitution, at least from 1792 down to 1873.

During all these years from 1792 to 1873 both of these metals were free coined. In the latter year, 1873, without any public demand for a change our system was radically altered, and one of the metals demonetized. This was done without discussion and without any public demand therefor. It was done secretly and stealthily. It was done without the knowledge of the members of Congress who themselves did it. If this radical change in our monetary system had been made with understanding on the part of the legislators who did it, and in answer to some popular demand therefor, it might with reason be contended that there was wisdom in the new policy.

But it is a violent assumption to claim that for nearly a hundred years we had been pursuing the right policy, and that all at once, without discussion of the question and without the intention of the Congress which did it, the new policy was discovered by accident and put into operation. The ratio of value of gold and silver in this country as fixed by Congress was 16 to 1; that is to say, gold was sixteen times as valuable as silver. In other words 1 ounce of gold was declared to be equal in value to 16 ounces of silver. At the ratio of value I have mentioned, these metals circulated in our country side by side with but little appreciable difference in value until 1873.

In 1873, when the crime was committed of the demonetization of silver, for it was a crime, it is a fact that this metal exceeded in value the other metal by about 3 per cent. It is believed now, by the advocates of bimetallism, that if silver is restored to its full constitutional rights, that is, to have its legal-tender power restored, and to be admitted to the mints for free coinage, that it will speedily appreciate in value until it will be equal to gold. It will not be controverted that when silver was stricken down in 1873 that about one-half of the money of our country was destroyed, leaving as money but the one metal, gold. The inevitable result was to immediately enhance or increase the value of gold. What followed?

We have but to look back to the intervening years since 1873 to find the answer. The effect was seen in the depression in business, the stopping of industrial enterprises, the falling off in the demand for labor, and the universal decline in prices. Especially has this been true in all the agricultural districts in our land. The burden of the debtor class was doubled, and thousands and tens of thousands of those who had known prosperity and happiness were brought to distress. Those who had gold or fixed incomes were made richer, while all the producing classes were made poorer. The effect was to place gold at a premium of from 40 to 50 per cent., and at the same time to make it the measure or standard of value of all other property at its increased value. It may be that silver declined in value, and it did, compared alone with gold. It was inevitable that such decline would follow.

As to every other commodity on earth I do not believe it can be said that silver has declined. As compared with land, horses, corn, cotton, wheat, beef, pork, and indeed every article produced by agriculturists it has surely not declined, and has lost relatively none of its purchasing power. Notwithstanding the discrimination against it, and it being outlawed as money by act of Congress, it has maintained a position nearer in value to gold than any other commodity in the land. It was made a commodity when its power as money, or to be money, was taken from it by law.

Mr. RICHARDSON of Tennessee. By repeating the foregoing remarks I wish only to emphasize what I then said. I can not vote for the unconditional repeal of the purchasing clause of the Sherman law. It is the only act left on the statute books which makes any provision for silver, and while I voted against it when it was enacted in the Fifty-first Congress, I did it because it repealed the Bland-Allison law, which I thought was preferable to it. I do not like it now. It makes silver a commodity instead of money, but under its provisions the paper money circulation is increased. And it is the only law, it seems, under which this can be done.

In taking the position I have indicated, Mr. Speaker, I am in line with all the Democratic teachings, and all their platforms ever written, so far as I know. I shall only quote from three platforms of our party, the first quotation being from the national platform of 1884, which is in these words:

We believe in honest money, the gold and silver coinage of the Constitution, and a circulating medium convertible into such money without loss.

The national Democratic platform of 1892 uses the following words:

We denounce the Republican legislation known as the Sherman act of 1890 as a cowardly makeshift, fraught with possibilities of danger in the future which should make all of its supporters, as well as its author, anxious for its repeal. We hold to the use of both gold and silver as the standard money of the country, and to the coinage of both gold and silver without discriminating against either metal or charge for mintage, but the dollar unit of coinage of both metals must be of equal intrinsic and exchangeable value, or be adjusted through international agreement or by such safeguards of legislation as shall insure the maintenance of the parity of the two metals and the equal power of every dollar at all times in the markets and in the payment of debts; and we demand that all paper currency shall be kept at par with and redeemable in such coin. We insist upon this policy as especially necessary for the protection of the farmers and laboring classes, the first and most defenseless victims of unstable money and a fluctuating currency.

If there was any room for misunderstanding these words, or any doubt as to what was meant by the party in the minds of its members generally, I insist no Tennessee Democrat has any ground for doubt or misunderstanding. The following is an extract from the Tennessee Democratic platform of 1890, which every Tennessee Democrat advocated:

We demand a currency of gold and silver, and also of paper convertible into coin at the option of the holder, and we demand the free coinage of silver on the basis originally fixed by law, and that it and the gold dollar shall be equally a unit of value.

Mark the words, "we demand the *free coinage* of silver on the basis originally fixed by law." This means free coinage at the ratio of 16 ounces of silver to 1 ounce of gold, the present ratio. And mark the other words, both the gold dollar and the silver dollar "shall be equally a unit of value." With the repeal of the Sherman law, or the purchasing clause of silver in it, where is there any provision in the law for silver? There is none left.

No declaration of the party since that date has ever absolved Democrats from the principles thus clearly set forth. I pledged the people who elected me to stand by the principles of the party so often and so clearly enunciated in their platforms, and I shall do it though no other member of this House votes with me. Speaking for myself, and for myself only in this sentence, I would deem myself unworthy of the position which I esteem so highly as the representative of the people of my district if I were untrue to the promises made them and were to vote for any proposition contrary to the free coinage of silver. Others may do as they please. I shall stand by the platforms of the party, and the pledges I made the people when I sought their suffrages as a candidate for a seat in this body.

It has been said there is too much silver being produced, and that for this reason we must abandon its coinage and resort to gold alone. This I deny. The production of these two metals since the foundation of the world has been about the same. We have reliable statistics for the past four hundred years—that is, from 1493 to 1893—and on this point the report of the officers of the United States Mint shows that for the four hundred years named the production of gold of the world has been $8,204,303,000, and of silver $9,726,072,500, which is only a slight difference, but the difference is in favor of silver. Let us see how it is for the past one hundred years—that is, from 1792 to 1892. There was produced of gold during this time $1,969,692,976, and of silver $1,158,831,869. Again the difference is not great, but it is in favor of gold.

For the year 1892 the production of gold was $130,816,600, and of silver $196,605,200.

I will here insert a table which shows the annual production

of gold and silver of the world for the last ten years, 1893 to 1892, inclusive:

Years.	Gold product.	Silver product.	Total.
1883	$95,400,000	$115,300,000	$210,700,000
1884	101,700,000	105,500,000	207,200,000
1885	108,400,000	118,500,000	226,900,000
1886	106,000,000	120,600,000	226,600,000
1887	105,775,000	124,281,000	230,056,000
1888	110,197,000	140,706,000	250,903,000
1889	123,489,000	162,159,000	285,648,000
1890	113,149,000	172,234,500	285,384,100
1891	120,518,800	186,733,000	307,251,800
1892	120,816,600	196,605,200	327,421,800
Total	1,115,446,000	1,442,618,700	2,558,064,700

I also here insert the following table, which shows the annual gold and silver production of the United States from 1883 to 1892:

Years.	Gold product.	Silver product.	Total.
1883	$30,000,000	$46,200,000	$76,200,000
1884	30,800,000	48,800,000	79,600,000
1885	31,800,000	51,600,000	83,400,000
1886	35,000,000	51,000,000	86,000,000
1887	33,000,000	53,350,000	86,350,000
1888	33,175,000	59,195,000	92,370,000
1889	32,800,000	64,646,000	97,446,000
1890	32,845,000	70,464,000	103,309,000
1891	33,175,000	75,417,000	108,592,000
1892	33,000,000	74,989,900	107,989,900
Total	325,595,300	595,661,900	921,256,900

Mr. Speaker, I desire to call especial attention to these tables and figures, for they answer the bald assertions often made that we have too much silver. They demonstrate conclusively that the production of the two metals is about of equal proportions when you take any long period into the calculation. And there is no other safe method of calculation. They show the wisdom of bimetallism, and they show unmistakably that the bimetallic standard is the true one and can be maintained. The exact date when silver was first used as money is not known. It is known, however, that it was coined in Rome at least two hundred and fifty years before the birth of Christ and that gold was coined a few years later. But for centuries before that time gold and silver were recognized as "precious metals," and in definite and fixed ratio had become the common medium of exchange wherever commerce was carried on, and by them the value of other things was estimated.

The ratio at which these metals were first coined was that at which they had previously gone into use by weight. We learn that in Lydia, in the Greek cities of Asia Minor, and in Greece the ratio was about 13½ to 1. We are told that in Philip's time, and perhaps earlier, gold was the more abundant metal in Persia, Macedonia, and Asia Minor, but in most parts of the world silver was the measuring metal. Boeckh, in his Economy of Athens, says:

> The value of gold is more variable than that of silver, which, therefore, may be considered as the standard of price for gold, as for other commodities.

In like manner we are told that the gold of David and Solomon was valued in silver, which was the standard money of Palestine and the Phœnician cities of the Mediterranean. In his celebrated essay on money, Locke says:

> I have spoken of silver coin alone, because that makes the money of account and measure of trade all through the world.

In our country during the colonial period the metallic money consisted entirely of foreign coins, but the Spanish milled dollar of silver came to be recognized as the money unit and standard of values in all the colonies. Under our Constitution, when first formed, our metal money consisted of gold and silver wholly of foreign mintage, the recognized standard being the Spanish milled silver dollar. By the Constitution, as I have already stated, the right to "coin money, regulate the value thereof, and of foreign coin," is given to Congress, and the States are prohibited from making "anything but gold and silver coin a tender in payment of debts." I find in a recent copy of the Commercial Reporter and Railroad Guide a brief but valuable résumé of the coinage laws of the United States since the adoption of the Constitution. I think it is accurate and I will insert it here as a part of my remarks:

* * * * * * *

FIRST COINAGE LAW.

The first law relating to coinage, under the new Constitution, was the act of April 2, 1792, establishing the mint. This act provided for striking gold coins, called eagles, "each to be of the value of ten dollars, or units."

The weight of the eagle, by this act, was made 247½ grains of pure gold, or 24.75 grains to the dollar. This act also provided for coining "dollars, or units, each to be of the value of a Spanish milled dollar, as the same is now current."

Hamilton, the first Secretary of the Treasury, had a number of the old Spanish milled dollars, as then in circulation, assayed, and they were found to contain 371¼ grains of pure silver, and therefore the new dollar was made to contain exactly 371¼ grains of pure silver, so that the money unit of the colonies, as at that time in circulation, was continued as the money unit under the new Constitution.

The first gold coins were eleven-twelfths fine. The full weight of the eagle was 247.50 grains pure gold and 22.50 grains of alloy, making the total weight of the eagle 270 grains. The silver dollar contained 371.25 grains of pure silver and 44.75 grains of alloy, making the full weight of the dollar 416 grains.

The act of 1792 also provided for half dollars, quarter dollars, and dimes of silver, weighing, respectively, one-half, one-fourth, and one-tenth the weight of the dollar.

As gold coins contained 24.75 grains of pure metal to the dollar and the silver dollar contained 371¼ grains, the ratio at this time was exactly 15 to 1.

FREE COINAGE AND LEGAL TENDER.

The same act which established the mint and fixed the weight and fineness of the coins of the United States also provided that any person might take either silver or gold to the mint and have it coined for his benefit "free of expense," and the said coins were made equally legal tender for all debts, public and private. By this act fractional coins were also full legal tender.

Thus, the first coinage law enacted under the Constitution, as recommended by Hamilton, concurred in by Jefferson, and approved by Washington, provided for the free and unlimited coinage of both gold and silver.

Subsequent acts fixed the rates at which foreign gold and silver coins should be legal tender in this country, and various coins, including the Spanish milled dollar, continued to be legal tender until 1857.

CHANGE IN GOLD COINS.

In 1834 the weight of the gold eagle, or ten-dollar piece, was changed from 247½ grains of pure gold, or 270 grains of standard gold, to 232 grains of pure gold, or 23.2 grains to the dollar, or 258 grains of standard gold, or 25.8 grains to the dollar.

The pure metal in the eagle was therefore reduced 15½ grains, or 1.55 grains to the dollar. This new piece, however, was made legal tender for all debts, past and future, the same as the old one. No change was at this time made in the silver coins.

By this change in the gold coins the ratio was changed from 15 to 1 to 16 to 1.

In 1837 (January 18) the mint laws were revised throughout, and the standard for both gold and silver was made nine-tenths fine—that is, nine parts pure metal and one part alloy. And since 1837 all our coins of both metals have been nine-tenths fine.

The alloy of the gold coins consists of silver and copper, and the alloy of silver coins of copper only; the alloy in both cases being provided by the Government.

The pure metal in the gold coins was again slightly changed by the act of 1837, by adding .02 of a grain, so as to make it exactly nine-tenths fine.

NO CHANGE IN THE VALUE OF THE SILVER DOLLAR.

By the act of 1837 the alloy in the silver dollar was reduced from 44.75 grains to 41.25 grains, so as to make the dollar just nine-tenths fine, but the weight of pure silver was not changed and its value was therefore not changed.

Thus, while the weight of pure gold in the gold dollar has been twice changed, the weight of pure silver in the standard silver dollar has never been changed; it is exactly the same unit and the same standard as the first standard coin minted in the United States.

FREE COINAGE CONTINUED.

It will be seen from the foregoing that the ratio between gold and silver coins was changed from 15 to 1, as fixed by the act of 1792, to 16 to 1 by the act of 1834, and to 15.988+ to 1 by the act of 1837; but the free coinage of both silver and gold, as provided by the act of 1792, was continued unaltered to 1873.

From 1792 to 1853 any one could have silver coined freely into any of the coins provided for by law, and during this period fractional coins were full legal tender, the same as the dollar piece; and in those times relatively more of the smaller denominations of money were used than now, and most of the coinage was in halves and quarters.

Great stress has been laid on the fact that but about $8,000,000 in dollar pieces were coined from 1792 to 1873, but it did not matter so long as coinage was free and all coins were full legal tender what particular denominations were coined.

Fractional coins were made legal tender for only $5 by the act of 1853, which reduced their weight. They are legal tender now for $10.

More than this, the principal silver coins of the world were full legal tender in the United States until 1857, and they continued more or less in circulation till just before the war. Nobody can tell how many of these coins circulated here. The Spanish milled dollar, the Mexican dollar, the dollar of Peru and Bolivia were legal tender at their face value. The five-franc piece, the English shilling, and other foreign coins also circulated here, and especially the Mexican and Spanish milled dollars. Certain foreign gold coins were also full legal tender.

The significant fact in all this is that silver and gold equally and without limit were money in the United States prior to 1873, and that coinage was unrestricted and free for both metals. The money standard consisted of the two metals, together, and not of one alone, and it made no difference where coins were struck.

The total coinage of gold from 1792 to 1847, before the gold discoveries of California and Australia, was but $43,000,000.

In the two years prior to the passage of the act of 1873 over two and a half millions of standard silver dollars were coined, and nearly a million of these in the few weeks of 1873, before free coinage was shut off by the act of February 12, showing that silver had begun to flow to our mints as the contraction of paper took place.

It has been the policy of a certain class to depreciate silver and to create the impression that silver was an unimportant coin in the monetary system of the United States even before it was demonetized in 1873. They raise their hands and shout that only about $8,000,000 of silver coins, all told, had ever been minted in the United States up to the time when the mints were closed to the free coinage of silver money in that year. They have sought to make the impression in the minds of ignorant people that that was all the legal-tender silver money the people of the United States had ever had prior to that time. Some of them have asserted that they do not know any good reason

why the Government of the United States did not mint more silver dollars than this eight millions. They do not tell how many gold dollar pieces the Government had minted up to that date. It is true that silver coins of the denomination of a dollar were not coined in the United States Mint prior to 1873 except the amount of about $7,700,000. But the total silver coinage, including subsidiary coinage, up to 1873 was more than $143,000,000.

It may be stated here that prior to 1847, when the great gold discoveries of the world commenced to make a sudden and vast increase in the product of that metal, the relative gold and silver coinage of the United States mints showed silver the favorite, the gold coinage up to that period (1847) being $52,360,792, and the silver coinage for the same period being $69,072,497. A plain reason why there was not more silver coined prior to 1873 is the fact that various foreign coins of silver were by law legal tender in the United States until the year 1857.

In 1785 the old Continental Congress passed a bill which made the Spanish milled dollar, which had in it exactly the same amount of pure silver which the United States standard dollar has always contained, a legal-tender coin in the United States. On July 1, 1789, Congress voted that the silver coins of foreign countries should be legal-tender money in the United States at prescribed valuations. Thus from the foundation of our Government it will be seen that this Spanish milled dollar, and other foreign coins, were legal tender at 100 cents down to February 21, 1857. These coins came here in vast quantities. The Spanish dollar containing the same amount of pure silver as our standard dollar did not need to be recoined.

In 1834, when Andrew Jackson was President, Congress enacted a law that not only should the silver dollar of France be legal-tender money in the United States, but that the silver dollars of Mexico, of Peru, of Chili, of Brazil, and of Central America should be lawful money in all parts of the United States. They also legalized the gold coins of various countries. Democratic statesmen in those days, legislating in the interest of their country, were not afraid of having too much specie in the United States. In 1843, pursuing the same line of reason, Congress enacted that all custom-house duties could be paid in the silver coin of Prussia, Portugal, Russia, British America, and of other foreign mints. The policy then was to draw silver and gold to this country.

The fact, therefore, that less than eight millions of silver of the denomination of a dollar had been coined in the United States prior to 1873 does not show that silver was not a popular money, or that no demand existed for it. It was as popular as gold, and less fluctuating in value. While Congress has two or three times found it necessary to change the amount of gold in the gold dollar, it has never changed the amount of silver in the silver dollar.

All parties in this country, I mean political parties that have existed in its history, have favored bimetallism, the use of both metals as money. The two greatest leaders of parties the country has ever known, Jefferson and Hamilton, agreed upon this policy. There was scarcely any other great party policy upon which they did agree. These great leaders of the people in their day enunciated the principles of political parties, which have existed ever since. They differed radically in their ideas and theories of government. On the money question, however, with them there was harmony.

In a learned report to Congress, dated January 28, 1791, Hamilton pointed out that the people of the United States should not adopt as the unit of their monetary system either a single gold or a single silver coin, but that the unit of value in the United States should be the gold and the silver dollar, and that a given amount of one of the precious metals should be equivalent in value at our mints, and in the eyes of the law, to a certain amount of the other precious metal; in short, he recommended to the people of the United States that they adopt the bimetallic coinage system, a system which the experience of thousands of years by many nations had demonstrated to be a safe one. In his terse style he said in this report:

> The general utility will best be promoted by a due proportion of both metals.

He also said in this report:

> To annul the use of either of the metals as money is to abridge the quantity of the circulating medium, and is liable to all the objections which arise from a comparison of the benefits of a full with the evils of a scanty circulation.

The other great leader, Jefferson, took a deep interest in devising a coinage system for our country. He was at that time Secretary of State in Washington's Cabinet. He was pleased with Hamilton's conclusion that the United States should adopt as its unit of value the gold and silver dollar. In February, 1792, he wrote these words to Hamilton:

> I return you the report on the mint. I concur with you that the unit must stand upon both metals.

On March 10, 1831, Daniel Webster spoke as follows of Hamilton, the first Secretary of the Treasury:

> He saw at last his hopes fulfilled; he saw the Constitution adopted and the Government under it established and organized. The discerning eye of Washington immediately called him to that post, which was far the most important in the new administration of the system. He was made Secretary of the Treasury, and how he fulfilled the duties of such a place, at such a time, the whole world saw with admiration. He smote the rock of the national resources, and abundant streams of revenue gushed forth. He touched the corpse of the public credit, and it sprung upon its feet. The fabled birth of Minerva from the brain of Jove was hardly more sudden or more perfect than the financial system of the United States as it burst forth from the conceptions of Alexander Hamilton.

By some it has been argued that with free coinage of silver there would be "dumped" upon us the silver of Europe. Is this true? I think not. On this point my opinion, however, may not be considered so good as some others. I prefer, when I can offer the opinion of one learned and well-informed on a question, to do so rather than offer my unsupported opinion. I therefore present what Mr. R. E. Preston, Acting Director of the United States Mint, has so well said on this subject. He says:

> The silver of Europe is coined at a ratio of 15½ to 1, whereas American coinage is at the rate of 16 to 1, and as the bulk of European silver has been in use many years, it has probably lost 3 per cent by attrasion. Here is a dead loss of 6 per cent on every dollar's worth of silver to be "dumped" on this country, to which must be added freight and insurance. But this is not all. The European coins could not be offered to our mints. The one-tenth alloy which they contain would have to be extracted, a loss of 10 per cent, and the extraction would cost another 5 per cent, making a loss and cost of not less than 22 cents before the "dump" reached our mints, the total loss on every dollar's worth of European silver brought over being not less than 22 cents. To put it in another shape, foreign speculators in order to "dump" European silver on our mints would be compelled to sell for 68 cents the silver that cost them a dollar in gold.

Thus we see European silver could not be "dumped" into our mints with profit to its owners. Without such profit no one supposes it would be done. Then, again, no European country has any more silver and silver coinage than it needs for its own commerce and trade. The world's stock of silver is not too large. Take the world over, and you will find that of both metals the supply is small compared with population. For instance, the total gold of the world in coin and bullion used as money amounts to but $2.51 per capita. The total of silver amounts to but $2.58 per capita. The total of gold and silver amounts to but $5.09 per capita. So that if all the gold and silver in the world was divided between the inhabitants of the earth equally each of us would get but $5.09.

The average annual production of gold in the world for the last ten years is 7½ cents for each person, of which about one-half is used in the arts, leaving less than 4 cents per capita for use as money. Of silver for the same time the amount to each person would be 9.7 cents, about one-half of which is used in the arts, leaving only about 4 cents for each person as money. The entire annual production of both gold and silver is required to maintain the present amount of money per capita for the increase of population in the world.

As a matter of interest, I will insert herein in my speech a statement prepared by Mr. Leech, Director of the United States Mint, for the Committee on Coinage, which shows the estimated and officially reported amounts of gold and silver in circulation in the world.

Total gold and silver used as money of the world, in form of coin and bullion.

Country.	Gold.	Silver.
United States	$702,018,869	$482,071,346
United Kingdom	550,000,000	100,000,000
France	900,000,000	700,000,000
Germany	500,000,000	145,000,000
Belgium	65,000,000	55,000,000
Italy	140,000,000	60,000,000
Switzerland	15,000,000	15,000,000
Greece	2,000,000	4,000,000
Spain	100,000,000	125,000,000
Portugal	40,000,000	10,000,000
Austria-Hungary	40,000,000	90,000,000
Netherlands	25,000,000	65,000,000
Scandinavian Union	32,000,000	10,000,000
Russia	190,000,000	60,000,000
Turkey	50,000,000	45,000,000
Australia	100,000,000	7,000,000
Egypt	100,000,000	15,000,000
Mexico	5,000,000	50,000,000
Central America	.....	500,000
South America	45,000,000	25,000,000
Japan	20,000,000	50,000,000
India	.....	900,000,000
China	.....	700,000,000
The Straits	.....	100,000,000
Canada	16,000,000	5,000,000
Cuba, Haiti, etc.	20,000,000	2,000,000
Total	3,727,018,869	3,820,571,346

I have said I did not think there was any possible danger of the United States having too much silver money. In this connection I desire to make the comparison between this country and France. In doing this I use the figures of the Bureau of the Mint, August 16, 1893. At that date there was of gold in coin and bullion in the United States, $604,000,000, and of silver in coin and bullion, $615,000,000. The population of the United States August 1, 1893, was estimated at 67,000,000. The per capita of gold, therefore, in the United States then was $9.01 and of silver it was $9.18. Of both metals it was $18.19.

Now let us take France. Of gold she had at that date $20.52 per capita, and of silver, $17.95 per capita, and of both metals a total of $38.47 per capita. If France can maintain a per capita circulation of gold and silver of $38.47 for each person, will anyone say the United States can not do the same? Give the United States the same quantity of silver for each person that France has, and instead of but $615,000,000, as at present, we would have $1,155,750,000, or nearly double the present supply.

Give us the same quantity of gold for each person France has, and instead of but $604,000,000 we would have $1,370,000,000, or more than double what we now have. We can not get this increase in gold. If the United States will increase her coin circulation per capita until it is equal to that of France, it will require in addition to our present stock of $1,219,000,000 the further sum of about $1,360,000,000. If we can not get gold, why not increase it in silver, the product of our own mines? Add our present silver, $615,000,000, to sum last named above and we would then have $1,975,000,000, or more than three times as much as we now have.

Our demands for circulation are far greater than those of France. Our commerce is immensely greater, and as our territory is nearly fifty times larger we require more money per capita than she does. In a small and contracted territory like hers a much larger amount of business can be transacted successfully with checks and clearing-house certificates, and other forms of credit, than in a country like ours. In cities and towns persons trade all day giving checks, and often do not see a dollar in money. While the number of their trades is large, and the aggregate of the same will amount to many dollars, as a fact it is possible not a dollar will be seen by them. They give and take checks which they place in bank at the close of the day, and do not handle any money. This form of trading can be resorted to and practiced in cities, or in countries, even, where cities or towns are near by and banks are convenient of access. But go out into the country where the farmers live remote from town, buy from one of them a horse, a mule, a crop of wheat, or of cotton, and when the trade is consummated the cash in money is counted out to him. There cash money is needed. Trading can not be carried on with them by checks or clearing-house certificates. France can be traveled over in a day, but with us it takes weeks to make the rounds. Hence in this country we need more actual money with which to transact business. This argument, however, will not be denied by anyone, and I will not enlarge upon it.

All the facts show there is no danger of our being overrun with silver, and they show, further, that we can stand to be thus overrun until we get double the amount we now have before we reach the supply France has, and use it profitably. I repeat, also, that there is not too much silver in the world, and there is no danger in an overproduction. Some who favor the gold standard alone would not only cease to coin silver, but they say its use as money should be permanently discontinued. They would coin no money but gold. They would at one fell blow strike down one-half of the world's money, and thus to the extent of one-half impair the power of the people to pay their debts and enjoy the blessings which an ample circulation imparts. The mischief such a policy would entail on the inhabitants of the earth and the misery it would inflict on the people can not be described by words of mine.

Again I prefer to quote the words of another rather than use my own, particularly when this other person is one of the foremost men of this country in intellectuality and ability. A few years ago, standing in his place in this Hall near where I now stand, when the proposition was pending to restore to silver its constitutional rights, the gentleman I refer to, the Hon. John G. Carlisle, said:

> I know that the world's stock of precious metals is none too large, and I see no reason to apprehend that it will ever become so. Mankind will be fortunate indeed if the annual production of gold and silver coin shall keep pace with the annual increase of population, commerce, and industry. According to my view of the subject, the conspiracy which seems to have been formed here and in Europe to destroy, by legislation and otherwise, from three-sevenths to one-half of the metallic money of the world (silver) is the most gigantic crime of this or any other age. The consummation of such a scheme would ultimately entail more misery upon the human race than all the wars, pestilence, and famine that ever occurred in the history of the world. The absolute and instantaneous destruction of half the entire movable property of the world, including houses, ships, railroads, and all other appliances for carrying on commerce, while it would be felt more sensibly at the moment, would not produce anything like the prolonged distress and disorganization of society that must inevitably result from the permanent annihilation of one-half of the metallic money of the world.

It would be useless for me to attempt to add to the picture Mr. Carlisle has drawn. I believe what he said is true. Gentlemen may go on and strike down silver, and destroy it as money, but by no word or act of mine shall I contribute directly or remotely to "the annihilation of one-half of the metallic money of the world," which I believe now, as did Mr. Carlisle then, would entail more misery upon the human race than all the wars, pestilence and famines that ever occurred on the earth. Another gentleman, the foremost man of his party, Mr. Blaine, in this Hall, speaking on this question, used the following words:

> On the much-vexed, and long-mooted question of a bimetallic or monometallic standard, my own views are sufficiently indicated in the remarks I have made. I believe the struggle now going on in this country and in other countries for a single standard would, if successful, produce widespread disaster in and throughout the commercial world. The destruction of silver as money, and establishing gold as the sole unit of value, must have a ruinous effect on all forms of property except those investments which yield a fixed return in money. These would be enormously enhanced in value, and would gain a disproportionate and unfair advantage over every other species of property.

And again he said:

> I believe gold and silver coin to be the money of the Constitution, indeed the money of the American people anterior to the Constitution which the great organic law recognized as quite independent of its own existence. No power was conferred on Congress to declare either metal should not be money. Congress has, therefore, in my judgment, no power to demonetize either any more than to demonetize both.

Mr. Webster, speaking on this subject on December 21, 1838, used the following words:

> Congress has no power granted to it in this respect but to coin money and to regulate the value of foreign coins. The legal tender, therefore, the constitutional standard of value, is established and can not be overthrown. I am certainly of the opinion that gold and silver, at rates fixed by Congress, constitute the legal standard of values in this country, and that neither Congress nor any State has authority to establish any other standard or to displace this.

I have not believed up to this hour that the real cause of the present distressed condition of the country is the enforcement of the purchasing clause of the Sherman act. If I did so believe I would vote for its unconditional repeal. I do not understand that President Cleveland attributes this depression wholly to said act, for he says in his message convening this Congress in extraordinary session that he believes our bad condition is "principally chargeable to Congressional legislation touching the purchase and coinage of silver." If that act is only "principally chargeable," it must be conceded that it is not wholly so.

Other causes must exist. What are they? What is the situation? Why all at once, without any untoward events, as the President says, or conditions relating to our natural resources, without any afflictions which frequently check national growth and prosperity, with plenteous crops and abundant promise of remunerative production and manufacture, with safe investment and satisfactory assurance to business enterprise, suddenly financial distress and fear spring up on every side?

What causes this panicky feeling? It is not because people have any doubt or distrust of the money in circulation. When a bank or other financial institution or an individual becomes shaky or doubtful in respect to ability to pay there is a panic and a run on that institution or person by those holding its or his promises to pay. This is natural and inevitable. The creditor fears his debtor will not pay, and he rushes into the bank, if it be a bank, and demands payment. If he has its circulating notes he is afraid to hold them and demands their redemption in gold or silver, or other good money.

We have now upon us no such panic as that. On the other hand, we see people voluntarily removing their money from the banks, and hiding it away, or placing it as a special deposit in private vaults. What money? Why any kind of money. They do not look at it when it is paid out to them to see what kind of money it is. If it be paper paid to them they do not look at it to see whether it be greenbacks, gold, or silver certificates, or national bank paper. They gladly received any kind—gold, or silver, or paper notes. What does this prove? It does not prove that they are afraid of the Government debasing this same money, or that they lack confidence in it as good current money. It does prove that the people have full confidence in all the money in circulation, whether of gold, silver, or paper, for its full face value now and at all time to come. The panic is on us, but it is not due to want of faith in our currency or to any fear of its stability.

There is no cause, I mean real cause, existing for the repealing of the purchasing clause of the Sherman law. That there is a fictitious cause, a cause created or brought about largely if not altogether by banks and bankers themselves, may be admitted. Their object in the first instance was to force that repeal. The repeal may, and I think most likely will, help largely to restore confidence and remove the distrust in the land. If there was

coupled with this repeal some kind of provision for silver, and a fair recognition of the obligation which I think is on Congress to provide for its coinage at our mints, even if the provision for it was not so liberal as I insist it should be, I would vote for the repeal. But with nothing offered as a substitute, and no promise of anything in the future with my obligations as I realize them, and most assuredly with the profession and promises to my people favorable to free coinage, I can not vote for it. I shall vote for the free coinage at the various ratios proposed, beginning with 16 to 1 and ending with 20 to 1. When these all fail, if fail they must, I shall then vote against the unconditional repeal of the last and only act on the statute books which recognizes silver. Let the result be as it may, I then go home to my constituents, who have five times honored me with a seat on this floor, without apology or explanation, but with the conscious satisfaction of having discharged my whole duty, and of having kept my pledges to them.

Remonetization of Silver.

SPEECH

OF

HON. STEPHEN M. WHITE,

OF CALIFORNIA,

IN THE SENATE OF THE UNITED STATES,

Thursday, September 21, 1893.

The Senate having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. WHITE of California said:

Mr. PRESIDENT: Said Daniel Webster, on December 21, 1838:

Congress has no power granted to it in this respect but to coin money and to regulate the value of foreign coins. The legal tender, therefore the constitutional standard of value, is established and can not be overthrown. I am certainly of opinion that gold and silver, at rates fixed by Congress, constitute the legal standard of values in this country, and that neither Congress nor any State has authority to establish any other standard or to displace this.

Mr. President, I approach the consideration of the pending measure with considerable diffidence. When the bills to which my remarks shall be addressed were first attracted to my attention I doubted whether, in view of the great experience and the admitted ability of gentlemen upon both sides of this Chamber whom I knew would call to the consideration of the matter their best endeavors, it would be wise for me to obtrude my views. But recollecting that the question is one of paramount importance, and that I have been summoned to this Chamber by the will of a great Commonwealth, I believe that I would not be discharging my duty properly if I did not express the reasons for the faith that is within me.

I am not deterred from this expression by any extraneous assertions of waste of time. A careful observer of everything that has transpired here, I know it to be untrue that any Senator has spoken with any other view than to enlighten those who listen to him and who might read the arguments presented. Those who have heard or read our proceedings know that the interest in this debate has not flagged, and that there has been brought from day to day to the investigation of this important issue not only much ability, but careful and profound study.

At the outset let me suggest that I am not at all oblivious of the ability, honesty, and statesmanship of Senators with whom I am compelled to differ, nor is it right that those gentlemen whose expressions and arguments I shall criticise should entertain the opinion that I am unmindful of the careful study which they have given the pending subject, or of the attainments which they have utilized in reaching the judgments which they have announced. Nevertheless, however much greater their experience, although I admire their ability and readily acknowledge them to be gentlemen of integrity, I can not for these reasons abandon my own views and shall not hesitate to utter them candidly and plainly.

At the same time I beg each Senator here, whether he be a member of the party to which I belong or whether his fortunes have been thrown in other political channels, that though my expressions may, because of want of power to declare them otherwise, seem to convey reflections, I intend nothing of the sort. I wish Senators to remember that I cast no aspersions upon the motives of any Senator; that I know the aspirations of all are high and worthy of this Chamber and of this Assembly, which you, Mr. President, declared from the chair is the greatest deliberative body upon earth.

In considering this matter I can not avoid to some extent repeating what has been said by others. Indeed, I hardly hope to present anything new. I might say in the words of some one else that I have gathered a posey of other men's flowers, and only the thread that binds them together is my own. Therefore I deem myself at liberty to discuss this subject freely, and while endeavoring to obtain and deserve the respect of my colleagues, I shall not hesitate to attack those conclusions which seem to me ill founded and unsupported.

I will argue that we are bound by our platforms to oppose unconditional repeal, and will also attempt to show that independently of those platforms it is our duty, as patriotic citizens having the best interests of our country at heart, to legislate in the interest of silver, and it will be readily understood before I conclude that I prefer free coinage at a ratio of 16 to 1.

I shall first consider the present condition of affairs with reference to the causes of depression.

I believe that the present depression was produced by inflation and overspeculation resulting from tariff legislation, and that the illogical and unnatural treatment which silver has received from us was promotive of disaster. I am not prepared to deny that the prospect of a new tariff law affected matters in a degree, because, as has been truly said, any tariff revision whatever has some bearing upon the markets and creates some disturbance. I know, however well devised such legislation may be, it can not but be a cause of grave solicitude to those who will be affected by its terms; and fairness and candor require, I think, that we should admit that much. That very fact leads to a conclusion, which I shall reach later on, that there are before us duties of greater importance than those to which we have been summoned to direct our undivided attention.

I am satisfied, further, that the constant and unremitting assertions by alleged financial authorities and by Wall street newspapers to the effect that we are going to the bad because of the Sherman bill frightened many people, and that the deliberate, preconcerted, and generally arranged programme by which a number of the speculators of the country prevented the loaning of money and promulgated an edict to the effect that nothing would be done, no money permitted to move until the Sherman act was repealed, had much to do with the embarrassment.

I wish, in a few words, to say that it is not true that this country has been in such an intensely prosperous condition in the recent past as many of our friends on the other side, and several Senators upon our own side, suppose. I claim that, although upon the surface it seemed as if there was general prosperity, the truth is that there were elements in operation which anyone of discernment, and who desired to make careful examination, could discover justifying the anticipation that hard times were at hand.

Enterprises were carried on involving large outlays, and the casual observer would conclude, and people generally did believe, that everyone was getting rich.

In the Fifty-first Congress there was a memorial presented praying for the passage of the Torrey bankruptcy bill. This document was laid before Congress at its second session, after the passage of the Sherman and McKinley laws. It was headed, "Memorial calling attention to the present depressed financial condition of the country." And it began thus:

The financial affairs of the country are in a perilous condition. Business men in all of the States of the Union are apprehensive that there will be a panic. Citizens in general are alarmed at the outlook. Values of property are decreasing. Persons, firms, and corporations are daily failing, whose assets are are largely in excess of their liabilites. There is but a single cause for all the above conditions, and that is a want of confidence. As a result of that single cause money is being withdrawn from circulation and the evils which are following and are likely to continue to follow are innumerable.

This was in 1890. Hence before the Sherman law, regarding which we are speaking, could have affected the affairs of this country, before there was any opportunity for its operation, men who knew what they were talking about, and in fact all familiar with business affairs were aware that there was a panic in progress, perhaps less forceful than the present, but nevertheless, as they thought, worthy of serious attention. There are other causes and other reasons leading me to conclude that this difficulty was smoldering, if I may use the expression, and the flame was at that early day almost ready to burst forth.

The census also tells a significant story. During the last twelve years our wealth has increased scarcely 60 per cent, and in making this estimate we credit ourselves with numerous speculative land values.

The bonded railroad indebtedness, according to Poor, increased from $2,530,874,943 in 1880 to $5,463,611,204 in 1892, and

the other railroad indebtedness, which was $162,489,939 in 1880 was $285,831,888 in 1892.

During the same period, it is stated upon good authority that the loans and overdrafts of national banks increased from less than a thousand million dollars to $2,171,000,000, while those of other banks, not considering private banks, and of real-estate mortgages, increased from $378,000,000 to $1,189,000,000. This information I get from a table which has been utilized here, and was presented by the Senator from Colorado [Mr. TELLER], and its verity has not been disputed.

But the most surprising and at the same time appalling showing is that which is disclosed with reference to real-estate mortgage indebtedness by the investigations of the last census. These mortgages are not by any means wholly the mortgages of wealthy people, but include the toilers of the country, especially the farmers—the possessors of small homes—industrious, painstaking, economical people. These are the proprietors to a large extent of the mortgaged premises.

In an estimate made by Mr. Waite, and which has not, as far as I am aware, been contradicted, that gentleman states that in the twenty-one States for which the mortgage indebtedness has been tabulated, not including Ohio, Texas, California, and many other States, the aggregate amount in force in 1889 was $4,547,000,000, and the grand aggregate, Mr. Waite concludes, will be no less than $6,300,000,000; and I may say that such investigation as I have been able to give the subject leads me to believe that this estimate is rather under than over the actual figures.

In 1880 the total aggregate was about $2,500,000,000; in 1892 the mortgage indebtedness increased until it attained a figure in excess of $8,000,000,000.

These disclosures prove that up to 1892 this mortgage indebtedness had increased, as contrasted with its status in 1880, nearly four times the increase in real-estate value.

To summarize:

Amount of private indebtedness of the American people in 1880	$6,750,000,000
Amount of private indebtedness of American people in September, 1892	19,700,000,000

An increase of almost $13,000,000,000 in the short period of twelve years.

At this point it may be well to refer to the amount of money in circulation according to the statement in Senate Miscellaneous Document No. 35, presented by the Senator from Missouri [Mr. COCKRELL].

The total stock of gold in the world is	$3,582,605,000
Total stock of silver	4,042,700,000
Uncovered paper	2,635,873,000
Total	10,261,178,000
Total of gold and silver	7,625,305,000

The entire stock of gold and silver in the world is not sufficient to pay the net private indebtedness of the American people. This has been the condition of affairs during the period above stated; and yet we are told that we are suffering from too much money.

We are informed by the distinguished Senator from Connecticut [Mr. HAWLEY] that the gold-bond indebtedness of railroads within the United States exceeds $4,600,000,000, and yet this is considerably more than all the gold in the world. (Poor gives the railroad funded debt for 1892 at $5,463,611,204.) This extraordinary increase in the indebtedness of the people occurred during high protection times, and was aggravated apparently by the passage of the McKinley bill.

Of course, Mr. President, no one expects the railroads to pay their indebtedness. It is an impossibility, and hence no expectation of it may be indulged in. Eliminating the railroad indebtedness, eliminating the money transactions of those people who have been spoken of in this Chamber and who were alluded to yesterday as the men who participate in transactions involving millions without practically using a single dollar, we have in many of the States of this Union, indeed in all of them, but especially in the agricultural States, a startling increase of mortgage indebtedness.

Those people, the farmers of this country, can not do business as the millionaires do business. When they are called upon to deal with anybody, they must deal with money. When their mortgages become due they can not fund their debts. They sometimes may be able to remortgage, to add the interest to the principal, to start out again; but even in those cases the time comes when the property value is but little in excess, if at all, of the mortgage debt. Then the man to whom the indebtedness is due comes along and forecloses.

No bondholder attempts to foreclose upon railway corporations, because he well knows that he can not afford to take the property and run it. He relies upon the proposition that those railroad institutions will be able to get enough from their patrons to pay interest on their debt and that satisfies him.

When Senators talk to me of the fact that there is no necessity for more money, because, forsooth, upon Wall street and in the moneyed centers of this country vast transactions are had without the presence of gold or silver or even greenbacks or other currency, I say to them that, while it is true in the instance which they cite, it is not true in the more numerous instances in which the middle classes of this country, financially speaking, the farmers and others, those who are not of the wealthy class, every day participate and upon which depend.

I have alluded to tariff legislation as being to a large extent responsible for this. The natural effect of the momentary stimulation thus given to certain lines of business was to induce speculation, and the outcome of speculation, thus induced, was inflation, and large and perilous transactions. Our mortgagors and debtors generally avail themselves of that which was spoken of yesterday, and called credit, to the fullest extent, but the time arrives in many instances when these people, called upon to pay and unable to get time, find themselves without money, and the indebtedness of these producers of the country having thus alarmingly increased, and the indebtedness of the entire nation having augmented, there is nothing to meet the requirements of pay day.

In Europe there was a catastrophe which has been spoken of here very forcibly. I refer to the failure of the Baring Brothers. We are told—and I have heard the argument made here repeatedly—that that failure and the speculations of Great Britain in the Argentine Republic and in Australia can not afford any explanation of our panic, because the panic has not been experienced there. I think the answer to that argument is plain and shall consider the subject in a few moments. At this point I will content myself with the remark that the financial troubles in Europe caused our many creditors there to call upon us and we were compelled to pay our debts and experienced the usual difficulties incident to such a demand suddenly made in very large sums.

I admit that before the present Administration came into power upon the surface matters looked nicely. It is possible for one who is heavily in debt to live high and excite a great deal of comment, if not admiration, because of his liberality and good-fellowship. Especially is humanity prone to live high when humanity is living upon borrowed cash, but there ever comes an hour when the money must be paid, when the mortgage must be foreclosed, when the gentleman who has lived beyond his means must seek another and less prominent abode, when, possibly, he will not be as popular or congenial to the many who have gathered around him.

The selfish and illogical legislation to which we have been treated has resulted in the accumulation of a few very large fortunes, and possibly in the transient benefit of a very limited section of the country. And all this has been done not only at a sacrifice, but in such a manner as to produce ruin where the conditions, independent of legislation, made prosperity not merely probable, but absolutely natural. Then when the McKinley bill was enacted enormous and unreasonable importations were made to escape the new and increased duty, and the country was heavily overstocked; and when times commenced to be rather stringent the auctioneer was called around and these unusual importations were thrown upon the market catastrophe was the necessary consequence.

The ownership by our farmers of the land upon which they labor indicates prosperity, unless, indeed, the property is mortgaged to such an extent that the occupant is the proprietor only in name. Whenever it comes to pass that our farming communities occupy the position of mere tenants, paying rent to bankers and capitalists, our condition will not differ greatly from that of older and more populous nations to whom we are in the habit of extending our sympathy. The increase of the tenant class is not a good indication.

I have spoken of bankers, and a remark made here yesterday by the very distinguished Senator who addressed the Chamber upon the other side of this question [Mr. GRAY] leads me to say that when I speak of a banker in connection with something of which I do not approve, I do not desire anyone to assume that I am using that word in an invidious sense. I charge no class of my countrymen with crime, and I charge none of them with intentional wrongdoing, save in those exceptional instances which I may note. I differ from many of them in their views and policies, and to some of those differences I am addressing my words.

I believe that we are bound to concede that a portion of excessively wealthy class of this Republic do not treat the Republic as they should; but I do not thereby mean to assert that there are no patriotic men who are rich.

Utilizing statistics furnished by the Census Department, and

taking sixteen States pretty well scattered, we find that the percentages of farmers who are tenants is as follows:

States.	1880.	1890.	States.	1880.	1890.
Maine	4.32	7.62	Rhode Island	19.88	25.00
New Hampshire	8.13	10.92	Connecticut	10.22	17.68
Vermont	13.41	17.62	New Jersey	24.60	32.11
Massachusetts	8.18	15.06	Maryland	30.95	37.23
Iowa	23.83	29.57	South Carolina	50.31	61.49
Ohio	24.96	37.10	Georgia	44.85	58.10
Wisconsin	9.05	13.10	Tennessee	34.53	41.88
Montana	5.27	13.40	Kansas	13.13	33.25

Mr. BUTLER. May I inquire of the Senator what particular percentage he is giving?

Mr. WHITE of California. I am speaking of the percentage of the population who are tenant farmers—who occupy farms as tenants—as compared with the whole class.

These are all that I have collected. In summing up these figures, Mr. President, it will be noted that the largest increase is found in Kansas, one of the most fertile States in the Union, and one which until lately has been most loyal to the protective system, while in 1880 but little over 13 per cent of the farming population were tenants, in 1890 over 33 per cent held under that tenure.

The condition of affairs in the great State of Ohio is almost as bad. Clearly, if the so-called prosperity which commenced in 1880 and culminated with the overthrow of the Republican party in 1892 is to be considered such, it is difficult to determine what condition of affairs will be though other than prosperous. That we are tending towards bankruptcy is obvious. It will not do to escape the force of this argument by the suggestion that land has increased in value, and that therefore it is natural that there should be an increase of mortgage indebtedness, because I have shown that the increase in value bears no proportion whatever to the augmentation of indebtedness.

I alluded a few moments ago to Kansas. The natural resources of that country are best proven by the official governmental reports. In December, 1892, it was there estimated that the wheat crop of Kansas would be 70,831,000 bushels, valued at nearly $37,000,000. This was the largest output reported from any State in the Union. Minnesota comes next in amount with 41,210,000 bushels, and California comes next in the value of her crop, which was worth $26,926,584.

I mention the Minnesota and California figures to show how prominently Kansas led her sister States in the matter of wheat production. She produced of corn during the same year 145,825,000 bushels, valued at $45,205,873, and her product in that regard was only exceeded by the States of Nebraska, Missouri, Iowa, and Illinois.

The Agricultural Department for the same year reports that the Kansas oat crop was 44,094,000 bushels, valued at $11,464,567. She was only exceeded in this production by Iowa, Wisconsin, and Illinois. The same authority for the same year reports Kansas as harvesting 2,600,000 bushels of flaxseed, valued at $1,184,000. Her production in bushels of this crop was only exceeded by two States. Under these conditions the farmers of Kansas ought to be growing rich. But, on the contrary, the statistics show very clearly that they are becoming daily more and more immersed in debt, and this difficulty was in progress long before the Sherman bill matured, and when no one outside of the more faithful of the Democracy contemplated the entire overthrow of the Republican organization.

I have heard Senators argue upon this floor, and I have heard gentlemen in the other House declare, that the fall in the price of wheat was natural and was due to the law of demand and supply.

The Senator from Kansas stated here a short time ago that it costs the people of his State more to raise corn than they can realize for it. And it is a matter of common knowledge that corn has been burned in Western States in preference to coal.

When the farmer must harvest his grain in order to get a fire, he is not making much progress in the financial world. No condition is natural or healthy under which the farmers of a nation realize less from their crops than the cost of raising the same. No country can hold its own where such a state of affairs long prevails. I do not know that any one has been bold enough to say that the hard luck of the farmer is wholly due to the Sherman bill, but the gentlemen who speak from Wall street never fail to call attention to the sad fate that awaits the farmer if the advice of the Wall street people is not followed.

The amount of sympathy which has been extended to our granger friends by our capitalists does not find expression in the reduction of interest upon mortgages or in the solution of the farmers' many troubles, which usually result, and which, if the present system lasts, must result in a foreclosure and a sale.

When the McKinley bill was framed my friends on the other side of this Chamber proffered an alluring bait to the farming community. They said, we will raise the tariff upon wheat and corn. A delightful time the foreign producer of corn would have experienced had he gone to Iowa to undersell the farmers of that State.

I refer to these figures and these facts to prove that it is impossible for any one to correctly establish that this country was in a healthy fiscal condition when Mr. Cleveland was elected.

However we may dispute about various matters which are difficult of ascertainment, such as the issue discussed yesterday as to whether gold has appreciated or whether silver has fallen, however obscure that may be, no one will deny that something is wrong if the farmer, who arises early and goes to bed late, who is industrious and painstaking, intelligent and honest, can not realize any profit from his toil.

Senators seem to think that the depreciated price of wheat is in consequence of some natural and beneficent law, and this fall in price is pointed to by many, as it was pointed to by Mr. Rothschild in the Brussels conference, as being an indication of advancement and prosperity. I absolutely deny the accuracy of such a deduction. It is admitted, as I have said, that there is room for improvement if those who till the soil in this or any other country derive no profit from their exertion, that something is wrong. Will anyone pretend to say that a system, whatever it may be, which produces this condition not in an isolated instance, but practically all over the United States, is a wise and a good system? Will any one here now affirm that when the Democratic party came into power the country was in a truly prosperous condition? The mortgage records and the financial standing of the producers of this Republic negative such a conclusion and demonstrate that the claim so often made to that effect is wholly unfounded.

Our Republican friends speak of the shipment of gold as an indication of bad government upon the part of the Democracy. Do they not know that gold had commenced to move not only before the inauguration of Mr. Cleveland, but that indications to that effect were not wanting when they were announcing all over this Republic that their triumph was assured? Do they not know that when Mr. Cleveland left his office at the expiration of his first term he left a plethoric Treasury, and that we are today sitting in this Chamber seeking to so legislate as to replenish that same Treasury, whose coffers are threatened with entire depletion?

It is idle, perhaps, to seek to discern all the causes of this trouble. I do not pretend to say that even tariff legislation has been the sole cause, but I do say that the tendency of that legislation and the speculation and inflation and unnatural conditions which were its legitimate offspring, had much to do with this depression. But this proposition I do confidently announce, that it is not true that this country was in a prosperous condition at the close of the Republican Administration.

Much has been said concerning the necessity of aid from the capitalists of this country. I admit it. I do not know how we could get along at all if it were not for the enterprise of some men of large means, and if it were not for the cupidity which suggests to others the necessity for investing their money; but at the same time the assistance received from our millionaires certainly does not show itself in the reduction of mortgages or in the cancelation of indebtedness or in the restoration of that confidence which the agricultural communities of this country will never feel until they have been brought under a system which will enable them to reduce their monetary obligations and share in legitimate comforts.

Why is it, in spite of the able arguments of the advocates of the single gold standard, that the farmers all over the Republic—of course there are exceptions, but I am speaking of them as a class—and laborers generally are not in favor of legislation which interferes with the circulation of silver or tends to decrease its use? They know that they are in debt, and they believe that gold is appreciating from day to day, and yet, that their mortgages are increasing because of the accumulation of interest which they can not meet, for their powers are taxed to get a bare subsistence, without provision for defraying interest or principal.

I regard it as absurd to claim that the Sherman bill and the presence of so much silver interferes with our prosperity. We have coined silver in circulation and we have uncoined silver in the Treasury. The coined silver, I suppose it will be conceded, does not hurt anyone. It has been often said that a silver dollar buys as much of any commodity as a gold dollar. It has the stamp of the dollar upon it as well as the greenback, and has more intrinsic worth than the paper upon which the greenback is printed. Nor is it likely that the stock of uncoined silver in the Treasury is causing the trouble complained of. It has been

well said that if all the uncoined silver were placed upon a ship and sunk in the midst of the Atlantic, the credit of this Government would not be in the slightest degree impaired.

When it was suggested that the losses sustained by England in the Argentine Republic, involving perhaps £200,000,000, and the vast failures in Australia, which caused the closing of Baring Brothers, accounted for our distress, we were met with the answer that if this were true England must have suffered also, and that her financial attitude should be even more disturbed than ours. We all know that when England felt the necessity of obtaining coin she looked around to get it, and there was but one country in the world able to supply her. Then European investors commenced to withdraw, and without considering the real cause of the situation we imagined that we were losing money when we were simply paying our debts. Our people became scared; the bankers, instead of loaning at higher rates of interest, as they should have done, closed up and refused to permit their deposits to go into circulation. That the national banks in New York violated the law no one denies. The resolution introduced to investigate such violation sleeps the sleep of the just in the bosom of the Committee on Finance.

I can not bring myself to believe that the Sherman law is responsible for our condition unless to the extent that the public have believed the attacks made upon that measure by the gentlemen who are now urging its repeal. True, the friends of silver, those who are really so, did not and do not believe the Sherman law to be perfect. But they did not and do not like it, because they believed and believe that something better was and is due to silver, and they believed and believe that obedience to constitutional mandates and organic regulations prescribed by the fathers of this Republic necessitate, upon the part of one who wishes to do his duty, more favorable legislation.

This measure has caused the consumption of some of the silver of the country. Mines remained in operation because of its provisions, and, above all, its enactment was evidence that we did not intend to abandon silver; it was evidence worth more than a naked promise. The man who has the power to perform and gives a promise in lieu of that performance, can not blame those who refuse to trust him.

THE TARIFF MUST BE REFORMED.

Our Republican friends must not flatter themselves that we do not intend to reform the tariff. I speak upon this subject because but little has been said upon it, and one branch of my presentation is designed to lead to the conclusion that it is our duty as Democrats to stand upon the Democratic platform, and while proceeding in that direction, I wish to illustrate my position, and I also desire to relieve my Republican friends, who have been obviously suffering because they fear we will not reform the tariff. I design to show them that there is no ground for this apprehension; that we do design, or that I at least hope, to alter our tariff laws in accord with our promises. I will not speak for others now.

If I were away from this Chamber, if I had never come here, I should probably have said, speaking of my party, "we" will reform the tariff, but as it is I do not feel authorized to speak for the party for two reasons: first, because I am a very immaterial factor in its policies and administration, and secondly, because platforms are construed by strict-construction Democrats in a most remarkable and liberal manner.

We are constantly hearing suggestions to the effect that we fear to legislate upon the tariff, and I noticed one Senator upon the other side of the Chamber, for whom I have the greatest respect and admiration, shake his finger at us, not of course in anger, but in emphasis, saying at the same time that we dared not do so. Perhaps he may be right, but I desire him to apply his declaration to others than myself. It is sufficient for my present purpose to note that the Chicago platform positively and emphatically denounces the McKinley law. The language upon the subject is unequivocal, at least I think so. I do not know what the hereafter may develop; I can not say how the platform may be construed by well-meaning and ingenious but, as I think, mistaken Senators. It is worded thus:

We denounce Republican protection as a fraud, a robbery of the great majority of the American people for the benefit of the few. We declare it to be a fundamental principle of the Democratic party that the Federal Government has no constitutional power to impose and collect tariff duties, except for the purposes of revenue only, and we demand that the collection of such taxes shall be limited to the necessities of the Government when honestly and economically administered

We denounce the McKinley tariff law enacted by the Fifty-first Congress as the culminating atrocity of class legislation; we indorse the efforts made by the Democrats of the present Congress to modify its most oppressive features in the direction of free raw materials and cheaper manufactured goods that enter into general consumption, and we promise its repeal as one of the beneficent results that will follow the action of the people in intrusting power to the Democratic party. Since the McKinley tariff went into operation there have been ten reductions of the wages of the laboring man to one increase. We deny that there has been any increase of prosperity to the country since that tariff went into operation, and we point to the dullness and distress, the wage reductions and strikes in the iron trade as the best possible evidence that no such prosperity has resulted from the McKinley act.

Then follows another announcement, which I commend to my Democratic brethren who have been psychologized by the eloquence of the other side upon the subject of the alleged prosperity of the United States at the close of the late Administration. I read:

We call the attention of thoughtful Americans to the fact that after thirty years of restrictive taxes against the importation of foreign wealth in exchange for our agricultural surplus, the homes and farms of the country have become burdened with a real-estate mortgage debt of over $2,500,000,000, exclusive of all other forms of indebtedness; that in one of the chief agricultural States of the West there appears a real-estate mortgage debt averaging $165 per capita of the total population, and that similar conditions and tendencies are shown to exist in other agricultural exporting States. We denounce a policy which fosters no industry so much as it does that of sheriff.

I presume that, notwithstanding this declaration upon our part, which of course constitutes no estoppel upon members of other parties, we will hear that the Sherman law is solely responsible for the so-called terrible condition of affairs and that none of our woes came on or were anticipated in consequence of any other legislation. We shall have the assertion, as we have had it, that the author of our distress is the Sherman act, although we solemnly proclaimed in the platform upon which we went before the American people that the day of disaster was then upon us, that hard times were coming because of previous tariff laws.

It is sufficient to call attention to the platform already read.

The Democratic party said, "We denounce Republican protection as a fraud, a robbery of the great majority of the American people for the benefit of the few," and the people last November said "amen."

The Chicago platform declared it to be a fundamental principle of the Democratic party that "the Federal Government has no constitutional power to impose and collect tariff duties, except for the purposes of revenue only;" and it was demanded that "the collection of such taxes should be limited to the necessities of the Government honestly and economically administered."

To this declaration, also, the people said "amen."

The same platform used this expressive phraseology: "We denounce the McKinley tariff law enacted by the Fifty-first Congress as the culminating atrocity of class legislation," and the people after due consideration rendered the verdict, finding as a fact that the McKinley tariff was and is the culminating atrocity of class legislation. There is no appeal from the decree thus entered, and it is therefore not only the duty of the Democratic party but the duty of every member of Congress to immediately get rid of a piece of legislation which the free and incorruptible voters of the United States have branded as an outrage, a fraud, an atrocity.

It is little more than audacity to assert that the people have changed their views. This favorite argument of platform repudiators has no more effect upon my judgment and will have no more effect upon my vote in this instance than in the case of silver. We have come here pledged to do this work.

It is our solemn obligation to immediately proceed to get rid of the McKinley bill or to resign and go home to a people who have trusted us in vain.

Our President, in 1887, by the most convincing logic, satisfied the country that the Republican protection system was wrong. He was ardent in his advocacy of tariff reform. He was emphatic certainly when the votes were counted last November, and although he made but short reference in his recent message to the "culminating atrocity of class legislation," I have no doubt that his enthusiasm has not abated, and believe that he is as anxious as I am to procure the repeal of the McKinley bill, but I suppose that he will favor a substitute. I will. I presume that I may be permitted, without danger, to say that a more extended treatment of revenue matters in the President's late message would have been congenial to those whom he converted to the cause of tariff reform. Doubtless, however, Mr. Cleveland concluded that the country, having settled the question in the most direct possible manner, did not care for further argumentation.

When we legislate on the tariff we will be just. We are not seeking to destroy anyone. We wish to promote our country's interests and to make even our Republican brethren happy, wealthy, and wise.

I am somewhat astonished at the attitude of my Republican friends concerning the British Lion. I have no special affection for the beast, but am not so bigoted that I can not see anything good in British legislation, and for this reason I have paid considerable attention to her fiscal laws, and believe with my party that we should not be prevented from reducing the tariff merely because England reached a similar determination when she was upon the verge of bankruptcy. But throughout the last

campaign there was not a Republican orator whose voice was heard, or whose words I read, who did not say that the Democratic party was subservient to England. We were assailed in the most savage way. It was charged that British gold was in our pockets, British policies in our heads. We were un-Republican, un-Democratic, un-American, and fit for any fate. But now I notice that the British Lion domestically rubs against my Republican friends. With tender hand they stroke its mighty head, and with soothing balsam they seek to eliminate the irregularity of that appendage which they so lately were so prone to twist. [Laughter.] This reconciliation and conversion is even more startling than the fall of silver men.

I feel more than ordinary interest upon the subject of the tariff The Republican organization in my State, through its State committee, issued a challenge to me to debate the tariff issue with a Republican of marked ability and reputation, and it was expressly provided in the proposition that no other question should be discussed. The committee declared that to be the leading issue of the day, and although I preferred to consider other subjects as well, my desires in this regard were not heeded, and upon my acceptance the debate was proceeded with as originally proposed. We canvassed the State of California, speaking of the tariff only. Naturally, therefore, I felt somewhat lonesome upon coming here and hearing so little concerning that tariff which both parties seemed to believe was so important up to the date whereon we received the popular verdict in our favor mainly as the consequence of our position upon that question.

THE ACT OF 1873.

Much has been said during this debate as to the demonetization of silver in 1873, and the distinguished senior Senator from Ohio [Mr. SHERMAN] has been criticised here, as well as elsewhere, because of his participancy in that legislation.

Demonetization of silver was a great mistake. It has been called a crime. But I dislike to impute criminality to gentlemen who undoubtedly had the best intentions. The Senator from Ohio has been long an active opponent of silver. He believes that the financial theories of Wall and Lombard streets are sound, and he has voted and acted in accordance with his faith. It is undoubted that there was much inadvertent voting when the act of 1873 was passed.

Mr. John T. Young, in several very elaborate and carefully prepared articles in recent numbers of the San Francisco Chronicle, furnishes much information taken from the records calculated to show that the demonetization clause was not noted even by the most prominent of our Government officials. I will utilize in the course of my remarks some of the matter which he has collected, together with his comments thereon. On the 3d of October, 1873, President Grant, in writing to Mr. Cowdery on resumption of specie payments, said:

> I wonder that silver is not already coming into the market to supply the deficiency in the circulating medium. Experience has proven that it takes about forty millions of fractional currency to make the small change necessary for the transaction of the business of the country. Silver will gradually take the place of this currency, and further, will become the standard of values, which will be hoarded in a small way. I estimate that this will consume from two hundred millions to three hundred millions, in time, of this species of circulating medium. I confess to a desire to see a limited hoarding of money, but I want to see a hoarding of something that is a standard of value the world over. Silver is this.

Mr. Ruggles, President of the New York Chamber of Commerce, reported to the body over which he presided in a manner demonstrating that he did not understand what had been accomplished. The following is an extract from his address:

> The bill as introduced proposes to reduce the weight of the silver dollar from 412½ grains to 384 grains. The Chamber of Commerce of the State of New York, on examining and considering that provision by resolution only transmitted to Congress in June last, respectfully recommended that the weight of the silver dollar should be made precisely equivalent to that of the 5-franc silver coin of Europe.

The frequently cited expression of Mr. Blaine to the effect that he knew nothing with reference to the bill, and the testimony of Judge Thurman, demonstrated a lack of knowledge upon their part.

At all events, it is somewhat singular that he never denied the accusations made against him. It is not my purpose to investigate the conduct of those who were engaged in the work of demonetization, and I leave the subject, stating that I do not believe there was as full and complete a declaration of the real effect of the bill presented by those who understood it as its importance required.

I am inclined to conclude that the act of 1873 was, to use the language of an able writer, rather a blunder than a crime. Our people were then discussing an international agreement. Thirty years ago that subject was a matter of common talk. Uniformity of coinage seemed to be sought for. The Senator from Missouri [Mr. COCKRELL] has already mentioned this fact. Some further investigation appears to me to justify the statement that we lost our heads at that time, because of our desire to procure an international agreement. In 1857 Congress passed an act, under which Prof. Alexander was sent to England to try and secure bimetallism in a limited form, but our British cousins were as firm then as they are now and laughed at us.

In 1863 the international statistical congress, already mentioned in this debate, convened at Brussels. There were there thirteen or fourteen nations represented. Our delegate was Mr. Samuel Ruggles. Resolutions were adopted under which the first international monetary congress was held at Paris during the Universal Exposition of 1867. Nineteen nations were there represented, Mr. Ruggles appearing in our behalf. The monometallists ruled supreme, and the single gold standard was recommended as an international unit of coinage. This movement Mr. Ruggles headed, and in 1868 bills were introduced to carry out these suggestions. The Senate Finance Committee ordered a favorable report upon one of these bills, and the able Senator from Ohio [Mr. SHERMAN] did not use any equivocal language in the report which he then drew up. He said:

> The single standard of gold is an American idea yielded reluctantly by France and other countries where silver is the chief standard of value. The impossible attempt to maintain two standards of value has given rise to nearly all the debasement of coinage for the last two centuries.

He also remarked:

> The opportunity is now offered to the United States to secure a common international standard in the metal most valuable of all others, best adapted for coinage, mainly the product of our own country and in conformity with the policy constantly urged by our statesmen and now agreed to by the oldest and wealthiest nations of the world. Surely we should not hesitate for trifling considerations to secure so important an object.

He further said:

> France, whose standard is adopted, makes a new coin similar to our half eagles. She yielded to our demand for the sole standard of gold, and during the whole conference evinced the most earnest wish to secure the cooperation of the United States in the great object of the unification of coinage.

Mr. SHERMAN added that he had received assurances that if the United States would lead the way our example would be followed by other nations, and he mentioned England especially. He dwelt upon the object of encouraging the use of gold, which was so largely produced at home.

No wonder international monetary conferences convened at our suggestion have proven failures. The truth is that we are responsible, as I shall attempt to argue further along, for the prevailing conditions with reference to silver. We struck the blow; we did the initial act which has rendered it almost impossible to recuperate so far as international bimetallic agreement is concerned.

Not only are our statesmen responsible for the consequences following the act of 1873, but it appears by indubitable testimony that we primarily suggested in an international conference that there should be a single standard. We have done our best to destroy silver. We have exerted our fullest powers to drive it out of the world's monetary systems, and we have been so potent for evil that we have succeeded in inducing the great commercial nations of the earth to acquiesce in our illicit suggestion. Is it not time to reform? Have we not reached a point where it is our duty to retrace our steps?

A majority of the present Congress affirm that they are in favor of bimetallism. If this be true let us act as though we had confidence in ourselves, as though we meant what we say. Let us practice what we preach. The powerful and persistent efforts of the able senior Senator from Ohio, covering more than a quarter of a century, have borne such fruit, that he not only dominates the councils of his own party, but commands a battalion among whose membership are to be found prominent and influential Democratic statesmen. I say this to the credit of the Senator from Ohio and as showing that the country has not estimated him amiss when it has considered him one of its foremost citizens.

At this time, Mr. President, I desire to make a remark, lest I should overlook it, with reference to something said yesterday by the Senator from Delaware [Mr. GRAY].

It was stated that the fact that the business of this country is done largely upon a credit basis is an indication of our advanced civilization. This may be granted without interfering with my position. Remarks were also made at the same time as to our ability to carry on the most extensive transactions without the use of money.

I have said, and I now repeat with reference to the last proposition, that when you apply this statement to the men who con-

trol the finances of the United States, who dictate largely its fiscal p licies, who make contracts involving twenty, thirty, or forty millions of dollars, this may all be done; but when you are brought in contact with persons occupying that station in life which the man of limited means occupies, then this can not be done, and the latter class is immense not only in those States where the leading capitalists are to be found, but the membership is greater as you travel westward over those great and fertile plains upon which the farmer tills in vain the productive corn, and strives from morning until night to earn that money which he is compelled to pay in gold dollars to the man who has a mortgage upon his place.

The able Senator cited the condition of France. It was said that the circumstance that the circulation per capita in France was $38, or thereabouts, and in this country much less, demonstrates that our civilization is further advanced.

I am not certain whether, if we take into consideration all surrounding circumstances, we can truly say that France is in a backward condition, even if we accept our civilization as a standard. Mr. President, let us remember that France is not of immense area. Let us recollect her population per square mile as compared with ours. Let us reflect upon her history. Her soil has been tilled over and over again by struggling millions during centuries From the time when Julius Cæsar brought within her confines the standard of Rome to the hour when the great Napoleon took from their various avocations his mighty army to do battle with the combined nations of the time, France was in suffering, turmoil, and bloodshed. The horrors of her revolution, the dull thud of the guillotine's ax, thousands imprisoned, millions in poverty, uncounted numbers in exile, constitute trials through which she passed unknown and never to be known in our country.

Besides all this, she was compelled to pay Germany an immense sum exacted as the issue of a devastating conflict. Many of the ablest financiers of the world believed that she would never be able to pay this tribute and maintain herself; yet she not only accomplished this, but she threw from her the rule of a titled dynasty, and although her people had before sought refuge in vain in republicanism, and notwithstanding the criticisms of historians and thoughtful men, she was able to emerge from disaster, and stands to-day almost peerless among enlightened and democratic peoples.

While I am not prepared to admit that any country betrays the progress, advancement, and happiness to be found here, notwithstanding all our folly and want of statesmanship, still I am not oblivi us to the difference in our natural surroundings as contrasted with those of France and other states.

We must not be unmindful of the freedom which we have so long enjoyed, not only with reference to legislative enactments, but that which we derive from a beneficent God: blessings of soil and climate and enlarged jurisdiction, emanating not from human tribunals, but remaining in spite of them.

Again, it is a poor rule which does not work both ways.

The Senator who made use of the arguments which I have just been attempting to answer, was asked what he thought of those nations where the c rculation was $3 per capita. The truth is, we must take a thousand circumstances into consideration other than the volume of currency in order to arrive at a correct conclusion as to this very interesting matter.

THE PLATFORMS OF THE PARTIES.

Much has been said in regard to the duty of the Democratic party with reference to its platform and the corresponding duty of the Republican party. I do not desire to provoke criticism on the other side of this Chamber by a discussion of the Republican platform. I shall allude to it in passing, but I do not consider myself competent to ins.ruct the Senators who occupy seats upon the other side of the Chamber, nor indeed those who occupy seats here. I do not know how my Republican friends may regard their obligations in this respect, but my belief is that each Senator feels that his platform is binding upon him.

Said the Democratic convention:

> We denounce the Republican legislation known as the Sherman act of 1890 as a cowardly makeshift, fraught with possibilities of danger in the future which should make all of its supporters, as well as its author, anxious for its speedy repeal.

And I concede that its authors are rather anxious. Continuing, the platform says:

> We hold to the use of both gold and silver as the standard money of the country—

Not the use to which corn or wheat or oats or other things are devoted, but we hold to the use as—

> the standard money of the country, and to the coinage of both gold and silver, without discriminating against either metal or charge for mintage, but the dollar unit of coinage of both metals must be of equal intrinsic and exchangeable value, or be adjusted through international agreement or by such safeguards of legislation as shall insure the maintenance of the parity of the two metals and the equal power of every dollar at all times in the markets and in the payment of debts; and we demand that all paper currency shall be kept at par with and redeemable in such coin. We insist upon this policy as especially necessary for the protection of the farmers and laboring classes, the first and most defenseless victims of unstable money and a fluctuating currency.

Mr. President, it has been suggested that we must take one clause of our law, our political statute, one part of it, the first part of it. It is said this is plain: "We denounce the Republican legislation known as the Sherman act of 1890 as a cowardly makeshift, fraught with possibilities of danger in the future which should make all of its supporters, as well as its author, anxious for its speedy repeal."

It is argued, this is clear. Why not act upon it? Mr. President, why not act upon half of a contract? Why not take a legal instrument in which different obligations are imposed and enforce the undisputed portion, leaving the remainder to the future? When we are brought into court and contend as to the meaning of an instrument, why not take the first clause, let the court determine the effect of that, and leave the man who depends upon the second clause to await the charity of the world, or another occasion to be designated by his opponent for the consideration of that portion of the obligation most important to him.

Our platform must be construed *in pari materia*. Unless we take this, our statute, and read it together and give to every syllable in it that force which we can give we have not read it correctly. As well might we say that we will legislate upon silver without reference to the repeal of the Sherman law, and thus ignore the requirement of the platform concerning the repeal, as to state that we will legislate as to repeal and do nothing regarding the remainder of the rule of conduct duly prescribed for our guidance.

The Republican platform was worded thus:

> The American people from tradition and interest favor bimetallism—

I think I have heard some one announce that from interest the American people should not favor bimetallism, but I am not prepared to say, in view of prevailing rules of interpretation, whether that gentleman was on or off of the platform—

> and the Republican party demands the use of both gold and silver as standard money—

So we shake hands across this friendly chasm, and we agree that we are all in favor of gold and silver as standard money—

> with such restrictions and under such provisions, to be determined by legislation, as will secure the maintenance of the parity of values of the two metals so that the purchasing and the debt-paying power of the dollar, whether of silver, gold, or paper, shall be at all times equal. The interests of the producers of the country, its farmers and its workingmen, demand that every dollar, paper or coin, issued by the Government shall be as good as any other.

You were all solicitous for the farmers and the workingmen, and you were solicitous in good faith: but you do not seem to be able to satisfy the farmers and the laborers of the country that the peculiar construction for which you contend constitutes a compliance with those promises which brought you their votes. The Senator from Georgia [Mr. GORDON], for whose ability and learning I have always had the greatest regard, avers that the Democratic party is bound to repeal as the consequence of its pledges. Yes, that is true; and it is bound to do something else, concurrently with repeal, as the consequence of its pledges.

Senators upon this side of the Chamber and prominent members of the House have made statements according with that view, and have declared that they stand upon the Democratic platform with both feet. Mr. President, looking at this matter as I do—and understand me, I am criticising no one in unfriendly phrase—the platform looks to me as if it had been trodden upon by a great many with both feet. [Laughter.]

The Chicago platform, in so many words, announced it to be the doctrine of Democracy that gold and silver constitute the standard money of the country, and that *both* must be coined without discriminating against either.

Here let me pause to make a suggestion. However much we may differ upon the construction of this platform, one thing is patent, that both metals must be treated alike. Throughout the plank which I have read permeates this idea, that the Democratic party solemnly pledges itself to treat silver as it treats gold and to treat gold as it treats silver. Can any one deny that?

The advocates of unconditional repeal declare in favor of discrimination, while the platform pronounces against discrimination. How is this to be reconciled? Let us look at it candidly

without resorting to technical construction. We officially state that we are opposed to discrimination, and yet every Senator who has argued in favor of unconditional repeal, with the exception of the able chairman of the Committee on Finance, and I think one other Senator, has urged us to discriminate against silver.

I am not arguing now whether it is right or not right to stand upon the Democratic platform. I am assuming for the immediate occasion that every Senator admits that we should stand upon it, that it is our law; that as we went before the people upon it it is our duty to stand here upon it; and hence I ask how can any Senator argue that he is adhering to that platform when he advocates a policy of discrimination against silver, when the platform is mandatory that he shall not discriminate?

Whatever may be thought of the argument that free coinage is not demanded by our platform, no one who claims to be governed by any of those rules of construction which are suggested without effort to persons of common sense will pretend to maintain that the man who repudiates silver as a standard, and who does not favor its coinage, and who believes in discriminating against silver and in favor of gold, gives the slightest adhesion to those principles of political faith announced in the law which his party has made and to which he has subscribed.

If the advocates of unconditional repeal presented a measure calling for free coinage at an increased ratio, or calling for limited coinage at some ratio, or if they offered any legal substitute recognizing silver (not a mere empty declaration without force or virtue), they might be able to defend their position with considerable plausibility. But we have all listened to arguments declaring that it is absurd to claim that there can be a double standard; that such a thing is impossible; that one standard only is practicable or logical.

Without examining the merits of this affair at all at present, I merely refer not only to the Democratic platform, but likewise to the Republican declaration which is equally specific and in terms favors bimetallism and the double standard.

Gentlemen may talk as much as they please. They may argue that the conventions were wrong. They may proclaim that they know more than their respective parties, but this does not relieve them from the charge of inconsistency, nor will it relieve any one who has gone before the people upon either platform from constant criticism. True there may have been conversions. We know that there have been many changes, but the people of the country do not—and they are right about it—look with much regard upon a victory won by the sudden conversion of so many men of heretofore obstinate and positive temperament. Such changes, if really accomplished bona fide, imply supernatural interposition, and whatever connection our Wall street friends may have with the other world, I have never heard it intimated that they possess the power to utilize superhuman agencies.

I heard a distinguished Senator [Mr. HAWLEY] remark a few days ago that he did not think that either party knew just what was meant by the platforms in question. While there may be equivocal expressions, nevertheless there is no uncertainty as to bimetallism, or as to the double standard, or as to the use of gold and silver *upon equal terms*. I take these words from the platform. Hence, the enactment of a bill which merely repeals the Sherman act, but which makes no provision for silver, not only fails to comply with the Chicago platform, but is a direct violation of it. As to the Republican platform, there is nothing said regarding the repeal of the Sherman act. Bimetallism, the double standard, and the maintenance of the parity are its leading financial features.

I do not presume to instruct our Republican friends as to the meaning of their platform. It is patent enough to an outsider that the attitude of those members of that organization who attack the friends of silver in this body is not in harmony with their last statement of their principles. There may, however, be something in the organization of the other side or in their conception of their duty which within their own limits may justify their conduct. It can not be requisite to say a great deal with reference to those who claim that the platforms are not binding. A man who will meet the people announcing that he is a candidate upon a certain platform and who thereupon pledged himself and solemnly agrees that he will abide by the propositions upon which he has made his candidacy, if he is successful and he does not carry out his promises is in an unenviable position.

I know every one in this Chamber will concur in this view.

I am aware that it has been argued that times have changed since the political conventions. Times change, and we change with them. This is very convenient doctrine, and if generally adopted would enable anyone to disregard any platform whenever he might so elect. If the platform can be repudiated six months after an election, why not repudiate it six days afterward? Why have a platform at all? The true view of the situation undoubtedly is that a platform is the law until it has been repealed by the body which enacted it. It is a law, not enforceable by judicial decree or the infliction of a penalty, but it is binding upon the conscience of the candidate who assumed to act under it, and when his moral condition is such that he can not carry it out because he believes it to be based upon error thereupon it becomes his duty to resign. No other course is open to him. In no other way can he justify himself. Elected to maintain a platform, he proceeds when in office to destroy it, to violate its precepts, and to jeer at its declarations. But whatever may be our monetary embarrassment, our morals are in a worse plight if we are to accept the theories of the repudiators and evasionists.

It may be urged that this great question should be debated upon its intrinsic merits. It is proper to do this, and I am not avoiding that branch of the matter. But the Democrat who subscribed to the Chicago platform and who now legislates for the destruction of silver, who says that he is opposed to a double standard, who votes to discriminate in favor of gold, must seek some other excuse than any consolation which may be afforded him by a discussion of "intrinsic merits." If Democrats believe that there was no merit in their platform as far as silver is concerned, it is their duty, it seems to me, to resign and run upon a new platform. If reelected by a confiding constituency it will be legitimate for them to support anti-silver legislation, and by resigning whenever they determine to abandon their party principles, they will pursue a course highly conscientious, even though sadly inconsistent.

I do not think that there ever has been a time in the history of this country when such an effort was being made by the advocates of the single standard to force members of Congress to fall into line. There are rumors of influences emanating from official quarters which I can not consider well founded. Any attempt to coerce this body, or to force any Senator to act differently than his conscience and judgment direct, would be usurpation, and accusations that such an effort is being made should not be uttered unless there is absolute proof. The Democratic platform plainly calls for the repeal of the Federal election laws, the language used being as follows:

> We warn people of our common country, jealous of the preservation of their free institutions, that the policy of Federal control of elections, to which the Republican party has committed itself, is fraught with the gravest dangers, scarcely less momentous than would result from a revolution, practically establishing monarchy upon the ruins of the Republic.

It is common talk that a certain policy is contemplated with reference to that enactment, and to the tariff, and that both are to be sacrificed to the desire to enact a pet measure. But I shall not believe, until the evidence reaches the dignity of a demonstration, that this charge is true. Circumstantial evidence apparently sustaining it may indeed be cited, but I do not deem it sufficient to warrant such a statement, and I will not credit any rumor that the organization to which I belong designs to repudiate its pledges. I do not entertain the thought that there is any intention on the part of Senators to do aught else than to enforce the three propositions to which we gave our adhesion, that we would legislate, without discriminating against either gold or silver; that we would reform the tariff; that we would repeal the Federal election laws, which our convention denounced and which the people denounced when voting for the Democratic candidates.

It is rumored that those having in charge the pending measure have given the word that it will be unwise to enforce the Democratic platform as far as the same calls for the abrogation of the infamous election laws now existing, because it is said some Republican Senator who desires those enactments maintained may, if the Democratic friends of unconditional repeal seek to carry out the platform, abandon the cause of monometallism and vote for the friends of silver. Certain transactions which have been witnessed in this Capitol within a few days may lend countenance to this theory, but fail, in my judgment, to establish it.

We have heard a good deal about honest dollars and the dishonest silver dollar. But if our promises made to the people of the United States are to be abandoned, it will indeed be strange if an honest dollar, or anything that is honest, comes from our deliberations. I do not believe that any gentleman upon the other side of the Chamber, or any Republican member of Congress, would sacrifice his convictions to such an extent that he would decline to vote upon all questions in accordance with his conscience, unless he could effect a trade with the friends of election-law repeal. Still we are living in a peculiar age. Some seem to be going upon the idea that we can not be bound by conventions. All along the political highway and at every corner we encounter numberless instances of suddenly changed views.

When Congress assembled the position of many of its members

was assumed to be definitely fixed by antecedent utterances. The assumption, however, proved wholly groundless, and as soon as the President's message was read, demanding as the sole business of this extra session the immediate repeal of the silver-purchasing clause, there was forthwith a change of base as sudden as it was radical. The dismemberment of the silver forces under the persuasions of this hour reminds me of a combat said to have taken place during the siege of Troy, and the result is summarized by the poet as follows:

Full twelve, the boldest, in a moment fell,
Sent by great Ajax to the shades of hell.

I do not desire to disagreeably locate any one, and the excerpt from Homer just cited does not, as used by me, pretend to fix the destination of those who have so quickly altered their opinions, but is desired to signalize the effectiveness of recent arguments.

The able junior Senator from Kentucky [Mr. LINDSAY], to whose character and ability I am glad to testify, unsuccessfully, it seems to me, charges inconsistency upon those Democrats who have spoken against unconditional repeal. He points out that many of them opposed the Sherman law, and is, therefore, surprised that they now object to eliminating it from the statute book.

It is unnecessary after the magnificent presentation made by the Senator from Virginia [Mr. DANIEL] to answer this argument in detail. But does not my friend appreciate that the existing legislative conditions are greatly different from those which prevailed when the Sherman bill got into the statute books? Is he not aware that the result of defeating that bill at that time meant at least the retention of the Bland-Allison act? Does he not know that had there been no legislation in 1890, the Bland-Allison law would have remained in operation, and that, therefore, those Senators who voted against the Sherman act, and who preferred no legislation at all to the enactment of that measure, placed themselves in a position which simply amounted to this: that they deemed the statute then in force better than the proposed bill?

They were right about that. The Bland-Allison law was better for silver than the Sherman act. But when the Bland-Allison law was struck dead by the same power that summoned the Sherman measure into life, the status of affairs became such that the repeal of the latter meant that the Treasury had no use for more silver. The Senators who voted against the Sherman law because they wanted more favorable terms for silver are not inconsistent when they refuse to repeal that act unless some concession is made to silver.

Mr. COCKRELL. Will the Senator permit just one suggestion?

Mr. WHITE of California. Yes, sir.

Mr. COCKRELL. The question then pending was with reference to a bill for the free and unlimited coinage of silver.

Mr. WHITE of California. I fully appreciate that, but I will say to the Senator that the point I am reaching is this: True, Senators desired free and unlimited coinage, but they found, because of the views of another branch of this Government, that they could not get the free and unlimited coinage of silver. So the issue finally became, so far as they were concerned, whether they would prefer the Sherman bill to the Bland-Allison act. That was the situation as I understand it.

The Senator who professed in the discussion of 1890 to be opposed to the Sherman act because it was not just to silver, and who preferred to depend upon the Bland-Allison law, is decidedly inconsistent when at this time he is willing to indorse a proposition which leaves us neither the Bland-Allison or the Sherman act, or a substitute therefor. Can we convince the people that we are friends of silver, and at the same time sit here and talk and talk and urge nothing except the destruction of the only legislative provision which provides for the disposition of any new silver? If the Senators who advocate unconditional repeal mean what they say, and we can not doubt their good faith, it follows that they hold that not only should the Sherman bill have been defeated in 1890, but the Bland-Allison act should have been repealed without a substitute. Such is their position, and the country knows it.

ARE THE CIRCUMSTANCES SUCH AS TO JUSTIFY THE APPREHENSION THAT THERE IS A SURPLUS OF SILVER?

In the course of my address upon this and other topics I will refer to several tables, some of which, and perhaps all, are familiar to the Senate. However, I deem this matter necessary to the intelligent discussion of this important subject.

The majority of those who have advocated unconditional repeal notify us that there is such an enormous supply of silver that the necessary result must be depreciation. The able Senator from Iowa [Mr. ALLISON], who was also a delegate to the Brussels conference, does not share this view. Although his sentiments, as I construe them, are anti-silver, he declares that he does not believe that the question of overproduction of either silver or gold affects the issue. This is a candid statement, but while it destroys the arguments of many of his colleagues, it is a tribute to his integrity and discrimination. Within the last few days the able Acting Superintendent of the Mint has furnished a statement to the Senate showing the amount of silver and gold heretofore produced by the States of California, Nevada, Idaho, Montana, and Colorado, and the Territories of New Mexico, Arizona, and Utah. It is as follows:

Production of gold and silver of Arizona, California, Colorado, Idaho, Montana, Nevada, Utah, and New Mexico.

NOTE.—Previous to 1848 the gold product of the United States was estimated to have been $14,440,000, not distributed by States and Territories. (Ures Dictionary of Arts, Mines, etc., volume II, page 647.) (Raymond, 1874, page 544.)

	California.		Nevada.	
	Gold.	Silver.	Gold.	Silver.
From 1848 to 1873, inclusive	*a* $985,800,000		*a* $63,146,000	*b* $86,462,000
1874	*c* 20,300,000		*cd* 35,452,000	
1875 *e*	*c* 17,753,000		*f* 10,000,000	21,795,000
1876 *e*	15,799,000	$1,505,000	215,000	44,991,000
1877 *e*	15,000,000	1,000,000	18,000,000	26,000,000
1878 *e*	15,261,000	2,373,000	19,547,000	28,130,000
1879 *e*	17,600,000	2,400,000	9,000,000	12,560,000
Total	1,087,513,000	7,278,000	155,360,000	219,938,000
1880	17,500,000	1,100,000	4,800,000	10,900,000
1881	18,200,000	750,000	2,250,000	7,000,000
1882	16,800,000	845,000	2,000,000	6,750,000
1883	14,120,000	1,460,000	2,520,000	5,430,000
1884	13,600,000	3,000,000	3,500,000	5,600,000
1885	12,700,000	2,500,000	3,100,000	6,000,000
1886	14,725,000	1,400,000	3,090,000	5,000,000
1887	13,400,000	1,500,000	2,500,000	4,900,000
1888	12,750,000	1,400,000	3,525,000	7,000,000
1889	13,000,000	1,034,000	3,000,000	6,206,000
1890	12,500,000	1,164,000	2,800,000	5,754,000
1891	12,600,000	970,000	2,050,000	4,551,000
1892	12,000,000	465,000	1,571,000	2,901,000
Total	183,895,000	17,588,000	36,705,000	78,052,000
	1,087,513,000	7,278,000	155,360,000	219,938,000
Grand total	1,271,408,000	24,866,000	192,066,000	297,990,000

a From 1848 to 1873, inclusive, the gold product of California was estimated to have been $985,800,000 and the product of other States and Territories $254,350,000, and of this amount $63,146,000 was from the Comstock Lode, Nevada.

b The silver product from 1848 to 1873, inclusive, was estimated to have been $186,050,000, not distributed by States and Territories, and of this amount $86,462,000 was from the Comstock Lode, Nevada.

c Gold and silver. (Raymond.)

d Of this amount $8,990,900 gold and $13,486,000 silver was from the Comstock Lode, Nevada.

e Fiscal year.

f Estimate of Dr. H. R. Linderman.

Production of gold and silver of Arizona, California, Colorado, Idaho, Montana, Nevada, Utah, and New Mexico—Continued.

	Colorado.		Montana.		Idaho.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
1874	*$5,189,000		†$4,355,000	†$161,000	*$1,880,000	
1875†	2,800,000	$2,672,000	3,438,000	682,000	2,000,000	$500,000
1876†	3,150,000	3,130,000	3,028,000	1,133,000	1,053,000	307,000
1877†	3,000,000	4,500,000	3,200,000	750,000	1,500,000	250,000
1878†	3,366,000	5,395,000	2,261,000	1,670,000	1,150,000	200,000
1879†	3,225,000	11,700,000	2,500,000	2,225,000	1,200,000	650,000
Total	20,730,000	27,397,000	18,832,000	6,621,000	8,783,000	1,907,000
1880	3,200,000	17,000,000	2,400,000	2,500,000	1,980,000	450,000
1881	3,300,000	17,160,000	2,330,000	2,630,000	1,700,000	1,300,000
1882	3,360,000	16,500,000	2,550,000	4,370,000	1,500,000	2,000,000
1883	4,100,000	17,370,000	1,800,000	6,000,000	1,400,000	2,100,000
1884	4,250,000	16,000,000	2,170,000	7,000,000	1,250,000	2,700,000
1885	4,200,000	15,800,000	3,300,000	10,060,000	1,800,000	3,500,000
1886	4,450,000	16,000,000	4,425,000	12,400,000	1,800,000	3,600,000
1887	4,000,000	15,000,000	5,230,000	15,500,000	1,900,000	3,000,000
1888	3,758,000	19,000,000	4,230,000	17,000,000	2,400,000	3,000,000
1889	3,500,000	20,687,000	3,500,000	19,394,000	2,000,000	4,336,000
1890	4,150,000	24,307,000	3,300,000	20,364,000	1,850,000	4,784,000
1891	4,000,000	27,338,000	2,890,000	21,132,000	1,680,000	5,217,000
1892	5,300,000	31,030,000	2,891,000	22,432,000	1,721,000	4,091,000
Total	52,168,000	253,212,000	40,986,000	160,789,000	22,981,000	40,158,000
	20,730,000	27,397,000	18,832,000	6,621,000	8,783,000	1,907,000
Grand total	72,898,000	280,609,000	59,818,000	167,410,000	31,764,000	42,065,000

*Gold and silver. (Raymond). †Fiscal year.

Production of gold and silver of Arizona, California, etc.—Continued.

	Utah.		New Mexico.		Arizona.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
1874	*$3,912,000		*$500,000		*$487,000	
1875†	44,000	$6,801,000	1,000,000		700,000	$300,000
1876†	65,000	5,829,000	c39,000	‡$2,027,000	1,000,000	500,000
1877†	350,000	5,075,000	175,000	500,000	300,000	500,000
1878†	392,000	5,208,000	175,000	500,000	500,000	3,000,000
1879†	575,000	6,250,000	125,000	600,000	800,000	3,550,000
Total	5,338,000	29,163,000	2,014,000	3,627,000	3,787,000	7,850,000
1880	210,000	4,740,000	130,000	425,000	400,000	2,000,000
1881	145,000	6,400,000	185,000	275,000	1,060,000	7,300,000
1882	190,000	6,800,000	150,000	1,800,000	1,055,000	7,500,000
1883	140,000	5,620,000	280,000	2,845,000	950,000	5,200,000
1884	120,000	6,800,000	300,000	3,000,000	930,000	4,500,000
1885	180,000	6,750,000	800,000	3,000,000	880,000	3,800,000
1886	216,000	6,500,000	400,000	2,300,000	1,110,000	3,400,000
1887	220,000	7,000,000	500,000	2,300,000	830,000	3,800,000
1888	290,000	7,000,000	602,000	1,200,000	872,000	3,000,000
1889	500,000	9,051,000	1,000,000	1,461,000	900,000	1,939,000
1890	680,000	10,343,000	850,000	1,681,000	1,000,000	1,293,000
1891	650,000	11,313,000	905,000	1,713,000	975,000	1,914,000
1892	660,000	10,473,000	950,000	1,380,000	1,070,000	1,373,000
Total	4,201,000	98,790,000	7,052,000	23,390,000	12,042,000	47,019,000
	5,338,000	29,163,000	2,014,000	3,627,000	3,787,000	7,850,000
Grand total.	9,539,000	127,953,000	9,066,000	27,017,000	15,829,000	54,869,000

*Gold and silver. (Raymond.) †Fiscal year. ‡Wells, Fargo & Co. statement.

Total gold $1,662,388,000
Total silver 1,022,779,000

R. E. PRESTON,
Acting Director of the Mint.

BUREAU OF THE MINT,
September 6, 1893.

Mr. TELLER. If the Senator will allow me, I will say that, according to that table, Colorado is not credited with at least $75,000,000 of gold, if not $100,000,000, produced before 1874.

Mr. DUBOIS. And if the Senator will allow me, I think it would be reasonably safe to say that Idaho produced $100,000,000 of gold before 1874.

Mr. WHITE of California. Whatever the amount may be, it simply emphasizes my argument as showing the excess of gold production. The amount of unreported gold was very large, I have no doubt.

I will add that since that statement was handed in to the Senate I have obtained from the Acting Director of the Mint further information with reference to the gold and silver production in certain other States for 1892, which I shall also append to and make a part of my remarks. This table contains the entire gold and silver output of the United States during 1892, and therefore contains some information not found in Senate Mis. Doc. 52:

Approximate distribution by producing States and Territories of the product of gold and silver in the United States for the calender year 1892, as estimated by the Director of the Mint.

State or Territory.	Gold.		Silver.		Total value.
	Fine ounces.	Value.	Fine ounces.	Coining value.	
Alaska	48,375	$1,000,000	8,000	$10,343	$1,010,343
Arizona	51,761	1,070,000	1,062,220	1,373,375	2,443,375
California	580,500	12,000,000	360,000	465,455	12,465,455
Colorado	256,387	5,300,000	24,000,000	31,030,303	36,330,303
Georgia	4,583	94,734	400	517	95,251
Idaho	83,271	1,721,364	3,164,269	4,091,176	5,812,540
Michigan	3,386	70,000	60,000	77,576	147,576
Montana	139,871	2,891,386	17,350,000	22,432,323	25,323,709
Nevada	76,021	1,571,500	2,244,000	2,901,333	4,472,833
New Mexico	45,956	950,000	1,075,000	1,389,899	2,339,899
North Carolina	3,800	78,560	9,000	11,636	90,196
Oregon	67,725	1,400,000	50,000	64,646	1,464,646
South Carolina	5,968	123,365	400	517	123,882
South Dakota	178,987	3,700,000	60,000	77,576	3,777,576
Texas			310,000	400,808	400,808
Utah	31,936	660,175	8,100,000	10,472,727	11,132,902
Washington	18,071	373,561	150,000	193,939	567,500
Alabama, Maryland, Tennessee, Virginia, Vermont, Wyoming	500	10,336	1,000	1,293	11,629
Total	1,597,098	33,014,981	58,004,289	74,995,442	108,010,423

BUREAU OF THE MINT,
September 20, 1893.

It will be observed that that part of the Union embraced within the States and Territories mentioned in the first of these exhibits comprises most of our gold and silver producing mines, and yet it seems that there has been obtained from these sources, since 1848, some six hundred and forty millions of gold in excess of silver, allowing nothing for the unreported amounts mentioned by the Senators from Idaho and Colorado. California has furnished $1,271,000,000 of gold and but $24,866,000 of silver. If any process shall be discovered adequate to enable the miners of California to explore the prehistoric river beds of the Sierras without destroying the valleys and the streams, the output will be strikingly increased. Careful surveys and scientific examinations of the gravel deposits covered by the Sierras justify this assertion. While it is probable that for several years, under the influence of favorable legislation, the production of silver will augment, it is almost certain that this will not be lasting.

Few people understand the thoroughness of the explorations which have taken place in the West. The miners of that region are active in the extreme. Their practiced eyes detect the smallest paying cropping, and there is hardly a yard of country, scarcely a fastness upon which man can rest, in which there is or has been gold or silver bearing rock which has not been fully prospected. It is known that there are immense deposits of gold untouched in California. It is not known that there are any silver deposits of magnitude beyond those which have already been worked and are now in operation.

I particularly desire to call the attention of Senators to the enormous amount of gold produced by other States and Territories which are regarded as silver-bearing localities and which are sneeringly referred to by Wall street newspapers, and if the silver mines are closed the gold output will likewise cease. Thus Idaho shows the following:

Production of silver	$42,065,000
Production of gold	31,764,000
Excess of silver over gold	10,301,000

Nevada has done a good deal for gold. She produced silver $297,990,000; gold $196,066,000.

We have just been informed by the Senator from Idaho [Mr. DUBOIS] and the Senator from Colorado [Mr. TELLER] that in addition to the gold reported by the Superintendent of the Mint as the product of Idaho and Colorado, that prior to 1874, about one hundred millions of that metal had been extracted from those States, then Territories. I very well remember that both were deemed gold-bearing Territories before the date of the first credit appearing in the Treasury report. I know that California miners went to those sections anterior to that date and reported large development, but I have no figures at hand to justify any personal estimate.

The greatest difference in gold and silver production appears in Utah, from which Territory it seems over one hundred and twenty-seven millions of silver were obtained and less than ten millions of gold. If silver mining ceases, there will be scarcely any gold production from other States or Territories where the silver output has been so large. It has been said that nature has married these metals. They are certainly found in close relationship the world over, and they were placed in combination by the Almighty as if in defiance of the attempt of man to divorce them.

The statistics compiled by Mr. Soetbeer with reference to the production of gold and silver from the discovery of America to the present time show that there has been no dangerous alteration of the relations of the two metals, even during the last thirty years. The following is an estimate in tons:

Period.	Tons.	
	Gold.	Silver.
1493 to 1800	3,566	117,104
1801 to 1860	3,203	41,681
1861 to 1888	4,667	56,448

From 1861 to 1888 it is obvious that the production of gold was relatively greater than that of silver, the increase being 45 per cent; that of silver 10 per cent less. From 1850 to 1890 the world's stock of gold increased 143 per cent, and the world's stock of silver during the same period increased but 45 per cent. Hence there is absolutely nothing in the assertion that overproduction has interfered with a ratio which was successfully maintained for two centuries.

Mulhall's table shows that the world's stock of gold and silver in the years 1600, 1700, 1800, 1850, and 1890 were as follows:

Stock of precious metals at various periods.

Year.	Tons.		Percentage of increase.	
	Gold.	Silver.	Gold.	Silver.
1600	830	23,000		
1700	1,310	45,000	57	95
1800	2,730	88,000	108	95
1850	3,620	113,000	32	28
1890	8,820	165,000	143	45

This table justifies the statement already made with reference to the present increase in the supply of each metal.

If there was anything in the theory of overproduction, it is certain that the gigantic addition made to the gold supply during past periods would have unsettled the ratio; but it did not do so, although certain nations, from mere fright—what would now be called lack of confidence—demonetized gold.

The conduct of the Austrians and others with relation to the increased supply of that metal may seem peculiar, but was no more irrational than the statement of the distinguished Senator from Vermont [Mr. MORRILL], who seemed to be alarmed at the enormous quantity of silver thrown upon civilization.

There will be no trouble in the solution of the silver question as soon as we are all thoroughly educated. When the facts are fully known and people reflect upon them, the monometallist advocate will be out of a job.

In this connection I ask leave to submit the statement furnished by the Bureau of the Mint on August 16, 1893:

Production of gold and silver in the world, 1792 to 1892.

Calendar years.	Gold.	Silver (coining value).	Total.
1792 to 1800	$106,407,000	$328,860,000	$435,267,000
1801 to 1810	118,152,000	371,677,000	489,829,000
1811 to 1820	76,063,000	224,786,000	300,849,000
1821 to 1830	94,479,000	191,444,000	285,923,000
1831 to 1840	134,841,000	274,930,000	409,771,000
1841 to 1848	291,144,000	259,520,000	550,664,000
1849	27,100,000	39,000,000	66,100,000
1850	44,450,000	39,000,000	83,450,000
1851	67,600,000	40,000,000	107,600,000
1852	132,750,000	40,600,000	173,350,000
1853	155,450,000	40,600,000	196,050,000
1854	127,450,000	40,600,000	168,050,000
1855	135,075,000	40,600,000	175,675,000
1856	147,600,000	40,650,000	188,250,000
1857	133,275,000	40,650,000	173,925,000
1858	124,650,000	40,650,000	165,300,000
1859	128,850,000	40,750,000	165,600,000
1860	119,250,000	40,800,000	160,050,000
1861	113,800,000	44,700,000	158,500,000
1862	107,750,000	45,200,000	152,950,000
1863	106,600,000	49,200,000	156,150,000
1864	113,000,000	51,700,000	164,700,000
1865	120,200,000	51,950,000	172,150,000
1866	121,100,000	50,750,000	171,850,000
1867	104,025,000	54,225,000	158,250,000
1868	109,725,000	50,225,000	159,950,000
1869	106,225,000	47,500,000	153,725,000
1870	106,850,000	51,575,000	158,425,000
1871	107,000,000	61,050,000	168,050,000
1872	99,600,000	65,250,000	164,850,000
1873	96,200,000	81,800,000	178,000,000
1874	90,750,000	71,500,000	162,250,000
1875	97,500,000	80,500,000	178,000,000
1876	103,700,000	87,600,000	191,300,000
1877	114,000,000	81,000,000	195,000,000
1878	119,000,000	95,000,000	214,000,000
1879	109,000,000	96,000,000	205,000,000
1880	106,500,000	96,700,000	203,200,000
1881	103,000,000	102,000,000	205,000,000
1882	102,000,000	111,800,000	213,800,000
1883	95,400,000	115,300,000	210,700,000
1884	101,700,000	105,500,000	207,200,000
1885	108,400,000	118,500,000	226,900,000
1886	105,000,000	120,600,000	225,600,000
1887	105,775,000	124,281,000	230,056,000
1888	110,197,000	140,706,000	250,903,000
1889	123,489,000	162,159,000	285,648,000
1890	113,150,000	172,235,000	285,385,000
1891	120,519,000	186,733,000	307,252,000
1892	130,817,000	196,605,000	327,422,000
Total	5,633,908,000	5,104,961,000	10,738,869,000

TREASURY DEPARTMENT,
Bureau of the Mint, August 16, 1893.

In this table the output for various years is set forth, and proves the production of gold to have been $528,947,000 in excess of silver. It is true that silver has been advancing of late, but there is no more assurance that this gain will be lasting than there was that the gain of gold between 1850 and 1860 would be continuous. From 1850 to 1881, both inclusive, the annual product of gold always exceeded that of silver, and the difference since silver has taken the lead has not been nearly as pronounced as the discrepancy which was disclosed during a large portion of the time during which gold disclosed a surplus. The greatest difference shown in favor of silver was manifested in 1891, during which year there was produced $66,214,000 more of silver than of gold.

Production from 1792 to 1848, inclusive:

Silver	$1,651,217,000
Gold	821,086,000
Excess of silver	830,131,000

Production from 1849 to 1892, inclusive:

Gold	$4,812,722,000
Silver	3,453,744,000
Excess of gold	1,358,978,000

From 1851 to 1860, both years inclusive, the product was as follows:

Gold	$1,267,950,000
Silver	405,900,000
Excess of gold	862,050,000

From 1883 to 1892, both years inclusive, the result appears to be as follows:

Silver	$1,442,619,000
Gold	1,115,437,000
Excess of silver	327,182,000

It is clear that the Senator from Iowa [Mr. ALLISON] is correct when he says that the overproduction of silver is not the cause of the difficulty which we are experiencing. His statement is of great importance, because it is the result of much thought and of the investigations made by a gentleman of attainments who is favorable to the pending bill and who went abroad to meet and deliberate with the most distinguished financiers of the world, and who attended the Brussels conference practically without instructions, and was compelled to devote himself assiduously to the difficult problems which he felt bound to solve if it were possible to do so.

Right here let me make a remark suggested yesterday by the argument of the Senator from Delaware [Mr. GRAY]. He spoke of the so-called panic and mentioned that bank depositors had withdrawn their money. This no one denies. He further informed us that these parties were frightened. This is conceded. A Senator upon the other side of the Chamber asked what these depositors feared, and there seemed to be a little hesitancy, but it was finally said that they were afraid they would be paid in a depreciated currency, to wit, silver. Now, although we are formed upon the same general plan, it is true that we differ greatly. It may be, and as the Senator said so, I assume it undoubtedly to be the fact, that the people upon the great Atlantic seaboard were alarmed lest they should be paid in silver. It may be that the depositor who frantically moved upon the bank, and who went there with trembling hand so that his signature was scarcely legible, was afraid that he would be paid in silver.

But that was not my experience during the panic upon the other side of this continent, and I saw much of it. I was interested personally to this extent, that I lived in a community where there was much temporary and foolish excitement which I was anxious to mollify, and I had some connection with the reopening of certain institutions which, though perfectly solvent, closed their doors for a few days. In all that experience, and in all the conversations which I have heretofore had with gentlemen from other parts of the United States, I have never heard of a depositor who was afraid that he would be paid in silver. They were afraid, Mr. President, that they would not be paid at all.

It was not the presence of silver that scared them. I believe a compromise could have been effected which, however startling to gentlemen upon the other side of this question, would have been satisfactory to the parties who charged upon those banks. People were irrational. It is aptly said that it makes no difference what the cause of excitement may be the material proposition is the presence of alarm. That is undoubtedly true, but is it not our duty to attempt to reach the real cause of the disturbance, and having found that cause is it not our duty to explain the same to the people so that they, knowing the evil, may acquiesce in the remedy?

At the time my friend from Delaware was making this statement the Senator from Louisiana [Mr. WHITE] interrupted him and said that as the effect of the enactment of the Bland-Allison act and the Sherman law people in this part of the country demanded that there should be a gold clause inserted in their con-

tracts. I do not think that any of these propositions are in the slightest degree germane to this discussion; but let me say to the Senator from Louisiana that in the State from which I come it has been a common thing for years to insert a gold clause in contracts. I have never seen a contract of importance in which a covenant of that kind was not inserted.

The custom arose, I presume, during the war. I have never drawn a contract or an obligation of magnitude involving money payments in which the word "gold" was not used; and that custom surely was not attributable to the Sherman law, because however many bad things that law has done and committed, however many crimes are to be laid at its door, however many tornadoes it has produced, and however much disaster it has caused upon land and ocean, shores remote and countries near, it certainly can not be said of it that it is responsible for those things that were done long, long before it was ever heard of.

It may be said why is it that people prefer to put the word "gold" in their contracts. Mr. President, the people outside of as well as within this Chamber and this building and this city, throughout the Republic generally, are intelligent and observing. They have witnessed this Government for twenty years endeavoring to ruin the cause of silver. They have witnessed this Government challenging the purchasing power of silver in every mart of the world. They have witnessed policy after policy adopted by Administration after Administration antagonistic to silver. Hence they name gold in their contracts, not because they have no confidence in silver, but because they have no confidence in the sagacity of those who represent them and make and execute the law.

Here I might interject a thought lest I should forget it. We hear much regarding honest dollars. Our friends are afraid of a dishonest dollar. So am I. They say, do you wish to give the poor laboring men a dishonest dollar? They say, why do you not give him a dollar that is really worth a dollar? Why is the silver dollar worth less than the so-called honest dollar? Assume for the sake of argument only that the silver dollar will buy less than the gold dollar, if the reason must be given it is found in the fact that the legislation of this country has been directed against silver. Until we demonetized the white metal the commercial ratios showed no discrepancy save in favor of silver.

We have willfully discredited silver, and having so discredited it we audaciously speak of the dishonest dollar. Give the silver dollar a chance, and if it does not take care of itself, then call it a dishonest dollar. Do what your platform demands shall be done—treat it as you treat gold.

Permit me to inquire whether gold advocates have not become tired of constantly declaring that they desire to legislate in favor of the honest dollar that the workingman may not be cheated?

The average laboring man receives but a small sum for his daily toil, and he can buy as much with that sum in silver as he can buy in gold. He finds no difficulty in disposing of one, two, or three dollars a day in silver, and the grocer, the butcher, the baker give him as large quantities of sugar, meat, and bread for his silver as they would give him if he brought gold or paper currency. In fact, they prefer $5 in silver to the same sum in gold, since the gold is liable to depreciate by reason of abrasion.

The laboring man gives full credit, or at least as much credit as is due, to these professions of golden sympathy; but in this struggle he is manifestly upon the side of silver.

HAS GOLD APPRECIATED?

I now approach a very interesting inquiry. Has gold appreciated or has silver depreciated? I listened with much pleasure to the argument of the learned Senator from Delaware upon this subject yesterday, but I can not adopt his view of the situation. As a logician he concedes that if it be true that gold has appreciated, then a condition is presented calling for affirmative action. But in approaching that argument he assumes that the burden of proof is upon those who advocate silver. While the rules of law prescribed for the government of courts in the trial of causes are wise, they are not at all times applicable to proceedings in a legislative body. I do not think it is accurate to say that in considering a question like this there is any occasion for rules regarding the burden of proof. We are here to elicit the truth. In this place there can be no such a thing as a judgment *pro confesso*. There can be no default. The silence of the friends of silver would not justify an enactment against silver which the intrinsic merits of the subject would not warrant.

Let us consider this issue upon its merits. It must not be forgotten that my argument is intended to induce two conclusions: First, that because of our platform obligations we should protect silver; secondly, that the welfare of the people so demands.

It is the habit of the monometallists to assert that silver is constantly falling, and they deny that gold is appreciating. There are very respectable people who are of this way of thinking. A large number of able gentlemen, during the present session, have so argued, and Sir John Lubbock strenuously contends to the same purport in the current number of the North American Review:

To begin with, these gentlemen all admit that a certain quantity of gold will now buy about 50 per cent more of the necessaries of life than could have been purchased with the same amount of the same metal at the time of the demonetization of silver in 1873. But they contend that this is due to improved machinery, to new and more economical methods of production. I think that the address made by the able Senator from Missouri [Mr. VEST] at the opening of this discussion disposes of this subject, and I will not spend much time discussing it. I have had the pleasure of listening to arguments wherein it was stated that wages are higher now than ever, and that hence it follows that gold had not fallen. It may well be doubted whether there is any foundation for this assertion, save in a very limited classification, but assuming it to be true that wages are higher with reference to certain industries, that increase is obviously attributable to other causes.

But if wages have increased, is such increase due to the monometallic standard, and must wages depreciate because of the Sherman law? Are we to suppose that no other cause or causes influenced wages in this country than the action of our Government regarding currency? During the last campaign gentlemen who now sit in this Chamber were preaching Democracy to assembled multitudes, and they never gave as a reason for appreciation of wages the argument they rely upon here. Do they still hold to their older and oft-asserted view? Is it true that wages have appreciated merely because we demonetized silver?

I well remember that we all contended, and I think with much force, that the well-organized exertions of trade unions had much to do with keeping up labor prices. No general rule can be applied to this matter from which any such deduction as that insisted upon by the Senator from Deleware is authorized. In the same States for the same class of labor and the same number of hours, different rates are charged. North, South, East, and West prices vary, depending often upon the mere ability of the laborer to obtain his rights, and in some instances of the employer to procure his work to be done at a reasonable rate.

I have heard it said that we are suffering in this country from a redundancy, from an overplus, an extravagant quantity of circulating medium; that the great difficulty is, we have too much. I have seen nothing to indicate that the experience of others has been less sad than my own. Not for me have there been strewn along the highways during this panic golden dollars.

No redundancy have I observed.

It has been said, and truly, that if money is not in circulation it makes no difference whether or not there is much of it in the country. That is a fact. I admit that when gold is hoarded, if it is hoarded never to be taken out, it might as well have remained buried in the everlasting hills. But if there is a considerable quantity of money about it is easier to acquire it than when there is a very small amount in sight. I presume that if there were but a million dollars in gold in all the world some Senators here might be able occasionally to grasp a piece of the coveted metal. But all would feel the contraction. The difficulty would be increased as the amount of the metal decreased. If there were but $100 in gold in all the world I do not suppose that I would know any more about the metal than I do with reference to the rarest, largest, and most brilliant of diamonds and rubies. Nor would I use more of the article than I do of attar of roses, which I believe our friends upon the other side put upon the free list. [Laughter.]

One of the most distinguished monometallists in Great Britain is Mr. Giffen, chief of the statistical department of the board of trade, and although he has not seen fit in his later work to republish the views I am about to quote, I desire, nevertheless, to quote an extract from his paper entitled "Recent Changes in Prices and Incomes Compared." He there positively places himself upon record in support of the proposition that gold has notably appreciated, and moreover he argued that this appreciation was likely to continue, and that therein was found the true explanation of the fall in the price of commodities.

In 1879 he pointed out that this rise would soon become evident. Let me quote:

> If the test of prophecy be the event, there was never surely a better forecast. The fall of prices in such a general way as to amount to what is known as a rise in the purchasing power of gold is generally, I might almost say universally, admitted. Measured by any commodity, or group of commodities, usually taken as the measure for such a purpose, gold is undoubtedly possessed of more purchasing power than was the case fifteen or twenty years ago, and this high purchasing power has been continued over a long enough period to allow for all minor oscillations.

It is unnecessary to read Sauerbeck's Index-numbers, which I have here, but I commend them to the perusal of Senators who

have not already read them. I commend them to the investigation of any one who is studying this question as showing the basis of forty-five of the principal commodities—a large number surely—selected some time ago and subjected successfully to the intelligent criticism of the world.

Years.	Mr. Sauerbeck's index numbers—		Years.	Mr. Sauerbeck's index numbers—	
	Of 45 principal commodities.	Of silver.		Of 45 principal commodities.	Of silver.
1874	102	95.8	1884	76	83.3
1875	96	93.3	1885	72	79.9
1876	95	86.7	1886	69	74.6
1877	94	90.2	1887	68	73.3
1878	87	86.4	1888	70	70.4
1879	83	84.2	1889	72	70.2
1880	88	85.9	*1890	72	78.4
1881	85	85.0	1891	72	74.1
1882	84	84.9	1892	66	65.4
1883	82	83.1			

This table is worthy of more study than it has received. It shows, taking the silver and the commodity numbers and comparing them, the most remarkable results. It appears to me that it affords a demonstration of the truth of our assertion that gold has appreciated. I am aware of the existence of that other table, compiled by the learned gentleman who resides in Massachusetts, and which was read here yesterday.

I fully understand that he there calls attention to the circumstance that plows and certain other articles can be bought to day with fewer bushels of wheat than some years ago; but I do not believe that the table constitutes a fair test.

The Senator from Delaware argues, as do many of the authorities, that the fall in the value of the various commodities is due to the great development which has been made in the arts, and he calls attention to Bessemer steel as a notable instance. So it is a notable instance, and so far as steel is concerned, it is clearly established that improved methods have lessened the cost; and there are many similar cases.

If the fall in prices was due to improvements in machinery the prices would be maintained with reference to those articles regarding which there had been no improvements affecting production, and in cases where inventions and new appliances had diminished the cost the depreciation would be noticed. But we know that there has been a uniform fall of prices all along the line, and the tables and charts prepared by eminent statisticians clearly prove that the drop has been general and is therefore due to some cause utterly different from that to which Sir John Lubbock and others attribute it. For instance, let us take wool, at present very low. My Republican friends may say that this is because our people are afraid of tariff changes. Let us so assume, and take a date anterior to the triumph of the Democratic ticket, and it will be found that then wool was exceedingly dull throughout the country, and on the Pacific coast, where the staple is short, owing to the circumstance that we are compelled to clip twice a year, wool was so low prior to Mr. Cleveland's election that it did not even reach the duty line.

It is untrue that the expense of wool-growing has become less and less as years have rolled by. When a child I have seen thousands of sheep roaming upon the public domain, the pasturage of which cost the man who owned them not a cent. Gradually as the progressive American moved over this territory and took it up under the homestead and preëmption laws, the ranges were curtailed and the sheep were driven back, so that now many of them roam at certain seasons on the mountain sides, sometimes at an altitude of from 8,000 to 10,000 feet above the sea, there seeking with difficulty that support before readily obtained. Hence the expense of maintenance has increased. Besides, lands have become useful for other purposes, and the sheep in the West is becoming more and more a burden.

Therefore there is depression not alone in those lines concerning which the cost of production is lessened, but it is found all throughout the list, demonstrating to you as legislative physicians that some other prescription must be applied than that suggested by the Senators who are opposed to me.

I believe that a careful analysis of the situation will show numerous examples which can not be explained upon the basis expressed in the ably constructed argument of the Senator from Delaware. I have not had time to carefully scan this branch of our dispute, but have said enough to suggest a conclusion. In the matter of eggs there has not been any invention promoting production. The ancient methods are still utilized. And yet I find there the same depreciation.

It has been frequently stated, and truly, that the gold price of silver prior to 1873 was remarkably stable, and that since that time it has been utterly unstable. But the theory that silver has depreciated and gold remained stable does not account for admitted phenomena. I refer to the phenomena which I have just recited. Suppose that we adopt a gold standard, pure and simple, manifestly when gold is very plentiful it will buy fewer things, and this is called a rise in prices. When gold is scarce it will buy more of everything. This means a fall in prices. There is no mystery as to this. The experience of every gold-standard country in the world discloses a universal fall in the prices of commodities.

And let it be remembered—and it is a most cogent circumstance—that this depreciation does not antedate 1873. If we are trying this case upon its merits, and are to enter a judgment upon it, let us look at the evidence. The rule suggested by the other side does not apply, because the fall is universal and the diminished cost of production is not universal.

Then we have this other significant feature, that the fall in the price of commodities dates from 1873, or thereabouts—the date of the demonetization of silver. Why is this remarkable coincidence presented? There may be some means other than that hinted at to account for it. I am not here to withhold any information. I know that I am obliged to bring forth every fact that will tend to elucidate. The truth should be known that we may legislate wisely and in the interest of the people whom we represent. I can not find and have not heard any explanation in harmony with the gold appreciation theory, of the incidents which I have cited.

In China, where gold is a mere commodity and is sold just as lead or tin would be in this country, prices have not varied in twenty years. This information I derive from an article quoted in the San Francisco Chronicle, and written by W. S. Wetmore, for the Hongong papers. Mr. Wetmore selected some twenty articles for his index numbers and discovered that the prices had been practically stationary since 1873, while gold had risen nearly 50 per cent.

In a recent article by the same gentleman, printed in the North China News, he shows that notwithstanding the enormous depreciation in the gold price of silver in Europe, America, and India, there has been no variation of importance in either China or Japan. He gives an instance within his personal experience to illustrate his meaning. Seventeen years ago he employed a boy at a salary of twenty-one Mexican dollars a month, and although at the present time silver is worth in gold less than a third of its former price, Mr. Wetmore has discovered that his servant is able to live now just as well as he did in 1876 and has not deprived himself of any of the advantages which he then enjoyed, although, as I have said, commodities have not fallen.

At the risk of being tautological, I will say that in all the great silver-using countries of the world an ounce of silver will buy just as much of the necessities of life at this day as could have been bought twenty years ago. If gold is declared to be the standard of the world, and if it is said that there is no other kind of money, gold will be more sought for, there will be greater need for it, its purchasing power will necessarily increase.

If half the stock of gold were destroyed, no one doubts that the remaining portion would be more valuable. And so, if the use to which gold is applied be made more extended, if it becomes more essential to the public comfort, so will we be more anxious to get it, so will its purchasing power develop. This subject was very ably and thoroughly discussed by the distinguished Senator from Nevada in his argument before the Brussels conference. Indeed, he left nothing to be said upon the subject. The man who insists that the less money we have in the world the better off we are is no more inconsistent than the party who admits, as he must, that the legislation of the world has been in favor of gold, and that that metal has been cornered and placed in a few hands, and still insists that its purchasing power has not increased. Mr. Balfour declares that—

An appreciation of the standard of value is probably the most deadening and benumbing influence which can touch the springs of enterprise in a nation.

The same authority says:

I have no hesitation now in asserting what I have often asserted before, that if you can not attain this absolutely theoretical perfection it is better for the community at large that your standard should be a depreciating standard than that it should be an appreciating standard.

IS A DOUBLE STANDARD PRACTICABLE?

I have heard gentlemen who declare that they stand upon the Democratic platform declare that there is no such possibility as a double standard. I have said enough with reference to those who criticise the platform upon which they were elected and will address myself to the merits of this proposition exclusively.

Speaking upon this subject on February 15, 1878, the Senator from Nevada [Mr. JONES], whose remarks at the Brussels conference gained him such wide commendation, said:

Our money system was not based upon the idea that we should have both metals always and concurrently in circulation, but upon the idea that there

might occur occasional variations in their value, and that it would always be to our advantage in every respect to make avail of the cheaper of the two. The great feature of the double or optional standard is not the actual use of both metals, but the right to use either. The option of using either metal was enjoyed by the United States without let or hindrance until 1873-'74. This right of option of choosing either metal in which to make payment sufficiently accounts for the fact that after 1840 gold, then practically having become the cheaper metal, largely predominated in the coinage. It was upon this very theory that our coinage laws were framed, and when silver became the dearer metal the demand for its coinage diminished. Was it ever charged in 1873 that the gold dollar was a depreciated dollar, a 97-cent dollar, because at that time its value was 3 per cent below the value of the silver dollar?

Mr. Balfour handles the subject very ably. He says:

I am well aware that there is a vast mass of opinion—I think not well-informed opinion—to the effect that a man who maintains the possibility of bimetallism should be ranked with those who think that the sun goes round the earth or that the earth itself is a flat disk. But I may say without offense that those who hold this opinion show themselves but little instructed in the recent history of the subject. It is permissible for those who base their opinion on these matters upon the imperfectly remembered scraps of economic knowledge picked up fifty years ago—it is permissible for them still to hold the view that a bimetallist is a harmless lunatic who if he only confines his lunacy to this particular question can not be regarded as more dangerous to the public peace than any other confirmed bore. But I do not think that any man who has seriously considered the literature of this subject during the last generation holds this opinion or can possibly hold it.

I doubt whether there is a single economist of reputation under 60 years of age who will commit himself to the view that it is impossible to maintain the double standard. If there be such a man I do not know his name, and if it be, indeed, an absurdity to suppose that this double standard can be maintained, then, indeed, we are in a bad case, because from every chair of political economy in this country and America, not to speak of Holland and other continental nations, I believe it is taught that the bimetallic theory is a theory which will stand critical examination.

Remember, I am not asserting that every distinguished economist is a bimetallist; I am not asserting that they would if they could establish a double instead of a single standard; but no economist of repute will lend his name to the idiotic objections—if I may use the expression without offense—to bimetallism which you will see in some of the daily newspapers, objections which appear to be founded on the view that to hold that a stable ratio can be maintained between silver and gold is something like holding that value is not determined by the laws of supply and demand or the cost of production, but that it can be settled by the mere fiat of a government.

Those who hold that view show an ignorance of the very elements of the question which make it—I do not wish to say anything offensive—hardly worth while arguing with them. They do not appear to have realized that as it rests and must rest with the Government, with every government, to say what shall be legal tender within the limits of the state, so it must rest with the Government to determine what shall be the greatest cause of demand for that which it says is legal tender; and therefore, to suppose that you can dismiss this doctrine by saying that it is inconsistent with the law of supply and demand is to ignore the main element in the problem.

In fact, I should say that the bimetallic theory affords the most beautiful illustration known to me from a theoretic point of view, of the operation of the laws of supply and demand, in a specially interesting and instructive case; but I have usually found that those who most denounce theory, at all events are usually convinced by what they regard as practice. But even practice and experience in this case are not enough to convince the theoretic monometallists. They absolutely shut their eyes to the fact that, so far from bimetallism being an impossibility, it has been the actual system in force over a long period of time and over great districts, and that when it was in force it produced every effect which every bimetallist has ever claimed for the employment of the double standard.

The same distinguished man also remarked:

If you have a joint standard—if, in other words, you can count for your supply of currency not merely upon the gold supply of the world, but upon the gold supply plus the silver supply—it is evident that the effect of any single cause of change is diminished, because it is spread over a wider area. If you have a cistern holding, let us say, a thousand gallons, and you choose to divide that cistern into two halves, each holding 500 gallons, then it is evident that to withdraw from one of those compartments 100 gallons will make a far greater change in the level of that compartment than if the whole cistern were one and you withdrew your hundred gallons, not from the 500 gallons, but from the undivided mass of a thousand gallons. That is an elementary way of looking at it, which, elementary though it be, will probably bring conviction to those who will carefully consider it. So much for the first cause of variation of the standard, on which, I think, you will admit that a double standard has advantages over a single standard.

Prof. Francis Walker, of the Sheffield Scientific School, said:

The extensive fall in the value of silver since 1873, which is often referred to as proving the unfitness of silver to be joined with gold in the office of moneys, appears to me to show most strikingly the power of legislation in keeping the two metals together. If gold and silver actually held a course through three centuries so nearly parallel, yet when silver was demonetized by the United States and Germany, and the Latin Union ceased to coin silver in unrestricted amount, the price of gold expressed in terms of silver mounted upward in four years from 15.63 to 17.77, rising momentarily even to 20.17—these two facts taken in connection would seem to afford a very strong proof of their interchangeable use as money in keeping their market values together.

I believe that these references are sufficient to meet the objections which I have been considering.

CAN THE UNITED STATES MAINTAIN FREE COINAGE WITHOUT INTERNATIONAL AGREEMENT?

It is only necessary to examine the proceedings of the Brussels Conference to thoroughly appreciate the difficulties in the path of international agreement.

Mr. Cramer-Frey, delegate of Switzerland, said:

I should be an unworthy disciple of the lamented M. Feer Herzog, who represented Switzerland at the conference of 1878, and an unworthy successor to M. Burckhardt Bischoff, whose interesting work on Bimetallism and the Conference of 1881, at which he was a Swiss delegate, will have been duly esteemed by many of you, if I ever entertained the idea that bimetallism would be admissible for us. My colleague, M. Rivier, and myself have received the most formal instructions to this effect from our government.

Mr. Zeppa, delegate of Italy, said:

It is astonishing that persons of admittedly high intelligence and general culture are to be found who would wish to lead nations backward and to reëstablish bimetallism.

Mr. Weber, delegate of Belgium, closes his remarks with these words:

The forced circulation of silver appears iniquitous, from whichever standpoint the question is regarded, and, in seeking to favor the expansion of industry and commerce by international means, we must not look for help to the mint, but to the custom-house.

Mr. Boissevain, delegate of the Netherlands, did not agree with his more radical brethren.

Mr. Tirard, delegate of France, expresses himself as believing that France was satisfied with the prevailing conditions, and his remarks were so positive that they were construed at the time by Mr. Cannon, one of our delegates, as meaning that France was less favorable to bimetallism than England, a view, however, which Mr. Tirard repudiated.

Mr. Raffalovich, delegate of Russia, strongly favors gold.

Mr. Rothschild expressed himself, as we all know, in the most positive terms, approving of the financial policy of England, though he did venture the assertion that he saw no objection to silver being made a legal tender in England up to £5 instead of £2, as at present. And he made a suggestion which is of considerable importance, as follows:

It seems to me that the European powers, holding as they do large amounts of coined and uncoined silver, can not be indifferent to the market price of that metal; and, as to England, we have no right to look at one side of the question only and to ignore the complaints of a powerful minority.

He also said:

Gentlemen, I need hardly remind you that the stock of silver in the world is estimated at some thousands of millions, and if this conference were to break up without arriving at any definite result there would be a depreciation in the value of that commodity which it would be frightful to contemplate and out of which a monetary panic would ensue, the far-spreading effects of which it would be impossible to foretell.

The conference did break up, or adjourned without day, and it is now proposed to choke the last breath out of silver. International bimetallism may be accomplished if the United States stands firm, but if we throw up our hands and do as the advocates of unconditional repeal request us to do, the fight is determined. If one engaged in personal contest, conscious that his strength is failing, throws himself at the feet of his adversary and, placing his foeman's heel upon his neck, suggests a compromise, his attitude is ridiculous. Much better for him would it have been to prolong the struggle and rely for a favorable proposition upon his adversary's desire to avoid a culmination, the exact nature of which could not be foretold.

I am aware of the answer made time and time again to this argument. It is insisted that the way to bring about an international agreement is to absolutely demonetize silver. We all admit that silver money is necessary, and we are told that if we put ourselves in the position now occupied by England, France, and other countries, in time they will suffer so much that we will be able to force concessions. Thus we are asked to undergo the Dr. Tanner process. We are to put ourselves upon a starvation basis, and must rest our hopes upon our ability to endure privations longer than others.

Mr. PEFFER. And then begin with watermelons to recover.

Mr. WHITE of California. I scarcely think that the influence of watermelons would cure us under such circumstances. I believe that it would take more stimulation than even this wonderful country has within its bosom.

Mr. HOAR. The difference between the Democratic party and Populists is the question of stimulation.

Mr. WHITE of California. The Senator from Massachusetts refers to the difference between the Populists and the Democratic party, which he says is a matter of stimulation. My experience, acquired not only here but elsewhere, is that we can gather our Republican friends upon that issue into a common fold; upon such a platform they will not refuse to stand. We are not differing greatly upon that proposition; and I really think that a majority of our friends, the Populists, sympathize with us in a degree even as to that issue.

We have sent out delegates to Europe and have urged upon the world that there should be a bimetallic agreement between the powers, and we have declared that silver should be accepted as money and that it is good money; and while making all this talk, and in the midst of our argument, we propose by a solemn act of Congress to take away all the potentiality of a metal which we produce and flatter ourselves that an empty declaration which has no place in the body of the act, and which is simply apologetic, will influence other nations to change their system and will be a substitute for, if not better than, positive legislation. To say that the policy recommended is cowardly, is to express the situation in very moderate terms.

The chairman of the Committee on Finance has introduced,

as I have said, in the proposed measure an announcement that silver is good; that we should have silver; that silver should be coined at the mints free of charge, and that it should be treated in all respects as gold is treated. While making that declaration we decline to signify our faith in it. We absolutely abandon silver and surrender in the midst of a great financial struggle with foreign powers. We bow before them and cast ourselves trembling at their feet, and with their feet upon our necks we expect a compromise and concession.

I do not look at this affair from a sentimental standpoint merely, nor have I any false pride as to my country. I regard her and cherish her as sincerely as any man can, for I feel that I owe much more to her than she will ever obtain from me. But I assert that if we do not show our faith by our acts, if we do not stand by the principles in which we assert we believe, we can not expect others to credit us with good faith, and we can not anticipate favorable action from those upon whom it is important that our influence should be made effective.

Remember, Mr. President, that the history of this subject which I have already narrated makes it obvious that we have been derelict not merely in passing the so-called demonetizing act, but in our conduct and declarations in the international councils that have been held regarding silver years ago. When we sent men to represent us, and when those men themselves expressed a lack of faith in silver, did we not then and there teach the lesson of wrong, and so deeply impress it upon the minds and consciences of other peoples that they are unwilling to abandon the customs and policies begotten by our instruction? Can we add any force to our position, can we expect to gain more favorable audience if we desert silver and present to other powers the debates that have been had in this Chamber? Will they not find every argument that was ever utilized by a gold monometallist in speeches which have been made in the present Congress? Will they not encounter the solemn declarations of more than one Chief Executive and of the men nearest Administrations to the effect that we do not after all have so high a regard for silver. When we confront these foreign financiers with the statement in our bill that we are in favor of doing something which we are not to do will not those statesmen, those men of thought and experience in human affairs, smile at us as they have smiled before?

But, as I remarked, I do not consider it essential that we shall have the concurrence of foreign powers. If I did I should regard the task as hopeless. I should wait, perhaps, with glimmering faith for the future, but I would rely more upon hope than upon faith, for I do not believe that if we abandon silver we can reasonably look during our generation for its adoption as a money metal by the principal nations. In some countries perhaps it may be necessary. In India it is probable that no matter what we do the necessities of the case and the loss which England has already sustained in her Eastern trade may lead to a reversal of her policy, but the way to obtain proper standing for silver is to stand by it ourselves. It is not, as I have frequently said, to cast it by the wayside as unworthy of contact, or to relegate it to an obscurity from which it can never emerge.

Great Britain has been a gold-standard country ever since 1816, and that very year she made a strenuous effort to discard silver, but failed to succeed in doing so. This is demonstrated by an inspection of the table of ratios already in evidence.

Thus in 1815 the ratio of silver to gold was 15.26, in 1816 it was 15.28, in 1817 it was 15.11.

Silver ruled a little more than three-quarters of a cent higher per ounce in 1817 than in 1816. There was subsequently a decline, which did not exceed 3 cents in thirty years. And it has been said that the fluctuations during that period were not greater than the rate of discount in the Bank of England.

I wish to say that I have heard many remarks in reference to the declarations of Lord Liverpool, whose Treatise on Coins of the Realm had so much to do with the British fiscal legislation of 1816. Sir David Barbour says:

> In no portion of Lord Liverpool's Treatise on Coins of the Realm is there any allusion to—
>
> I. The Treasury order of 25th October, 1697, directing that the guineas should be taken at 22s. each.
>
> II. The Council order of 8th September, 1698, referring the question of the high rate of the guinea to the Council of Trade.
>
> III. The Report of the Council of Trade, dated 22d of September, 1689.
>
> IV. The resolution of the House of Commons on that report.
>
> V. The orders of the Treasury to receive the guineas on public account at 21s. 6d. each, "and not otherwise."
>
> With the publication of these documents falls Lord Liverpool's statement that the English people, by general consent and without any interposition of public authority, attached a higher value to the guinea after the great recoinage than the market value of gold would justify; and with the fall of the alleged fact must disappear the conclusion drawn from it, namely, that with the increase of wealth and commerce the English people in 1698 had come to prefer gold to silver. And with the disappearance of this hypothesis there disappears the only evidence brought forward in support of the theory regarding the progress of wealthy countries from silver to gold, which Lord Liverpool invented in order to overthrow Locke's opinion that "gold is not the money of the world or measure of commerce, nor fit to be so."

In Germany and Austria in 1857 a determined effort was made to demonetize gold. Singularly enough sometimes we are dissatisfied with silver and sometimes we are not satisfied with gold. But this attempt to discredit gold did not affect the ratio. The Director of the Mint informs us that fine silver was quoted in 1857 at 1.353 per ounce; in 1858, at 1.344; in 1859, at 1.36; in in 1860, 1.352. So that the unaided policies of Austria and Germany, to which I have adverted, were not sufficiently potential to produce the conditions against which we are contending.

Of course, such action tended in an ulterior direction, but were insufficient to produce the change. The last straw destined to break the camel's back, *i. e.*, our improvident legislation, had not been imposed.

Germany exacted an enormous gold indemnity from France and thereupon proceeded to demonetize silver.

In 1871 silver was quoted on an average at 1.326 per ounce. In 1872 the quotation was 1.322, and there was no sign of a fall until 1873, when the enactment concerning which my friend from Nevada [Mr. STEWART] has said so much slipped through.

If the market quotations are worth anything at all they show that silver received its severest blow and that its depreciation was mainly caused by the action of this Government.

And if we were potential for destruction, may not our efforts in the contrary direction be productive of good?

I admit that the legislation of Europe has influenced matters. I claim that legislation has its effect upon financial affairs, but I say that if we had been faithful to our trust even the power of Europe would not have been able to bring about the perils which menace our financial integrity. This is not sentimentality, but a mathematical deduction derived from the quotations and figures which I have given and from the demonstrations of that great teacher, experience.

Mr. HIGGINS. Will the Senator permint me to ask him a question?

Mr. WHITE of California. Certainly.

Mr. HIGGINS. I ask the Senator from California if it is not a fact that the United States at the time of the act of 1873 was upon a paper basis, using only paper and not coin at all, and that therefore any effect which might arise from the act of 1873 could only have a possible future bearing, that future bearing being then beyond the ken of man to know?

Mr. WHITE of California. My answer to the Senator from Delaware is, that up to the date mentioned the commercial ratio remained without impairment; and that when the fell blow was struck the result which I am now relating took place at once, and from that time to this the same tendency continues.

Mr. HIGGINS. Then I ask the Senator if that was not coincident in time with the large sales of German silver upon the market, and if that was not the cause of silver going down?

Mr. WHITE of California. Mr. President, let facts speak for themselves. I admit that when we are reasoning from circumstances one circumstance alone is not sufficient to justify a conclusion; and it may be that in all the array which I have presented and in all the experience narrated there may be other things coincident which it may be said may suggest a result; but when I take the history of this country and the history of other countries and find that the demonetization acts and the transactions with reference to gold and silver did not produce the unfortunate conditions of which we complain, and when I see that the moment we upon our statute books abandoned silver that then the difference of ratio became manfest, I claim that I have made a case; that the presumption is upon my side.

Besides, I care not whether paper was used in the markets of this country at the dates mentioned by the Senator; there was then no law in existence striking at silver. There was then no man who doubted that when the resumption time came gold and silver would be the money of the people. Our citizens had learned from Hamilton, from Webster, from the great teachers who stood around the cradle of this Republic, to believe that gold and silver constituted our money, and they so thought, and in accord with that faith and the experience of civilization the commercial ratio mentioned was easily sustained.

I have ever doubted whether we have the power to adopt a gold standard. Mr. Webster's argument upon this question seems strong and sensible.

Said Mr. Hamilton:

> To annul the use of either of the metals as money is to abridge the quantity of circulating medium and is liable to all the objections which arise from a comparison of the benefits of a full with the evils of a scanty circulation.

No man of patriotism until recently supposed that silver and gold would be divorced. It was known that they were married by nature's ceremony in the Sierras' recesses. It was known that generally wherever these metals existed that the disclosure of one meant the procurement of the other. Experience had demonstrated that while for a time one might be produced in

larger volume than the other, yet, that averaging the whole, going back to the earlier days, parity was well maintained.

No argument can be sustained which has for its object the enforcement of the contention that the present state of affairs has been brought about otherwise than by legislation, and by the legislation of this country and the action of those whom we have placed in power. The venerable and able Senator from Vermont declares that we must find a new market for silver. This is not very cheering. The recent expeditions to the antarctic regions have resulted in the discovery of a fine stock of seals, and it is supposed that a new field will be opened there for our poaching friends. But no hope is thrown out that that country will consume much silver.

The investigations that have been going on in the interior of Africa do not indicate the opening of any new market there, and our flying machines are not sufficiently perfected to justify the hope that we may be able to vend our products to residents of other planets. Hence, if we wait for the new market suggested by the Senator from Vermont, we must tarry long and tearfully. But I fail to note the necessity for a new market. The world's output of silver is steadily absorbed. Says the Britannica.

The total production of silver in the Western world, from the discovery of America to the present time, has been in value about £1,400,000,000, of which £300,000,000 remain in coins. On the whole, it appears quite safe to estimate the average consumption of silver in the arts and through wear, tear, and loss, as fully equal to three-fourths the production. Lowe in 1822 estimated it at two-thirds.

So great has been the consumption of the precious metals in the arts that according to a statement made by Senator JONES in the Brussels conference, Sir Lyon Playfair, in a speech in the House of Commons, April 18, 1890, expressed the conviction that the demand for gold for purposes outside of minting amounted to at least 75 per cent of the annual produ ction. And Mr. Giffen (who by the way is often quoted by monometallists) has expressed the belief that substantially all the current products of the mines are used in the arts.

It appears to be settled that sixty millions of money per annum is required in the arts and that thirty millions more must be allowed for abrasion and loss of coin. And Mr. McCulloch estimates that there should be an annual addition to the stock in Europe, Australia, and America of fifty millions to keep pace with the increase in business. Thus we have an annual total for all interests of $140,000,000, and it must be evident to the most casual observer that China, which is not considered in this estimate, has for ages absorbed an immense amount of silver.

It has been proven by eminent statisticians that during a period of two hundred years the price of silver in the world's markets averaged only 12 cents an ounce from the legal ratio of 15 to 1.

In 1760 the price realized for silver was $1.45 per ounce, or about 12 cents more than the amount called for by the legally-established ratio.

In 1813 the ruling price was about $1.28, or 7 cents an ounce less than it would have commanded if the legal and commercial ratio had maintained parity. And it must be remarked that these changes were not sudden and did not unsettle values to the slightest extent, and were much less than the fluctuation of the very best commercial paper.

An able writer in the Encyclopædia Britannica, in discussing silver and considering ancient and modern ratios, refers to those established by Portugal in 1688, Spain in 1755, and France in 1785. He says:

These three historical ratios, and the bearing of each upon the other, have influenced all legislation upon the subject; and, where there was no legislation have governed the bullion markets for more than two centuries.

But we need not travel for information upon this topic, because the history of silver from the time of its demonetization in 1873 settles the question.

The commercial ratios from 1687 to 1873 were as follows:

Commercial ratio of silver to gold, 1687 to 1873.

Year.	Ratio.	Year.	Ratio.	Year.	Ratio.	Year.	Ratio.
1687	14.94	1704	15.22	1721	15.05	1738	14.91
1688	14.94	1705	15.11	1722	15.17	1739	14.91
1689	15.02	1706	15.27	1723	15.20	1740	14.94
1690	15.02	1707	15.44	1724	15.11	1741	14.92
1691	14.98	1708	15.41	1725	15.11	1742	14.85
1692	14.92	1709	15.31	1726	15.15	1743	14.85
1693	14.83	1710	15.22	1727	15.24	1744	14.87
1694	14.87	1711	15.29	1728	15.11	1745	14.98
1695	15.02	1712	15.31	1729	14.92	1746	15.13
1696	15.00	1713	15.24	1730	14.81	1747	15.26
1697	15.20	1714	15.13	1731	14.94	1748	15.11
1698	15.07	1715	15.11	1732	15.09	1749	14.80
1699	14.94	1716	15.09	1733	15.18	1750	14.55
1700	14.81	1717	15.13	1734	15.39	1751	14.39
1701	15.07	1718	15.11	1735	15.41	1752	14.54
1702	15.52	1719	15.09	1736	15.18	1753	14.54
1703	15.17	1720	15.04	1737	15.02	1754	14.49

Commercial ratio of silver to gold, 1687 to 1873—Continued.

Year.	Ratio.	Year.	Ratio.	Year.	Ratio.	Year.	Ratio.
1755	14.63	1785	14.92	1815	15.26	1845	15.92
1756	14.94	1786	14.96	1816	15.28	1846	15.90
1757	14.87	1787	14.92	1817	15.11	1847	15.80
1758	14.85	1788	14.65	1818	15.35	1848	15.85
1759	14.15	1789	14.75	1819	15.33	1849	15.78
1760	14.14	1790	15.04	1820	15.62	1850	15.70
1761	14.54	1791	15.05	1821	15.95	1851	15.46
1762	15.27	1792	15.17	1822	15.80	1852	15.59
1763	14.99	1793	15.00	1823	15.84	1853	15.33
1764	14.70	1794	15.37	1824	15.82	1854	15.33
1765	14.83	1795	15.55	1825	15.70	1855	15.39
1766	14.80	1796	15.65	1826	15.76	1856	15.38
1767	14.85	1797	15.41	1827	15.74	1857	15.27
1768	14.80	1798	15.59	1828	15.78	1858	15.38
1769	14.72	1799	15.74	1829	15.78	1859	15.19
1770	14.62	1800	15.68	1830	15.82	1860	15.29
1771	14.66	1801	15.46	1831	15.72	1861	15.50
1772	14.52	1802	15.26	1832	15.73	1862	15.35
1773	14.62	1803	15.41	1833	15.93	1863	15.37
1774	14.62	1804	15.41	1834	15.73	1864	15.37
1775	14.72	1805	15.79	1835	15.80	1865	15.44
1776	14.55	1806	15.52	1836	15.72	1866	15.43
1777	14.54	1807	15.43	1837	15.83	1867	15.57
1778	14.68	1808	16.08	1838	15.85	1868	15.59
1779	14.80	1809	15.96	1839	15.62	1869	15.60
1780	14.72	1810	15.77	1840	15.62	1870	15.57
1781	14.78	1811	15.53	1841	15.70	1871	15.57
1782	14.42	1812	16.11	1842	15.87	1782	15.63
1783	14.48	1813	16.25	1843	15.93	1873	15.92
1784	14.70	1814	15.04	1844	15.85		

From 1874 to 1878 the ratios were as follows:

Commercial ratio, 1874 to 1888.

Year.	Ratio.	Year.	Ratio.	Year.	Ratio.	Year.	Ratio.
1874	16.17	1878	17.94	1882	18.19	1886	20.78
1875	16.59	1879	18.40	1883	18.64	1887	21.18
1876	17.88	1880	18.05	1884	18.57	1888	21.99
1877	17.22	1881	18.16	1885	19.41		

These ratios have widened since that time, with the exception of a brief period during which it appeared that the United States intended to return to sensible legislation (an ill-founded assumption, I am sorry to say), and the mere rumor that we intended to do so baseless, indeed, though it was, helped silver to a marked extent.

Prof. Francis A. Walker, writing in 1876 and noting the slight and unimportant fluctuations for a period of more than a century preceding 1873, uses these significant words:

That the changes in the comparative purchasing power of the two metals between 1873 and 1876 were wholly or mainly due to the changes in supply or changes in demand disconnected from the acts of governments dealing with the legal relations of gold and silver, I really can not conceive any intelligent and candid man as now maintaining.

To argue any further for the purpose of showing that silver was holding its own up to the demonetization of 1873 would be violence to the common sense of the Senate and the country. The tables heretofore referred to constitute a demonstration of the correctness of this proposition.

Since 1873 the fluctuation so often mentioned has certainly taken place in an exceedingly aggravated form. From these facts, not susceptible, I take it, of denial, it follows that silver for generations was successfully used as money and held its own with gold and continued to do this until the United States demonetized it. If the United States had not done this the relative situation of the metals would not have been changed. This final proposition must be correct if experience is worth anything. Nor is there anything unreasonable, independent of the argument based upon experience, in the conclusion which I have just reached that when England, Germany, and other European countries declared that silver was not worthy of consideration as standard money, it was natural that the situation should be somewhat perturbed. But when the United States adds its voice in the same direction and, wholly regardless of her own interests, announces to the world and proclaims from housetops of civilization that silver is worthless, it is certain that the usefulness of the metal will be to a great extent impaired.

If I should circulate a rumor that the real property that the chairman of the Committee on Finance owns, and to which he has good title, was so involved as to render it impossible for him to convey the fee, and if this assertion, made in obvious disregard of the truth to some one who intended to purchase that property, influenced the latter so as to prevent a sale, I would be guilty of slander of title; an action could be maintained against me to recover damages for my ill-advised talk.

This right of action is given upon the theory that men are in-

fluenced by ungrounded reports. And if this be true in the case of an individual, how much more potent does the slander become when it is made officially by a great nation; when it is made not with reference to the property of another, but regarding our own product. When we who produce silver declare against silver, when we who insist in our political platforms that bimetallism is desirable inconsistently print upon our statute books the declaration that we have no confidence in silver, is it to be wondered at that there is lack of confidence elsewhere? Is it not evidence of imbecility to wonder that silver should be discredited when we have thus treated it?

Give silver a chance. Do what you solemnly said you would do when you subscribed to your party platforms. Put it upon the same basis as gold. Treat it as fairly as gold. Give it an equally honorable place at the governmental table, and see that a fair portion of the choicest legislative viands is allotted to the white metal. The man who is so treated that starvation threatens him, finds no difficulty in assigning a reason for the difference in physical development manifest as between himself and one who has been well fed. Act toward gold as you have acted towards silver, and a large portion of our most distinguished inhabitants would demand the demonetization of the former. Let us be consistent; let us be reasonable; let us be liberal; let us act in good faith.

When our Government speaks discreditably of silver the statement excites more than common attention. It is said of us that our interests should naturally be for silver, as we produce large quantities of that metal, and that therefore we are very much in the same attitude as a suitor whose expressions adverse to his own interests are proven with telling effect by his opponent.

It has been argued that many Senators upon other occasions called attention to India as a silver consumer, and contended that because of our large absorption we could afford to go to free coinage, but that now, this argument being taken away, the case falls.

I think it has been shown with sufficient clearness that there is not an extravagant quantity of silver in the world; that there is not enough to destroy parity; and that while the absorption of silver in India furnished an argument on the silver side of the question, its elimination does not justify the conclusion that we should do our utmost to destroy the purchasing power of a metal of which we produced so much. It has been demonstrated that until we made the most vicious attack possible upon silver, it took good care of itself, and there is not a man in the country who has any right to assume that silver will not be self-sustaining if Congress restores it to the position which it occupied in 1873, in which position it maintained itself without difficulty.

Besides, we have the authority of the Senator from Iowa [Mr. ALLISON] that England will be forced to restore silver in India, and the indications go far to sustain his anticipation.

It is claimed that if we have free coinage our silver must all leave the country. It has been well remarked that this metal can not leave us unless we receive an equivalent. A few days ago a Senator who advocates the gold standard declared that he did not mean to say that gold would in such an event be withdrawn from the country, but that it would be withdrawn from circulation.

Says an English writer:

> If a gold coin could be exchanged for a heavier weight of silver coins in one country than another, gold would be sent there to buy up the heavier silver coins. This very mistake was made at the English mint before the year 1698, so gold came from other countries to buy up the heavy English silver coins, and in spite of Sir Isaac Newton's teaching to the contrary, people generally supposed that the gold came of itself through greater suitability; consequently it was pronounced to be the fittest for coinage, and was decreed in 1816 to be alone fit for unlimited coinage, silver being banished, except for small payments under 40 shillings.

Even Sir Thomas Gresham never pretended that one metal would drive out another. He did say that the inferior would drive out the superior if they were allowed to circulate together. He was led to make this remark because of the currency of light and full weight coins. Prof. Jevons says:

> Gresham's remarks concerning the inability of good money to drive out bad only referred to moneys of one kind of metal.

It is untrue that because coins of a certain metal depart from a particular country that that fact proves that the coin withdrawn is superior.

It is said that if we have silver only we will be involved beyond redemption. When we had a sole gold currency, owing to the fact that silver was dearer, ruin did not appear imminent. Sensible men paid no attention to the often-heard remark that we would become bankrupt if we allowed the free coinage of gold, because it was cheaper than silver. The subject was, however, discussed.

Thirty years ago the Illustrated London News reported certain proceedings of the British Association for the Advancement of Science. Among other interesting matter the following is given:

> Mr. H. Fawcett read a paper "On the Effects of the Recent Gold Discoveries," which attracted considerable attention, and led to a very animated discussion. Mr. Fawcett reckons that the amount of our whole existing gold currency is £300,000,000. The next ten years will introduce £200,000,000 of fresh gold from Australia, California, and other quarters. He subtracts from this latter amount £60,000,000, which he sacrifices to "absorption." This leaves £140,000,000 as the addition to our gold currency in ten years' time. But gold is depreciated and lessened in value according to its abundance. Did it promise, then, to be twice as abundant at the end of ten years as it is now, it would threaten a loss of half its present value, and therefore promising, as it does, an addition of nearly a fourth to its present amount at the end of that period, it threatens a loss by that time of nearly one-fourth of its present value. Mr. Fawcett thinks this depreciation sufficiently probable to induce any prudent person to take every precaution to obviate its consequences.

Mr. Fawcett followed the line of argument adopted by present advocates of the gold standard, but no one paid great attention to him.

But I do not believe that with proper legislation there is any danger that gold and silver will be at variance at the ratio of 16 to 1. If we will desist from our own attacks upon silver the world will do likewise. We can not get all the silver of the world if we desired it. Without some silver even the gold-standard countries would find themselves in peril.

We certainly will not give our gold to any one; we can make good bargains as well as others.

But all the silver of the world could not be thrown upon the American market without bringing other nations to a standstill. It is admitted that a vast quantity of silver is needed everywhere. It is conceded that there is not enough of gold in the world to go around. Does any one suppose that France would yield up her immense stock of silver? She could not replace it with gold, for there is no gold to replace it. If our silver supply was augmented by remonetization, such increased amount would be readily absorbed and would constitute no menace to our business integrity.

But, Mr. President, as I have already repeatedly urged, as soon as silver is treated properly there will be no object in attempting to capture silver or to capture gold.

The assertion that silver is too bulky for use is not worthy of much consideration. I do not find many people in this part of the world carrying double eagles in their pockets. I think it probable that a very large proportion of my Eastern friends who are so wild upon the subject of gold would not know gold if they saw it. In California we know something of gold because we handle it.

A few years ago, upon the occasion of my first visit to the Eastern portion of the United States, I came to Washington sightseeing. I then had some ambition to come here in an official capacity, and entertaining the idea that no one could be really capable of participating in the affairs o this Government intelligently unless he had to some extent familiarized himself by actual observation with the necessities and peculiarities of each State, I traveled from State to State on a tour of observation, and having a small supply of gold on hand, I went to a Washington theater with some friends and presented a newly coined twenty-dollar piece at the box office. The young man in charge, who was a New Yorker, and violently in favor of the single standard gold, looked at the piece critically and told me he would rather not take it. I told him that it was gold, and he called in attaches of the office, and finally the general manager, and after extended deliberation, my twenty-dollar piece was accepted. I do not believe that it would have been taken had it not been that I twitted them upon the inconsistency of Eastern people with reference to gold and silver, and while I was engaged in utilizing my diplomatic powers, I noticed other amusement seekers buying tickets and paying silver without objection. It is just as unnecessary to lug silver around as it is to take gold about. Silver certificates weigh no more than gold certificates. The balance of my gold supply I found it hard to get rid of. There was a lack of confidence in gold.

I certainly feel justified in saying that there is nothing in the proposition that silver is too bulky. In the great commercial transactions to which gentlemen have alluded neither metal is actually present, and in smaller affairs of business currency is uniformly utilized; and whatever may be the legislation upon the subject, it will not be difficult to avoid actually handling large quantities of either metal.

At this point I desire to say a word with reference to a policy which this Government adopted sometime ago, and which, it appears to me, was wholly uncalled for.

I refer to our practice as to the redemption of bonds payable in coin.

I believe in paying our creditors all that we owe them and paying them in the money designated in the bond. But when this Government, owing money payable in coin—payable, in other words, in that coin designated by the Constitution and described

therein as gold and silver, refused to pay silver, but did pay gold because the creditors preferred it, a great mistake if not a crime was committed. In all private transactions it has universally been admitted that where coin is called for that either metal will satisfy the obligation. Such was the law known by all parties when bonds were issued. With reference to the greenback matter which has been spoken of, no one ever pretended that anyone who entered into a contract after the decision of the Supreme Court of the United States, and after greenbacks were declared to be currency, providing for payment in lawful money, could not satisfy the indebtedness with greenbacks.

The proposition sustained in the greenback cases, which excited so much comment and such an amount of adverse criticism, was that one who entered into a contract involving a money promise prior to the issuance of the greenback could be forced to accept currency unknown when the agreement was made. No court ever held to the view which the Secretaries of the Treasury seem to have uniformly followed, that our coin indebtedness should be paid in gold only. What right have the bondholders of this country ever had to ask for the enforcement of a condition undisclosed in their contract? May they plead ignorance of the law? Such a plea is not tenable. Were they deceived by any mistake of fact? Obviously not. They knew the Constitution of this country just as well as we know it, and they knew when they insisted upon gold payments that they were not entitled to the same. They knew the attendant circumstances fully. But they have procured various Administrations to ignore the interests of the people, that the feelings of the bondholder may not be hurt. These men have been more exacting than Shylock. He demanded the letter of his bond; he asked for nothing else. He wished a pound of flesh close to the heart. Had the modern bondholder been in his place he would have demanded the heart itself.

Legally as well as morally the United States Government erred when it paid out gold when its promise would have been satisfied by the payment of silver. It is well known that the bondholders have always bitterly opposed free coinage. They were especially active when the Bland act was passed. That measure was not congenial to any of the silver men. Mr. Bland said when he was compelled to accept it:

> I say, I protest against this bill while I vote for it under that protest. I want, in this House, to give notice and the understanding to go forth that this is no compromise and no settlement. It is not what the country expects or desires, but we vote for it now to secure what we can at this time, intending to continue the necessary legislation hereafter.

Although the bondholders did not obtain the exact legislation which they desired, still they made an enormous profit out of the work as it was done. The loss to the Government has been immense. Between 1862 and 1868, it is stated upon reliable authority that the United States marketed bonds to the value of $2,049,975,700 and only obtained from those who took these bonds up $1,371,424,238. So the bondholders were not very badly treated. They do not belong to the injured innocent class.

Thus we again discredited silver. We manifested our want of faith in its debt-paying power when we permitted those whose indebtedness could have been legally and morally satisfied by the payment of silver to take gold from our Treasury.

I presume Senators will yet be found who will still say that we have treated silver as we treated gold. One of the most disastrous consequences of this mistaken policy consists in the establishment of a rule from which it is difficult to depart.

Mr. HAWLEY. Will the Senator pardon a single question?

Mr. WHITE of California. Certainly.

Mr. HAWLEY. Did not California and the whole coast there make exactly such bonds? Did they not keep themselves on a gold basis during the whole war, and ever since?

Mr. WHITE of California. I am glad that the Senator has mentioned this, because I can show the utter want of resemblance between the situation to which he refers and that which I am considering. We made contracts in gold for the reasons I have stated, and we paid them in gold because we agreed in terms to do so; but when we made a contract payable in lawful money of the United States we paid it in lawful money, the debtor determining the kind of lawful money. We never permitted the creditor who had entered into a contract with us which was by its terms to be satisfied by payment "in coin" to dictate the character of coin that we should give him, and we have never known an instance of anyone having the audacity to make such a demand.

I have said, Mr. President, that our own legislation is responsible for much of our present trouble. I find in support of my position a letter quoted as having been written by the senior Senator from Ohio [Mr. SHERMAN]. I know nothing as to its authenticity except that I find it in a respectable paper and I assume it is correct. I will read it. It was written in 1868, regarding the question of which I am now speaking. It is said to have been received by Hon. A. Mann, of Brooklyn Heights, N. Y.:

> DEAR SIR: I was pleased to receive your letter. My personal interests are the same as yours, but, like you, I do not intend to be influenced by them. My construction of the law is the result of careful examination, and I feel quite sure an impartial court would confirm it if the case could be tried before a court. I send you my views as fully stated in a speech. Your idea is that we propose to repudiate or violate a promise when we offer to redeem the principal in legal tenders.
>
> I think the bondholder violates his promise when he refuses to take the same kind of money he paid for the bonds. If the case is to be tested by the law, I am right; if it is to be tested by Jay Cooke's advertisements, I am wrong. I hate repudiation or anything like it, but we ought not to be deterred from doing what is right by the fear of undeserved epithets. If, under the law as it stands, the holders of the five-twenties can only be paid in gold, then we are repudiators if we propose to pay otherwise. If the bondholder can legally demand only the kind of money he paid, then he is a repudiator and extortioner to demand money more valuable than he gave.
>
> Truly yours,
>
> JOHN SHERMAN.

I have collected, or rather there has been collected by Mr. Young, whom I before quoted, and published in the San Francisco Chronicle, excerpts from a debate which was had in this Chamber, together with remarks thereon, which I adopt. It reads thus:

> Not only did the monometallists in the Senate betray their tender considerations for the bondholder by insisting that he should receive payment in a dollar not used by the common people, but being beaten on that point they attempted to secure for him a silver dollar containing about 42 grains more than the dollar they would have cheerfully given to the people. After roundly denouncing the silver dollar of 412½ grains as a cumbrous and undesirable coin various monometallist Senators proposed amendments to increase its weight. Senator MORRILL of Vermont, for instance, proposed a dollar of 454 grains and antagonized the adoption of an amendment offered by Booth, which was subsequently incorporated in the bill. Mr. Booth, explaining the amendment, said:
>
> "It is constantly objected that silver is not a proper material of which to make money because it is too cumbersome; but certificates of deposit for silver will circulate just as freely as certificates of deposit for gold, and just as easily. And in reply to the suggestion of the Senator from Maryland [Mr. Whyte] allow me to say that this section is copied substantially from the section of the existing law which allows deposits of gold and makes the United States the safe depository for gold on the same terms that this proposes to make it for silver.
>
> Senator Blaine, whose attitude on the bill was on the whole against bimetallism, was too logical to oppose Booth's amendment, and in the course of the debate took occasion to express his approval of the silver-certificate plan. He was interrupted when speaking, and the following colloquy ensued:
>
> "Mr. MORRILL. May I ask the Senator from Maine if he does not consider it (proposition to issue silver certificates) a confession that silver is a cumbrous and inconvenient article to carry, and that this is a mode to obviate it?
>
> "Mr. BLAINE. Not at all.
>
> "Mr. MORRILL. A mode of getting paper instead?
>
> "Mr. BLAINE. No more than it is as to gold. You do that for gold to-day. You give exactly the same certificate for gold.
>
> "Mr. BOOTH. It is seldom I intrude upon the Senate, but the junior Senator from Vermont [Mr. MORRILL], if I am right, is in favor of a very heavy silver dollar. He favors a dollar of 454 grains"
>
> The amendment, which reads as follows, was opposed by every gold advocate in the Senate and almost unanimously accepted by the advocates of remonetization. We give it place here and lay stress upon it because there are in California alleged friends of silver who are constantly asserting that the standard dollars will not circulate and are lying idle in the Treasury, in willful disregard of the fact that there are certificates outstanding against nearly every dollar of silver reposing in the Government vaults:
>
> "That any holder of the coin authorized by this act may deposit the same with the Treasurer or any assistant treasurer of the United States in sums not less than $10 and receive therefor certificates of not less than $10 each, corresponding with the denominations of the United States notes. The coin deposited for or representing the certificates shall be retained in the Treasury for the payment of the same on demand. Said certificates shall be receivable for customs, taxes, and all public dues, and when so received may be reissued."
>
> Mr. MORRILL, who had at one stage of the proceedings denounced the silver dollar of 412½ grains as cumbrous and undesirable, and who rather inconsistently proposed to increase its weight to 454 grains, instead of accepting his defeat gracefully, proposed the following amendment:
>
> "*And provided further*, That for any amount of silver dollars which may be issued under this act there shall be reserved and canceled by the Secretary of the Treasury an equal amount of United States notes of denominations less than $5."
>
> Mr. MORRIL stated that the object of his amendment was to get the silver dollar into circulation, but the Senate recognized the fact that its purpose was to contract the currency, or at least prevent its expansion by retiring legal-tender dollars as rapidly as standard silver dollars were coined. The Senate promptly rejected the amendment, all of the gold men voting for it.

Mr. President, I have said that I did not intend to wage war upon any class; and the criticisms which I have made and shall make, are not directed at those who carry on any particular business, unless they come within the statement which I present.

In the great queen city of the Empire State—a city which largely influences the affairs of this Republic and to some extent controls its destiny—there are to be found in proportion to population as many able and patriotic men and women as can be encountered elsewhere; and it is probable that the proportion of wealthy men who are otherwise than as they should be, is not greater there than in other portions of the country.

When the nation was in peril, when she was threatened with dismemberment, the brave men of New York did more than utter patriotic expressions. Their State contributed to the cause of the Union her full quota and made a record for valor and leadership second to none. Still, it is undeniable that there are within that great city a number of immensely affluent people

who, while expressing great solicitude for the laborer and farmer, and while hoping that every man may get an honest dollar, and that the poor may be clothed and fed, do not act as if they were sincere in their professions. We have been informed, and the statement is no doubt true, that during the panic thousands of depositors were unpaid, and the reason given for this nonpayment was the inability of those who held the money to meet their obligations; and thus national bank after national bank committed admitted acts of bankruptcy.

It has been demonstrated that at that period there were in the vaults of those institutions an enormous amount of money which would have done much to alleviate the suffering which prevailed in New York.

No one will charge the New York World with partiality in favor of silver people. No one will say that that journal attempted to raise a commotion or create feeling against the wealthy interests of the metropolis. Yet I learn from that paper that there were thousands of people in that great city out of employment and hundreds needing bread. I quote the following from the World of the 6th:

"THE BREAD GAVE OUT."

For two days this cry has ended the story of the distribution of The World's Free Bread Fund.

After 9,000 had been fed the door was reluctantly shut in the faces of 500 hungry poor.

This should not be permitted to happen again. It is a pity, and if continued it would be a shame for any to be turned away empty-handed who ask only a loaf of bread.

Five hundred dollars will feed 10,000 people. In this city of luxury and liberality that small sum daily surely should not be lacking.

The contributions from the benefit performance to-morrow by star actors—always quick in sympathy and prompt in charity—will give the fund a lift. But the individual subscriptions ought not to slacken.

With the improvement of the times the need is likely to diminish. While it lasts it must be met.

I lately noticed two illustrations in that paper which, blended, represented the following: There was a miserable hovel. The walls were apparently broken. Mould oozed through the cracks; the floor seemed ill-suited to the use made of it. In one corner was a bed scarcely competent to maintain its burden, and upon it was stretched a miserably covered woman. Her despairing countenance told the sad story of hunger unappeased. The skin seemed to be drawn tightly and closely to her frame. Not old, she was worn from suffering. Her hands were clasped upon her breast, from which an infant, then crying upon the floor, had drawn almost the last drop of her life. Her glassy eyes were turned upward in mute appeal for that justice which had never been awarded her here. Near the door stood a man poorly clad. Upon his cheek there was a tear. He looked in bitter anguish upon his suffering family. The artist had written across his breast the words, "No work." Near the bed paused a girl, perhaps 14 or 15 years of age. Her face was that of a woman, and she was obviously thoroughly conscious of the terrible character of her situation. A toddling boy weeping, embraced his father's leg, and looking up into his parent's face seemed to say, "I want something to eat."

The reporter who saw all this passed perhaps several blocks away from the sad scene and there encountered a magnificent mansion. He delayed, responsive to the enchantment of music.

There was a sound of revelry by night.

Had he looked beyond the externals of this grand abode, he would have beheld all the splendor and delight of a New York financier's home. He would have noticed beautiful women in gorgeous attire, attractive and attracted. He would have seen costly furnishings before which the fabled glories of antiquity would have seemed as nothing, liveried servants parading in styles borrowed from insolvent lords and barons. Perhaps the proprietor of this palace, the gentleman who thus entertained his friends, is one of those who has urged his newspaper representatives to attack this Senate upon the ground that the repeal of the Sherman law would make the poor happy. Perhaps he has closed his bank and refused to pay a dollar to his depositors. Perhaps he is one of those who have determined to create misery that Congress may come to time.

During the enactment of all these bewildering scenes, and while these very variant circumstances are displayed behind the curtains of life which I have sought to lift, we are told by the New York World that it has been difficult in that center of enlightenment and worth to secure enough of money to supply the poor with loaves of bread. And mid these happenings in the great harbor of New York, with face turned towards the sea, seeming to look over the ocean, upon which ride, and must for ages ride, the ships of civilization, freighted with the mighty wealth that commerce moves, stands a colossal statue, presented to this Republic in token of her superiority and as proof of her right to claim preëminence in the councils of freedom. In its right hand that statue holds, extended far above its massive front, a brilliant and flashing torch—it is Liberty enlightening the world!

But those of whom I am treating otherwise than in praise, unfortunately exert or have exerted a vast influence upon the affairs of this country. There has never been a time of monetary stringency when they have not pinched this Government. They have dared to use the National Treasury for their personal aggrandizement, and have even succeeded in doing so. Not only that, but they assume to control the policy of the Government where financial affairs are in anywise concerned. As citizens of the United States they have a right to express their views and criticise their public officers, and to this no sensible man will object. But they do not, either in fact or in theory, thus limit themselves. They wish to rule and desire that those who ought to be the servants of the people shall be their servants only.

To illustrate the peculiar tendencies of this class I will call attention to the remarks of one of the wealthiest men who has ever been in our country, and who was called upon two or three years back to give such information as he possessed concerning certain combinations and stock operations supposed to be injurious to the public. After those who were examining him had made several suggestions and had interrogated him as to whether in his judgment some of his dealings were not contrary to public policy, he said with some asperity in substance, "If these things that I do are against public policy and wrong, why do you not make *your* laws so as to prevent me from accomplishing them? As long as your laws are as they are I will act as I have acted."

The expression "your laws" impressed me as exceedingly significant. This man was a citizen of the United States, was supposed to exert much influence upon our elections because of his unlimited means, and yet he said "your laws," indicating that he considered himself without the pale of Republican fraternity. Then his remark, that he would act as he had acted until prevented by punitive legislation, amounted to saying that his deeds could not be controlled by anything binding only in the forum of his conscience. Nothing but a penal enactment could hold him to moral rectitude. His attitude was indeed piratical. While he did not sail upon the ocean flying the black flag, the platform upon which he thus stood, the sentiments he thus announced, and the course of conduct he pursued justified the assertion that he was *hos is humani generis*.

In the present controversy we have familiar instances of similar arrogance. A few days ago a New York dispatch announced that a prominent banker had been waited on by a reporter for the purpose of ascertaining his views with reference to a rumored conversation said to have taken place between the President, the Secretary of the Treasury, and other officials concerning the State-bank tax. The reporter asked this Wall street financier his opinion of the proposed measure. "Well," said the latter, "I have not examined the proposition very closely, but do not think that I would like it. However, there need not be any solicitude, because the Administration will not pass any financial legislation without consulting us; hence there need be no anxiety upon the part of the public regarding the subject."

Another Wall street man was also reported as having been interviewed, and he expressed himself in much the same way; adding, however, that the country would never be satisfied with any bill that did not meet approval of the fraternity to which he belonged. Such men claim to know the sentiment of the people.

A telegram in the Washington Post of Monday tells us that certain bankers in New York City have censured the chairman of the Finance Committee because he has yielded too much to the silver men, and the chairman is spoken of in anything but complimentary terms. His censors declare that he is unfit for the position that he occupies because he has made concessions. The same paper also announces that the Senator from Indiana acted wrongfully in "refusing to consult us."

I have no doubt that if such a request was made, the chairman of the Finance Committee would refuse to pay any attention to it. I know that he would much rather consult a gathering of farmers residing at a point distant from this Capitol and who are unable to come here, than to visit the New York magnates who are now attempting to dictate to him. These people do not appreciate the situation or dignity of the man whom they assail—the chairman of the committee which at this juncture is the most important of this body; a man who has served in the Congress of his country for a large portion of a generation; who has had the confidence of his constituents and of the public; who has labored thus long and earnestly, sacrificing numerous opportunities for advancing his fortune, and above all a Senator of the United States whose obligation to the people is paramount to his duty to any individual.

This man is abused because he will not take his gospel from men whom he has justly criticised and for whom he has properly expressed his contempt for these many years, and regarding whom in his opening speech he told many truths, most unpalatable, no doubt, to them. Nor do they appreciate that the Sen-

ator from Indiana has been placed in an attitude which can not be agreeable to him, because he is antagonizing the views of a large number of gentlemen whose opinions upon the real merits of the silver question do not differ from those which he has long entertained, and vigorously and eloquently championed. If the chairman of the Committee on Finance needs any proof that he is still a good silver man, it is furnished by the opposition of his Wall street critics and their newspaper subordinates.

Whenever I conclude that the Senator from Indiana has abandoned the cause to which he has given the best days of his life I will have no confidence in myself. I differ from him in this instance, but I do not doubt his good faith.

I am aware, of course, that it is idle to talk about the wealth of one person and the poverty of another. Legislation can never obviate this difficulty.

It has often been said that if we were to commence on any given day upon an equal footing, the evening would find us in varying circumstances.

But I have cited the instances mentioned and have referred to want of patriotism of a limited but very powerful class, that the country might appreciate the necessity for the maintenance of those rules which have ever guided this body, and that the Senate of the United States is not subject to the dictation of a dishonest element, however strong it may be.

But a few days ago it was said by the newspaper critics that there was not a Senator upon this floor who had anything to contribute who had not been fully heard; yet we know that Senators who have spoken more recently, as well as others who gave expression to their views earlier in this debate, all contributed to our instruction and the instruction of the country, and each of them spoke upon his conscience, with dignity and with advantage to those who would listen or who may read. I, in common with each Senator, am present because I consider it to be my duty. I am acting in accordance with what I deem to be the sentiments of the masses of my countrymen.

There is an honest difference of opinion as to the wishes of the people. I am absolutely of the opinion that my State is with me. My views upon this subject are not unknown. I have expressed them many times. They have been crystallized at my instigation in the platform of more than one Democratic convention in the State of California. I have never retracted a word that I have said upon the subject of free coinage, and I am here taking the position which I have occupied for years. I believe that we are all endeavoring to do our best, fully aware of the great responsibility resting upon us, and which is not resting upon those individuals who are attacking us; and it might as well be understood now as at any other time that our obligations will be performed regardless of such assaults.

If there is at this time any matter the chairman of the Committee on Finance thinks of sufficient importance to dispose of, I have no objection, though I can proceed if it will suit better. It is convenient either way as far as I am concerned. I do not wish to disturb the regular business of the Senate. It is agreeable to me to yield, and it is perfectly agreeable to me to continue.

Mr. VOORHEES. I prefer the Senator to continue if it is agreeable to him; if he is not tired.

Mr. WHITE of California. I am not at all tired, and I would rather go on.

I lately asked a gentleman who favors unconditional repeal whether he thought we are suffering from a lack of currency, and he said "undoubtedly."

I asked another gentleman, also an enthusiast in the same cause, his opinion, and he stated that we were not suffering from a want of currency. Yet both of them agreed that there should be unconditional repeal.

The Secretary of the Treasury informs us that—

> No greater mistake could be committed than to assume that the present financial embarrassment is caused by an actual scarcity of money in the country.

One of the most eloquent, unconditional repealers, who has spoken during the present Congress, says:

> I venture the assertion that we are not suffering to-day from a lack of money, but from a redundancy of money.

"Redundancy" is defined as being "anything superfluous exceeding what is natural or necessary. Superabundant, exuberant." So that we are suffering from superfluous, superabundant, and perhaps exuberant money.

The cause of our difficulty seems to be, according to this theory, that we have too much of a good thing, a proposition which, however much it may be appreciated by others. I and my friends decline to believe, for not only do we discover that money is not superabundant, but that it is uncommonly difficult to procure. Or, if there be such a redundancy, the elusive character of the metal may account for our failure to hold it. The more common view taken by the friends of the pending bill seems to be that money is scarce, and consequently the business can not be done.

I mention these conflicting views to show that our opponents can not reconcile their argument. It is plain that the repeal of the Sherman bill can not be insisted upon on the theory that our circulation is too contracted, because the effect of that measure has necessarily been to increase the circulation. And it is equally obvious that no argument based upon the hypothesis that we have too much money will ever be considered sound by men who have not enough to transact their daily business.

It is a fact, as stated by one of the very able speakers who has addressed the present Congress, "that one dollar in actual circulation, moving about in business circles with rapidity, is worth any number of dollars fastened up in a safe or located in a bureau drawer." He might have added that one dollar in circulation is of greater commercial importance than any amount of precious metal which may be buried under the Sierra Nevada Mountains. It ought not to be difficult to convince a man who is ready to recognize the effect of a logical statement—that it is much easier to get a dollar when there are a million dollars in circulation than to obtain such dollar when there are only a thousand in existence.

If not novel it is at least worth noting that in this day and generation an ample circulating medium is a bad thing. Why can not we support as large a circulation as France? We need a more liberal circulation than that country.

Taking the position of our opponents, it may be summarized this way: If contraction is bad, the Sherman law caused contraction: if expansion is bad, the Sherman law caused expansion. The Sherman law is indeed a most unfortunate enactment. It excites my pity. I feel for the unfortunate measure. It has no friends. According to the statements of those who voted for it it never had any friends. Most of them supported it because in its absence silver would be more liberally dealt with. These gentlemen, who were farseeing, if not particularly candid, knew that the Bland-Allison act was more favorable to silver, and hence they were willing to substitute. The Democrats were aware of the same thing, and they voted against the Sherman bill, because, although they preferred free coinage to any such measure, they nevertheless desired the Bland-Allison act rather than the Sherman act.

Under these conditions it is suggested by a Democratic Administration that the latter act be repealed. The Bland-Allison act having already departed this life, silver is to be hopelessly abandoned.

Said the author of the bill under consideration, in speaking of the same:

> The bill proposed here would not demonetize a single silver dollar now circulating in any part of the country; the bill has come, not to destroy but to save; it has come, not to strike down silver but to place it at once and forever on an impregnable basis with gold in the circulation of the country.

Says the President of the United States, in his message to Congress:

> At this stage gold and silver must part company, and the Government must fall in its established policy to maintain the two metals on a parity with each other.

So the author of the bill introduced it for the purpose of saving silver; and the President recommends, urges, and insists upon its passage so that silver and gold shall part company.

I do not desire to convey the idea that I doubt the good intentions of those who here hold opinions differing from my own, but good intentions will not suffice. Said Mr. Webster:

> Good intentions will always be pleaded for assumption of power, but they can not justify it even if we were sure that it existed. It is hardly too strong to say that the Constitution was made to guard the people against the dangers of good intentions, real or pretended.

It has been charged that those who are opposed to unconditional repeal are endeavoring to attach something in the nature of what is commonly called "a rider" to the bill. This is entirely unfounded. The act in question proposes to amend the Sherman law by repealing one of its clauses. It is admitted that there must be further financial legislation, and yet it is sought to first accomplish a repeal and then afterwards to prepare that which logically should be an amendment or a substitute. The argument that because people are frightened and have been deluded by monometallists into the belief that the Sherman law is in some way connected with their misfortunes we should vote contrary to that which we hold to be common sense, is unworthy of consideration.

It is our obligation to explain to the people the bearing of the Sherman law upon the country, and thus restore confidence. Instead of pandering to a meaningless panic we should reason with those who have participated in it. It is palpable that the addresses that have been made in this Chamber and elsewhere have done much to convince the public that there is nothing in the pretense that the Sherman act is at the bottom of all our misfortunes.

It is true that some capitalists threaten to get up another panic, but I do not believe they can succeed. At all events, it is not a bad idea to find out who controls this Government.

Those who are opposed to unconditional repeal have appreciated the pleasant references made to their exertions by the New York World. I remember seeing some articles a short time since in the St. Louis Republic. That newspaper was edited, as we all know, by the distinguished gentleman whose pen now writes from day to day our obituaries in the World.

Mr. COCKRELL. In the New York World?

Mr. WHITE of California. In the New York World. I believe about the middle of last May he transferred his services to that journal, and from that stand he is writing to us and of us.

I have been looking up the St. Louis Republic during the period of this gentleman's occupancy of the editorial chair. I am about to report the result, not to make him experience unpleasant sensations, for that I would not do, but because he was the chairman of the committee on resolutions of the last Democratic national convention, and from the platform he read to the assembled Democracy the party principles there adopted, with the exception of the change in the tariff plank, which was made upon the floor. As to the silver plank, it came from the committee over which he presided, and he personally read it. His declarations now are valuable for another purpose.

Senators have been annoyed at his remarks, but I desire to assure them that the New York World does not mean a word it says upon this subject. The harsh expressions therein contained are used in a Pickwickian sense, and when Senators are charged with a violation of duty by this gentleman, he merely acts as the instrument of another. He is there to write for that side. He does not pen his real sentiments. I am endeavoring to vindicate him, and hence, I wish to show you his actual opinions, not only to exonerate him, but likewise to present the arguments to the Senate which he formerly utilized and which are deserving of consideration.

In the St. Louis Republic of April 4, he said:

A Senator is quoted as saying that Mr. Cleveland is amazed at the strength of the free-silver element in his party. That is nonsense. Mr. Cleveland knows very well that nine hundred and ninety-nine Democrats in every thousand are standing squarely on the declaration of their party platform in favor of the coinage of silver and gold without mint charge and without discrimination against either metal.

NINE HUNDRED AND NINETY-NINE DEMOCRATS IN EVERY THOUSAND.

It is good news that the proportion is thus large, but I am led to fear that it has been reduced somewhat hereabouts. I have never doubted that the mass of the people were that way. I presume that this article may be considered accurate as applying to the people rather than to Congress.

Again, he said in the same paper on April 26 of this present year, but a very few days before the World articles were put before us:

The financial plank adopted at the Chicago convention as part of the platform on which the Democratic party defeated Harrison, would form the basis for an admirable Treasury policy—a policy of bimetallism, first, last, and all the time. It would furnish admirable reading for Secretary Carlisle whenever a few dozen millionaires and a few hundred speculators try to convince him that they are the people.

This is solid reading. There is truth in it, I admit; but such an announcement would not look well in the New York World.

In an editorial appearing in the Republic less than a week before the gentleman quoted commenced work upon the World, under the heading "Against a ruinous contraction," we find the following:

It ought to be generally understood that the present policy of redeeming the Sherman silver-bullion notes in gold only is temporary, and that the Democratic party is so far from being committed to it that it disapproves and condemns it. This is borne out by the party's record since 1873, as well as by the national platform adopted last year at Chicago. Democrats have never ceased to denounce the demonetization of silver.

Then follow some references to the Senator from Ohio [Mr. SHERMAN], which I shall not read.

In the Republic of May 9 our friend makes the following savage declaration:

Secretary Carlisle has demonstrated that with the aid of the West and the South he can maintain the Treasury reserve fund, and the New York banks can go to thunder.

That the Republic had but little faith in the panic is illustrated by the following, taken from the issue of May 8:

Having discovered that the rest of the country pays no attention to a "panic" among its gamblers, and that Secretary Carlisle can not be stampeded by a speculative "squeeze," Wall street may be expected to pull itself together this week and indulge in some wholesome meditation upon the fact that its control of the finances and trade of the country are irrecoverably lost.

The course since pursued by our editor implies that Wall street has pulled itself together and has pulled the editor of the World.

In the issue of May 8 I find this:

Well, Wall street has had its threatened "panic," and what is the result? A few lame ducks are fluttering from additional wounds, some of the water has been squeezed out of the inflated stocks, and the legitimate business of the country goes on steadily and prosperously. The time when a flurry among Wall street speculators could bring on a crash in the finances and trade of the country is gone forever and the country's business is all the healthier for it.

That this teacher of the people was right in his faith as to the brief life of the panic is corroborated by the views of our very excellent and able Comptroller of the Currency, who in an address delivered at a dinner tendered to him by the bankers of Chicago on the 14th of this month, said:

One of the greatest dailies of New York, in the introductory to an account of a dinner there given two months since, at which I had the honor to be the guest, said: "Amid the crashing and toppling of Western banks the bankers of New York, Republicans and Democrats alike, met last evening and gave expression to their faith in the financial stability of our country. It can be but a source of natural congratulation that the gathering of to-night is under other and different circumstances. The disasters then threatening, happily for us all, have passed away. No longer banks are suspending and factories closing, but, instead, reopenings are the order of the day, and whirling spindles and smoking forges are furnishing labor for the army of unemployed."

But I am digressing. Some one may say that there is no inconsistency in the attitude of the editor of the New York World, because he may be in favor of silver and yet desire to repeal the purchasing clause. But that he was a vigorous opponent of unconditional repeal is manifest from the St. Louis Republic of May 8, where occurs the following:

It is reported from Washington that a poll of the House of Representatives shows a majority of 35 in favor of the free coinage of silver. In such a House it will be easy to redeem the pledges of the Democratic platform to repeal the Sherman law and to substitute for it the coinage of both gold and silver, without discriminating against either metal and without charge for mintage.

This is very important, not because it illustrates the inconsistency of a gentleman who was expressing his sentiments in the St. Louis Republic on May 8, and who, though he writes editorials for the New York World, does not express the same views therein—for the question of his consistency or inconsistency is not vital and is only valuable as evidence tending to show the exact situation of the contest—but because he is a prominent member of the Democratic party. He certified to the silver plank in his party's platform. Not only did he certify to it, but he was chairman of the committee which framed it, and he actually read it to the assembled Democracy, and it is with pleasure that I refer to his construction of that platform, and that I call attention of Senators to the circumstance that he agrees that the Sherman law should be repealed, and that there should be a substitute for that law providing for the coinage of both gold and silver without discriminating against either metal and without change of mintage. "So say we all."

Mr. PALMER. If the Senator will allow me to interrupt him, I wish to say that Mr. Jones did not read the declaration of principles, according to my remembrance. I was on the platform at the time, and I think it was read by the Senator from Wisconsin [Mr. VILAS].

Mr. WHITE of California. My impression is that Mr. Jones went up to read it; but that is quite unimportant.

Mr. PALMER. I know that.

Mr. WHITE of California. My impression is that the Senator is mistaken, but I may be in error about it. I am not at all dogmatic on that point. My recollection was that way, but it is a matter which did not impress me very much then.

Mr. BATE. I would say to the Senator from California that the gentleman to whom he is referring was the chairman of the committee on resolutions.

Mr. WHITE of California. Yes, the chairman of the committee. On reflection, I think the gentleman took the stand with the platform and then the Senator from Wisconsin read them.

Mr. PALMER. Yes, that is my recollection.

Mr. WHITE of California. Well, he stood by it. [Laughter.]

Mr. PALMER. Oh, yes.

Mr. MCPHERSON. The Senator may remember another thing which perhaps may be of importance in that connection. The gentleman to whom the Senator from California refers was not the chairman of the subcommittee which formulated the draft of the platform, nor a member of the subcommittee.

Mr. WHITE of California. I spoke not of a subcommittee, for a subcommittee is not the committee. I spoke of the committee. Hence I do not concede that I have been corrected. The gentleman I referred to was chairman of the committee. I do not mean to say that he wrote this particular plank; that he actually sat down and penned it. I do not know who penned it. It has a composite appearance in some aspects; but let us not be too technical in this matter. He was chairman of that committee. He came into the convention, and another gentleman, it seems, took the resolutions and read them to the convention.

We are now told that a subcommittee drafted this plank. All right, but that gentleman was chairman of that committee. He was not only as responsible as any one of the members, but was,

under all rules, more directly concerned than anyone else with reference to its framing. It suited him, Mr. President, for in his paper he declared for that construction which we here contend for, and which is justified by the terms of the instrument.

On May 5 the same editor remarked in the Republic:

Gold is not heavily exported from the Mississippi Valley, because it loses in value by abrasion so that it is not worth its face, and because its weight makes the expense of freight a very considerable item. To secure its exportation, however, the Federal Treasury can pay the freight on it and store it in the New York subtreasury, giving Western and Southern holders greenbacks and silver certificates in exchange. These will answer every purpose of money, and by continuing this process of collecting at public expense as much gold as possible in the New York subtreasury it will be comparatively easy to get it out of the country. Perhaps after all this would be the best way of solving the gold question.

And now he is afraid that gold may leave us. In the issue of May 2 there is a very pointed editorial attacking Wall street and commenting upon the ability of Mr. Carlisle to resist the importunities of the speculators. On that day, among other wise utterances, the Republic said:

The quicker the extra session of Congress is called the better. In no other way can Secretary Carlisle be so well defended from the Wall street speculators and money dealers, who are determined to control the Treasury in spite of the Democratic platform.

But, sad to relate, Mr. Editor, the extra session was called, and the Democratic majority of 35 to which you referred passed away, and because of influences, the nature of which I do not absolutely know, but which have been surmised to be various, this majority was obliterated, and the cause that was in the ascendant failed of support, and the Senate of the United States at this moment is striving to resist the Wall street speculators and the money dealers who are determined to control the Treasury in spite of the Democratic platform, a platform which you, Mr. Editor, helped to make and for which, as far as this plank is concerned, it afforded me pleasure to vote.

Again, in an editorial of May 12, just on the eve of his departure to New York, the gentleman already quoted says:

In the first place let us dispose of all questions about the Democratic national platform adopted at Chicago by pointing out that the policy on which the Federal Treasury is now conducted is Harrison's policy as carried out by Mr. Foster, of Fostoria, late Secretary of the Treasury, as the representative of the Wall street ideas illustrated in the careers of Messrs. JOHN SHERMAN and Zimri Dwiggins. As this policy was adopted by the Harrison Administration considerably before the meeting of the Democratic national convention, as that convention condemned in sweeping terms the entire financial policy of the Harrison Administration, as from that day to this there has been no change in the policy so condemned, it is evident that neither the Democratic platform nor the Democratic party is in any way responsible for it. Democrats have not yet been able to rally to the support of Mr. Cleveland in such numbers as to force a change, but they will do so, and that in the near future.

"In the near future," did you say? I should fix it "in the sweet by and by."

It is a matter of regret that the "rally" has not been had, or if had, that it has been ineffectual.

Continuing in the same editorial, this ex-chairman of the committee on resolutions of the Chicago convention says—and this is *ex cathedra*:

The bimetallism of the Democratic party means that silver and gold shall be freely coined at the legal ratio and treated by the Government as legal tenders of equal value when so coined. Under this policy silver would be paid out at the convenience of the Treasury and we would hear nothing more of the talk about the drain of gold.

This committee chairman ought to know.

Why do not the advocates of unconditional repeal change their tactics, and while amending the Sherman law substitute in lieu of the purchasing clause legislation that will allow silver and gold to be freely coined at the legal ratio? Is it necessary to hold meetings of committees and to deliberate weeks and weeks in the preparation of such a silver measure? If the promises made in the bill introduced by the Finance Committee are to be realized, let the realization be had.

I desire to say here that the honesty and elevated character of several well-known bimetallists, who have been induced by readily made promises to support unconditional repeal, render these gentlemen incapable of suspecting that which I feel confident is a fact, to wit, that they will not be allowed to give us any financial relief. Why not introduce a bill in the House of Representatives covering this subject? Why not do something, gentlemen? Move a little. We yearn for your proposition which is to be crystallized into a financial law. "Hope deferred maketh the heart sick."

We have made promises *ad nauseam*, but promises are always unsubstantial if there is a lack of faith in the intention or a want of ability to perform.

Said the St. Louis Republic on April 30:

An esteemed and acute reader of the Republic writes that in less than a week after the Boston bankers have been kind enough to give Mr. Carlisle their gold for greenbacks they will send some one with the greenbacks around to the New York subtreasury to draw out the gold again. This is entirely within the range of possibilities. In fact, it is greatly to be feared that these people are having fun with Mr. Carlisle. But he is entirely too high-minded to suspect them of it.

I fear that these people are having fun with a great many able, distinguished, and conscientious gentlemen.

In a late issue of the World the junior Senator from Kentucky is referred to as a worthy successor of Mr. Carlisle. In this I agree; but let me say to him and to the chairman of the Finance Committee, and to other Senators who are and for years have been friends of bimetallism and the earnest advocates of free coinage, that it is greatly to be feared that these people are having fun with them, and permit me to urge in tones of caution, that it will not do to have too much regard for the promises of men whose lives have been devoted to making of fortunes because of the mistakes, inadvertences, and confiding manliness of those with whom they have dealt. And such are the persons who are seeking to delude us by assurances of relief to come.

From the Republic, May 9:

The only sound money for America is a currency of gold and silver, freely coined. Any sort of a bank note is unsound money. Any delegation of the sovereign power of issuing money or tokens of exchange to any corporation or individual, to any bank, State or national, is one of the worst forms of robbery ever devised against the people, and it ought to be resisted by them to the last extremity.

How would that editorial read in the New York World? It is a sound editorial. I indorse it. I also agree with the Republic in its editorial of May 10, wherein the following advice was given:

The talk of humiliating Mr. BLAND of Missouri merely because he insists on representing the rank and file of the Democratic party will end in talk and nothing else. The people who undertake to turn Mr. BLAND out of the Democratic party will have to turn the party out with him.

That is severe.

In the Republic of May 9 there is an editorial entitled "Money and Sovereignty," wherein, among other things, the editor in commenting upon the attempt of the national banks to control the Government, says:

If the Democrats of the Valley allow their flank to be turned by the plutocrats of Boston and Wall street; if they surrender the principle of a bimetallic currency, freely coined; if they fall in with the Northeastern plutocratic policy of contraction of the national currency; if they sell the birthright of the people for the concession of getting into local circulation a lot of stuff counterfeiting money and passing as money with the ignorant, though under the Federal Constitution a wagon load of it can not be made to pay a dollar of the enormous debt we owe to the Northeast—if this is to be done and the sovereignty of the people is to be delegated to corporations which with such a delegation will be the people's masters, then we will have in the United States such a condition of complete collapse and ruin as will show what folly it is to try to divorce finance from common sense and common justice.

I wish it to be understood that I do not press these utterances upon the Senate for the purpose of inconveniencing or injuring in the slightest degree the gentleman who promulgated them. But in addition to the reasons that I have already given, I regard his arguments while he was upon the Republic as cogent, and am willing to adopt a greater portion of them, certainly those which I have cited. As he was the leader of those who made the national platform, I am delighted to know and to promulgate that his view of the meaning of that platform wholly coincides with mine. I am confident that he will be grateful to me for my explanation. His present employment embarrasses his opinions and if perchance he should say aught seemingly harsh you must not forget that he can not help himself. Some, not all of our Eastern metropolitan newspapers, have pursued in many instances a course that can bring them no credit. It was truly said by the Senator from Colorado [Mr. TELLER] that the days of great editors, who molded the opinion of the country by their honest and brainy arguments, seems to have departed in many parts of the country. The Hessian there holds the boards. Of course we have an able, honest, and fearless press. I am not speaking of that press.

I have heard it stated that the effect of an increase of currency will be to injure the poor depositors whose money is being kept by the New York and other banks. It is true that the banks are in debt to the depositors. When one of the advocates of the pending measure, who claimed that its defeat will enrich the New York bankers, was asked why do the New York bankers favor it if its passage would be of such vast assistance to their depositors, he responded that the New York bankers would not take this money because they had learned that "honesty is the best policy." I confess I do not credit this. I do not think that the New York bankers refused to make $20,000,000 because "honesty is the best policy." They may be very good men, but they have not been subjected to this temptation.

It is sought to persuade us that the bankers of the country are in debt, and that farming communities especially are all right because they produce something, and the world at large must buy their products. But the farmers are very largely mortgaged. I have shown that the percentage of tenants is increasing. The more corn and wheat they raise the poorer they get, because it costs more to produce the crop than it brings in market. Of course they can eat some of their wheat and corn—and I presume that this satisfaction is deemed sufficient to afford them happi-

ness—but when they are all reduced to a condition of tenancy, they may be denied even this right.

THE UNCONDITIONAL REPEAL OF THE SHERMAN LAW MEANS NO LEGISLATION IN THE INTEREST OF SILVER OR IN THE INTEREST OF ANY CURRENCY EXCEPT GOLD.

Delenda est Carthago! thundered the imperious Roman. Silver must be destroyed, declare the monometallists of to-day.

The bill reported to the Senate by the Committee on Finance contains, in addition to the ordinary legislative matter, a promise that Congress will do better than the terms of the bill indicate.

It is a Congressional function to enact a law which becomes effectual when signed by the President, or when passed notwithstanding his dissent. Beyond this the Senate has no power to go. A resolution such as that contained in the Finance Committee's bill may be aptly denominated a *brutum fulmen*—it is without the jurisdiction of this body. Its incorporation into a law is the mere injection of extraneous matter wholly illogical and trifles with the public.

It is the function of Congress to enact laws, not to promise such enactment. We have no jurisdiction to enter into a contract to enact such a measure. Such a promise will not bind our successors, nor can it bind us.

The man who will accept that declaration in lieu of that to which the declaration admits silver is entitled, would be willing to subsist upon assertion in lieu of substantial nutriment.

I can not question, as I have said, the good faith of the chairman of the Committee on Finance. His eloquent address in advocacy of the bill which he reported demonstrates that he is not in sympathy with what I believe must be the effect of such legislation. That he has been induced to report and support it is no argument reflecting upon his integrity. He is acting *bona fide*. He thinks that if Congress repeals the Sherman law, that a measure akin to free coinage will be passed and signed by the President. That the chairman of the Committee on Finance has faith no one will deny, in view of this condition of affairs. I am aware that he favors the free coinage of silver.

I know this, because he has said so often and splendidly. He has been led to believe that if his bill becomes a law, silver will find advocates in the ranks of the repealers. I am not without confidence, notwithstanding the times, but I hesitate before this decidedly testing proposition. To be candid, I think that the unconditional repeal of the Sherman act is the end of financial legislation for the present. While I know that many gentlemen think there is a financial system approaching, I nevertheless assert, that those who are dictating the present movement aspire to ruin silver. It is sought to delude the Senate into the belief that the Administration is utilizing its utmost brain work to put silver upon its proper level; and it is supposed that the Chief Executive is engaged in this arduous task, notwithstanding the fact that he has squarely declared that the hour has arrived when gold and silver must part company. He does not equivocate. He is now, as always, positive and direct. He has not said a word calculated to deceive anyone.

There should be no question in the mind of any gentleman here that the unconditional repeal of the Sherman bill ends financial legislation for this session. This is true for several reasons. First, because Congress, under present influences, will not pass any remedial legislation; secondly, because if such legislation were enacted the Presidential veto would be interposed.

I will say now that I have no patience with that view of duty which practically concedes the right of the Executive to do the thinking of the Senate. It is his duty to recommend. This he has done. It is our duty to consider his recommendations without fear, favor, or affection. This I am endeavoring to do. The Senator from Texas [Mr. MILLS] said tersely and forcibly the other day that the departments of government must be kept strictly apart. I agree with him, but do not concur in the inferences properly deducible from his more recent remarks upon a kindred question.

Some one has said that he has followed the President's leadership. So have I. I did my best to promote his election in my State in 1884 without results. In 1888 I had the honor to preside for half the time over the national covention which nominated him for President of the United States. I was a member of the last national convention, and my delegation voted for him solidly.

In my State exertions were made last year independent of the slightest aid from the national committee in anyway whatever, which brought California into the Democratic fold. I have always defended him and know him to be fearless and honest. Hence I say that my attitude towards him can not be questioned when I speak of it as being friendly. But as a Senator I criticise Executive declarations as a matter of duty, and because I deem it right so to do. I have taken a position from which I do not propose to retreat until satisfied that I have made a mistake.

IF THE INTRINSIC MERITS OF THIS CASE ARE NOT SUFFICIENT TO SATISFY A FRIEND OF SILVER THAT UNCONDITIONAL REPEAL IS A DEVICE OF THE GOLD MONOMETALLISTS, THE SURROUNDINGS OUGHT TO SUPPLY ABSOLUTE PROOF.

We find the Republican party practically solid in favor of unconditional repeal. We discover the authors of the demonetization of 1873 and all the admitted monometallists insisting that unconditional repeal is the salvation of the country. But we find the President of the United States, who positively declares that gold and silver must part company, appearing here through his message and urging us to unconditional repeal as the means of carrying out his policy—that is to say, that gold and silver may part company, Mr. Cleveland asks us to unconditionally repeal this law. If the consequence of unconditional repeal is to force silver away from gold's companionship, no one who believes in silver can support the scheme.

Mr. Cleveland's ability is conceded, and he tells us flatly that he asks for this repeal so that the divorce of the metals shall be rendered effectual. no conditional decree does he propose; it must be absolute and complete. For my part I prefer to stand with the masses of the Democratic party, whom, I am persuaded, approve of the course of whose leadership I am following. I regret that the Democratic side of the Chamber is not united. I know that there are able and conscientious gentlemen on the other side, but I think I can see Democracy standing with a tear upon her cheek and looking reproachfully at those who have long been her champions and wearing an expression that seems to say:

Shall we then meet as strangers,
After our dreams of joy?

Permit me to ask the friend of silver who urges unconditional repeal to consider his associates in this matter; to remember the history and sentiments of the majority of those who are acting with him. There are in that advocacy able and loyal men upon this side of the Chamber who have been in many a Democratic campaign and whose integrity is indisputable. There are enlisted in the same cause Republicans who have done great service to their country and whose names are linked with the story of her greatness; but let me ask the advocate of unconditional repeal to point out a Senator or any individual in or out of this Chamber who is an absolute gold monometallist who is not in favor of the pending measure.

IS IT UNNATURAL THAT THE SILVER STATES SHOULD APPEAL TO CONGRESS TO DO THEM JUSTICE, AND HAS CONGRESS ANY RIGHT TO REFUSE THE APPEAL?

Colorado became a State before the Hayes-Tilden election. Had it not been for Colorado Mr. Tilden would have been President. The Electoral Commission would not have been heard of.

I have attempted to present the questions involved here without reference to the interests or desires of any particular State. I recognize that the legislation which Congress is called upon to enact involves something beyond personal profit; that it comprehends more than the advancement of individual views, or the vindication of personal theories. Hence, I have sought to argue the pending issue regardless of advantages which might be conferred upon a particular person or section by the adoption of the sentiments to which I subscribe; because I have recognized and do recognize the truth that it is the duty of the Government to do that which is for the benefit of the greatest number and to adopt that policy from which will flow the largest amount of happiness.

Colorado was admitted to the Union at a time when she was able to accomplish the triumph of a Republican President. Wyoming and Idaho were also admitted, mainly by Republican endeavor.

I do not mention these circumstances because I have any doubt of the right or duty of Congress to admit these States. Had I been here I would have voted for admission. In this struggle Colorado and Montana find that they are the principal silver-producing States. Idaho relies largely upon the same industry. Wyoming is tributary in a degree to the territory covered by these States, and Colorado, by whose vote Mr. Hayes became President, finds itself in direct antagonism to the Republican party. I am a Democrat, firmly convinced of the correctness of my party's principles, and yet I stand here to defend the cause in which the efforts of Colorado and Montana and Idaho and other silver-producing regions and their dependencies are enlisted. I do this not because I believe that silver should be sold to the Government for the benefit of silver-producers, but I hold to my present view because I am satisfied that the cause of silver is not restricted to silver States and is not bounded even by the confines of this Republic, but is circumscribed alone by the limits of civilization.

I have attempted to show why this country should maintain silver coinage, and I have not said one word in support of the notion that the United States should assist in the use of this metal because certain States were greatly interested in its production. But I confess at this time to a feeling for the silver

States. They were called into the sisterhood of the American Union by the Republican party, which at this moment laughs at their distress, smiles at their ruin, and plans their disintegration. These States come to this Congress possessing the same sovereignty enjoyed by Massachusetts and New York. They ask for friendly, nay, they have a right to expect affectionate treatment. They are met with the cold-blooded announcement that their inhabitants are few in number, their taxable property immaterial, and that for such reasons it is not a mistake to immolate them upon the pyre erected by the magnates of Wall street.

Here I pause to set my foot firmly and immovably. I ask for the enforcement of no policy destructive to our common country, but I demand square behavior toward every member of that Union whose permanency has been decreed in the storm of battle and proclaimed by constitutional declaration. Colorado, Montana, Wyoming, and Idaho may not dictate to their American sisters, but they can not be ignored or repudiated. If there are any bright pages in the story of the Republican party, they are to be found in the record of that great struggle which culminated in the organic announcement which inhibits secession. My Republican friends, you wooed Colorado, Idaho, and Montana into the fold; you brought them here upon the implied promise that they would be benefited by the affiliation. You solicited them to enter into a governmental contract from whose obligations they might never be discharged, and having thus tied them to you, you are crowding them to the wall.

Here in this hour, when the sunlight of liberty illumines the afternoon of the nineteenth century, you tell us that these States have no rights which you are bound to respect. This I deny. I am a believer in the reformation of the tariff. I am perhaps radical in my theories, and yet when I am brought to the task of altering an instrument based upon a different plan, which is the result of the legislation of a generation, I will not hesitate to consider the status of those whose property has been invested and whose experience has been had under another policy supposed to be fixed and lasting. I comprehend what the destruction of the silver industry means to Colorado, Montana, and Idaho. I have no interest in either one of those Commonwealths except the interest which ought to be felt by each citizen of the United States.

But I know that the enactment which is contemplated means the ruin of the silver-mining States. You object because those States produce. Why should they not produce? Why should their citizens not demur to a programme which must degrade and bankrupt them? Throughout all nature the oppressed protests against the oppressor. History is pregnant with such examples. But reasonable beings do not monopolize this characteristic. The least of God's creatures yield obedience to the same law. Scarcely a worm crawls that does not resent the heel of the intruder; the serpent strikes, the poisonous adder hisses when man places upon them the pressure of unfriendly contact; the sheep fiercely defends its offspring; the trembling and wounded deer strikes the hound with deadly power. The harmless dove, bending its powers to their utmost tension to escape its destroyer, and spending its ultimate energies to elude the pursuit of its dreaded adversary, screams in pain and terror as it falls beneath the talons of the kite. And shall we wonder if a Commonwealth, organized under our Constitution and conformable to our laws, shall protest against the enactment of a statute which shall substitute ruin for prosperity, sadness for joy, and which shall render her incompetent for existence: which shall exile business from her cities, drive the miner from his home, and leave to the eagle, the emblem of our liberty, to signal desolation from its mountain eyrie?

Mr. President, if it is desired to aid the cause of silver, why can we not incorporate in this bill an effective recognition of that metal? It is idle to pretend that the subject must be more fully considered. Complaint is made by parties within this body, and parties without, to the effect that the Senate is taking up too much time.

Why do not the gentlemen who are becoming restive utilize their industry and their talents in suggesting a financial measure such as will meet the admitted demands of the country? Why is it that they are incapable of doing this now, when, according to their theory, they will be able to bring about the wished-for scheme later on?

What hope can the people of the United States justly entertain that a body incompetent to devise ways and means, in the month of September, 1893, will develop proper qualifications later in the season? Does the climate affect the financial ability of the antisilver people, and if the weather is not favorable to the solution of the broader question, I can not understand the point that this is a good time for the enactment of the pending measure.

The President of the United States holds out no hope to those who are upon our side of this question. He flatly repudiates silver, and those who know Mr. Cleveland and are aware of his firmness of character, do not doubt that he will, as I have said, at once veto any measure designed to accomplish any of the results for which the friends of silver are struggling. I am no prophet, and I do not claim to possess any kindred gift; but the most ordinary intellectuality can safely be depended upon to foretell the action of the President should a separate measure extending the circulation of silver be presented to him. He is anxious to repeal the Sherman act, and while he would not favor an amendment recognizing the two metals as money, still, if he could not obtain the repeal of the purchasing clause in any other mode, it is probable that he would acquiesce in a fair compromise—a compromise in public interest.

Senators may ask, What plan do you suggest? Mr. President, we are not in a position to suggest an amendment, because it is openly stated that those who have this bill in charge will not accept any amendment. They are absolute repealers—nothing else. If we defeat unconditional repeal, they will perhaps descend from their lofty eminence and talk fair. As it is now, we are informed in advance that there is no midway place of meeting; that we must cross the street and present ourselves in humble homage before the unmoved champions of absolute repeal.

The law does not require that which is useless. If, owing to business relations with you, Mr. President, it is my duty to make you a tender before a cause of action arises in my favor, and if you notify me that it is not worth while to make such a tender—that you will not accept it—then I am exonerated from the obligation and am not forced to do that which must necessarily be vain. Such is our position here, and such must it continue to be as long as our opponents declare that they will accept no compromise.

I may be permitted to urge that there should be no doubt of the good faith of those who are contending upon either side of this subject; and that being so—and I address these remarks particularly to those of my own political faith—it is obviously our duty to come together and make a reasonable and rational arrangement, one that can be accepted without humiliation by all parties. Unless the Democratic members of the Senate shall come together, the consequences to the party, and therefore to the country, must inevitably be disastrous. The personal ambition or interests of one individual or of a few individuals ought not, it is true, obstruct the course of party policy.

But here, where probably a majority of the Democratic Senators are firmly convinced that the unconditional repeal of the purchasing clause of the Sherman act should not be carried out, it is not only rational, but common sense, to say that their opinions ought to be respected, at least to the extent heretofore indicated. I do not think that the wildest man on Wall street is foolish enough to claim now that the bad times, regarding which we have talked, have been brought about by the Sherman act, or that good times will come because of the repeal of that act. Such an argument will be considered puerile in the near future. Such is the general verdict.

I have brought to the consideration of this subject no feeling of personal advantage. The statistics before the Senate demonstrate that California's interest in silver is but little more than that of any other State in the Union. As far as the metals are concerned—and they constitute but a small part of her wealth—she is a gold-producer, and will remain so for many years. In fact, I doubt whether half of her mineral wealth has been extracted. But the masses of our people, and I truly believe the masses of the people of the United States, favor the freer use of silver and its fair and liberal treatment. I am for dealing justly by every State within the Union, and as one of the representatives of California, I would feel derelict if I did not express myself fully and freely upon the issues here pending, regardless of the stupid assertions of certain newspapers who seek to dictate our conduct.

Mr. President, I do not desire that anything I have said shall be construed into an intimation that I fear that this Republic has anything but a glorious future. I have sought to point out rocks in the pathway of her progress, and have endeavored to picture and combat those evils which I consider for the moment threaten her. I have every confidence in the honesty of the masses of our electors, and do not permit myself to question that they will in the end solve all problems rightly. Our country has met and has overcome dangers seemingly insurmountable. After she threw off her allegiance to the British Crown, and when she had but partially recovered from the effort of her birth, she was assailed by her former antagonist, the most powerful of nations; but the bravery that had been sufficient to win her emancipation and to make good the declaration of her independence was fully adequate to the task of defending her institutions.

Without speaking of her war with Mexico, I may refer in demonstration of her wonderful capacity not only to the great civil strife, wherein the lives of thousands of her bravest

sons and millions of her treasure were yielded that she might not be dismembered; but more remarkable to me even than this has been her recuperation since that struggle, not so much financially, because her resources are unparalleled and the result natural, but I speak of the Union, not merely in theory but the union in fact. When I behold men who have bravely fought in opposing armies, and who bear upon their bodies the proof of that valor to which unborn generations will turn with pride and amazement, sitting together in this Chamber and mingling with each other and acting in common endeavor to promote the happiness of the people, I am driven to the conclusion that we may err for a time and may suffer as the penalty of our error, but we can not follow mistaken counsels to destruction.

Nor is my faith in the perpetuity of this Republic dependent only upon the ability and patriotism of her people, but the natural advantages which God has given her afford assurances of indestructibility. While Europe has been endeavoring to solve the problems of life for many hundred years; while her population has increased until its extent has begotten the gravest apprehension; while contending armies have passed and repassed, have gone forward and have retreated over almost every inch of her soil; while for ages the oppressor has cruelly disregarded the most sacred privileges of his subjects; while laws have been so framed as to increase the disparity between the rich and the poor; while hereditary titles and so-called inherited respectability have impeded the progress of the masses and maintained in places of power those who have neither the ability nor the integrity to justify promotion, this great continent was undergoing a process of preparation fitting itself for the citizens of to-day. Upon its vast plains the loam of ages accumulated in anxiety for the husbandman's industry. Within its mountains the Giver of all deposited vast stocks of those metals useful to mankind and filled the gravel and rock of the Sierras with gold and silver—the money of the ages. Great rivers pierced this mighty domain qualified to bear the burdens of commerce and to carry from market to market goods and products to sustain civilization. Lakes, second only to the ocean, were impounded as if in anticipation of their usefulness to posterity. The eastern and western shores held back the great oceans of the world, and nature seemed to look toward the rising and the setting sun, beckoning Progress to America's shores and tempting her with the choicest offerings. This is the heritage which we have received, and which it is ours to faithfully guard; and while I believe that the step which the supporters of the pending bill demand that we shall take is retrogressive, I do not doubt that, whatever may be done here, this Republic will march on and on. [Applause in the galleries.]

Free Coinage of Silver, Repeal of the Sherman Law, and the 10 per cent Tax on State Bank Notes.

SPEECH

OF

HON. WILLIAM C. OATES,

OF ALABAMA,

IN THE HOUSE OF REPRESENTATIVES,

1893.

The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. OATES said:

Mr. SPEAKER: No question of greater importance touching the finances of the United States has ever come before Congress.

The President has convened in extra session the Fifty-third Congress to deal alone with this situation, and in his message he has invited attention only to the repeal of the purchasing clause of the Sherman act (passed in 1890) as a remedy for all existing financial evils. In this I confess that I am somewhat disappointed, as I am extremely desirous to deal with the entire financial question.

I voted against the Sherman law on its passage, and have never yet seen the day when it met with my approval. It is not only a bad law, but it is the cause of many of the evils from which the country is now suffering; but, sir, I do not believe that near all or even one-half of our financial troubles are referable thereto or flow therefrom.

Wild speculations, extravagance, recklessness, and overproduction, by which latter I mean producing more than the purchasers need or have the money to buy, and the mad greed of the speculators have involved trust companies and banks as well as individuals. No one of the latter class has completely escaped except those of great wealth.

Millions of honest laborers have been thrown out of employment and reduced almost to starvation here in a land teeming with plenty. The trouble began three years ago with the failure of the Baring Bothers, of London, caused by their indorsement of the wild schemes of finance, stocks, and bonds of the Argentine Republic. This was followed by bank failures and monetary embarrassments in Australia. The financial relationship and commercial sympathy between ours and the other nations are such that it was impossible for our country to have wholly avoided the effects of these stupendous failures and financial embarrassments; but to these were added the Republican sham—the Sherman law—unaccountable bank failures and unconscionable speculation upon the part of others, all conspiring to produce the monetary stringency and hard times the people have encountered.

In addition to the Sherman act being an unwise and a bad law, its administration is made the subject of limited criticism.

In April last, when the Secretary of the Treasury, after having made an inroad of some $4,000,000 upon the $100,000,000 of gold reserved for the redemption of greenbacks, it was reported, gave an intimation that he would thereafter, at least in part, redeem the new obligations paid out for the purchase of silver bullion with silver dollars, which the act authorized him to do, but some consideration or influence caused him not to do so.

The truth is that the third section of the act provided for the coining of the bullion bought for the purpose of creating a fund with which to redeem the certificates paid for its purchase. I was in hopes that the Secretary would try that, because it would have been a complete answer, one way or the other, as to whether silver was capable of maintaining itself at par with gold as coined at the present ratio. I am free to confess that I do not believe that it would, but I was anxious to have the experiment tried, that the whole country might see whether silver could maintain itself. The Secretary might have gone far enough to have tried this experiment, but from some cause he refrained, and under that clause in the act which vested him with discretion in paying the obligations of the Government in either silver or gold, he redeemed them entirely in the latter. No doubt he thought this the best policy. I know him well and have great respect for his ability and patriotism.

Sir, I am one who believes implicitly in the maintenance of good faith with the voters of my party. In the last campaign I advocated the three financial provisions of the Chicago platform, and upon them I appealed to my people to vote the Democratic ticket, and succeeded in obtaining many votes on these propositions. They are:

First. To repeal the Sherman law, which was denounced in that platform.

Second. To repeal the tax upon State-bank note circulation.

Third. To favor the free coinage of both gold and silver upon a parity with each other and without discrimination against either metal.

As I meant in the best of faith all that I said to the people, I shall maintain the same here by my votes and influence, limited though it be. The questions involved, in my judgment, are vastly superior in importance to those which have ordinarily been attached to them. While I agree with the President in much that he has said of the Sherman law, and will vote for its repeal, I am utterly opposed to stopping there and as strongly favor embodying in the same bill each of the other financial propositions embraced in the platform.

The friends of free coinage made a great mistake not to embrace the three propositions in their substitute for the Wilson bill. That bill, I confess, is in accord with one of the provisions in the Chicago platform, because it is for the repeal of the purchasing clause of the Sherman act.

The fact that the President has made no other recommendation excites in the minds of some a grave apprehension as to his views upon silver, and they charge him with being a monometallist and in favor of a single gold standard. My opinion is that he is a bimetallist to a limited extent. I regret that he did not more clearly define his views upon silver in his message. It would have avoided much speculation and controversy in this debate.

I construe his position to be that he favors the use of all the silver we now have coined, and doubtless the coinage of the silver bullion owned by the Government, amounting in the aggregate to about $700,000,000, and to use all this silver as lawful money. I do not know of his having said anything to warrant such a conclusion, but I infer that this is his position on account of his great good sense and patriotism. No one doubts that he is opposed to the coinage of any more silver than I have named, and hence he is emphatically opposed to the free coinage of silver on a parity with gold or otherwise. In other words, I think

the President's idea is that this country can not beneficially use more than the $700,000,000 of silver of which I have spoken, and he has not positively declared in favor of that.

The question, then, presented for our consideration, omitting for the moment the repealing the 10 per cent tax on State-bank circulation, is this: Is the President right in his position, or can we carry out the pledge made in our platform, of giving free coinage to gold and silver upon a parity with each other? This is the practical question now before us. That was the pledge of the Democratic platform; and the Republican party is also committed to the doctrine of bimetallism by its last national platform and acts of legislation.

Let us examine the facts and see. I admit that there is some difficulty in showing conclusively the theory and practicability of free coinage, although I believe that all the difficulties can be overcome, and so believing, I feel that it is my duty to assist by legitimate means in accomplishing that result.

The President says in his message:

> Possibly if the undertaking we have in hand were the maintenance of a specific known quantity of silver at a parity with gold, our ability to do so might be estimated and gauged, and perhaps in view of our enterprise, growth, and resources, might be favorably passed upon. But when our avowed endeavor is to maintain such parity in regard to an amount of silver increasing at the rate of $50,000,000 yearly, with no fixed termination to such increase, it can hardly be said that a problem is presented whose solution is free from doubt.

I admit that it presents a probably impracticable question when free coinage is extended to all the silver produced in the world, which last year amounted to 152,000,000 ounces, and to which he evidently has reference when he speaks of the yearly increase of $50,000,000. But I maintain that when applied to the product of our own mines, which last year was but about one-third of the entire amount named, that free coinage on a parity with gold is practicable.

A compilation of the Director of the Mint shows the production and coinage of gold and silver throughout the world during the last twenty years, from 1873 to 1893, to have been as follows:

Gold produced	$2,210,000,000
Gold coined	2,787,000,000
Silver produced	2,400,000,000
Silver coined	2,332,000,000

By which it will be seen that the coinage of gold exceeded its production by $577,000,000; while the coinage of silver was $78,000,000 less than its production.

During the last four hundred years, from 1493 to 1893, the world's production of gold and silver has been—

Gold	$8,204,303,000
Silver	9,726,072,500
Aggregating	17,930,375,500

The world's total supply at present of coined gold and silver, as nearly as it can be ascertained, is as follows:

Of gold	$3,727,018,869
Of silver	3,820,571,346

as shown by the following table, which was prepared by Mr. Leech, the Director of the Mint of the United States, showing official estimates of the quantity of gold and silver coin in all of the countries named therein:

Country.	Gold.	Silver.
United States	$702,018,869	$482,071,346
United Kingdom	550,000,000	100,000,000
France	900,000,000	700,000,000
Germany	500,000,000	145,000,000
Belgium	65,000,000	55,000,000
Italy	140,000,000	60,000,000
Switzerland	15,000,000	15,000,000
Greece	2,000,000	4,000,000
Spain	100,000,000	125,000,000
Portugal	40,000,000	10,000,000
Austria-Hungary	40,000,000	90,000,000
Netherlands	25,000,000	65,000,000
Scandinavian Union	32,000,000	10,000,000
Russia	190,000,000	60,000,000
Turkey	50,000,000	45,000,000
Australia	100,000,000	7,000,000
Egypt	100,000,000	15,000,000
Mexico	5,000,000	50,000,000
Central America		500,000
South America	45,000,000	25,000,000
Japan	90,000,000	50,000,000
India		900,000,000
China		700,000,000
The Straits		100,000,000
Canada	16,000,000	5,000,000
Cuba, Haiti, etc	20,000,000	2,000,000
Total	3,727,018,869	3,820,571,346

It is thus clearly shown by all these statements that while there has been more gold than silver coined in the United States within the last century, there is more coined silver now in use in the world than there is of gold. When silver thus constitutes more than one-half of the metal money of the world, how can its use be dispensed with as a money metal?

There is not now, and never will be, gold enough in the world to supply the people with a sufficiency of metallic money composed of that metal. Silver money is therefore an absolute necessity, and no advocate of a single gold standard can produce any substantial argument to controvert this proposition.

We have among us some wealthy cranks, who possess no reliable information upon the subject, and who know nothing and care less for the actual condition of the poor people of our country. They clamor for such a standard, but fortunately they do not rule this country. Their voices are feeble and they are like angels' visits—few and far between.

Silver is the chief money mentioned in the Bible, and was the first adapted to the use of man in a civilized state. It was the chief money of Greece and Rome; the mediæval currencies of the world were mainly composed of it. It is of good weight, and easily distinguished by its whiteness. It is ductile, malleable, portable, and durable, all of which qualities have for all time commended it to civilized man for use as money.

Gold, which is recognized at this time by most commercial nations as the sole or chief standard of value, in its pure state is almost as soft as tin; yet, when hardened by proper admixtures of alloy, is very durable. Its malleability is superior to that of silver, its appearance richer and more attractive, and its smaller weight carries a much greater value. By our statutes I measure of it is equal to 16 measures of silver. This, however, is now far below the market or bullion value thereof. The statute regulation is arbitrary, and always subject to change by Congress.

These two are so preëminently and universally adapted to use as money metals that for this reason alone they are everywhere denominated the "precious metals." About one-third of their total production is used in the arts, to which they are both peculiarly adapted, and it is estimated by some that more than one-half of the silver produced is thus used. Out of them nearly all metallic money is made, and by money I mean the medium of exchange or representative standard of value.

It is now one of the most important inquiries, and one which should be properly answered, as to what is the true interest of the United States in respect to silver and its coinage as a part of our metallic money.

The present great difference between the purchasing power of gold and silver is due to more causes than one. Recently the power of Great Britain over India has suspended the free coinage of silver in that empire, which of itself has been an embarrassing circumstance to the friends of silver. It is not so much the scarcity of gold which makes it, in comparison with silver, so much more valuable now than it ever was before in the world's history, but it is largely due to the hoarding of it by several of the nations of Europe as an essential part of their preparation to maintain their independence and status in case of war.

One reason why there has been a fall in the price of silver grows out of the fact that by the use of improved machinery its production has been so largely increased and cheapened over what it was in former years that upon the doctrine of supply and demand its price as compared with gold has greatly fallen. The only other reason is that the demand for silver for large coinage has of recent years diminished, while the single gold standard has been adopted by several European nations.

If these conclusions be correct, and I believe they are, it is the duty of those who favor the retention and use of both metals to provide for their free coinage, in the language of our platform, "on a parity with each other."

THE RATIO.

Gold and silver are the recognized money of the Constitution. The principle of bimetallism has been practically adhered to during the existence of our Government. To maintain that principle Hamilton, in 1792, laid down the doctrine which Congress adopted, that the coinage ratio of each metal must be the same as its bullion ratio or market value. Congress then established it at 15 measures of silver to 1 of gold. In 1837, adhering to the same principle, when the commercial ratio had somewhat changed, Congress changed it to the present standard of 16 to 1. The question now is what will we do upon this subject when it takes 28 ounces of silver to be equal in value to 1 ounce of gold?

My friend from Nebraska [Mr. BRYAN] and some other gentlemen have laid down the doctrine which accords with the old Greenback and Populistic arguments, that the fiat of the Government or its stamp will make the silver at 16 to 1 equal to the value of gold. This is done now in respect to our silver dollars, which are declared to be legal tender, but if we adopt free coinage so that an unlimited number of dollars be coined worth at

bullion value, as at present, not more than 65 cents each, how long will the fiat of the Government maintain their parity with gold? It can not do it now nor at any time when we come to deal with foreign countries, and there may be a time when the stamp of the Government would no longer maintain their parity among us. I am opposed to extending to the silver bullion owner the principle of protection, and thus to give him more for his bullion than it is worth in the market. He is no more entitled to such a legislative benefit than is the New England manufacturer.

France is often referred to, especially by our Populistic friends, as a nation which maintains the free coinage of silver *ad libitum*. What are the facts? That nation alone maintained free coinage of silver at her mints on the ratio of 15½ to 1 from 1803 to 1865. At that time the Latin Union was formed, composed of France, Switzerland, Belgium, Italy, and Greece. They united to maintain free silver coinage at the same ratio at all their mints. This was continued not quite ten years. In 1874 the Union restricted their coinage alone to that done on limited government account. It was no longer free.

At the time the Union was formed, and for some sixty years preceding, the entire product of silver from all the mines in the world was not quite equal to 30,000,000 ounces per annum, and it ranged in price from $1.28 to $1.30 per ounce.

At the expiration of thirteen years after the formation of the Union, the product of silver had more than doubled, and its total output amounted in that year, 1878, to 65,000,000 ounces, and had slightly fallen in price. The increase was such that in that year every one of the nations belonging to this Latin Union closed their mints to all silver coinage, except the fractional or tokens, and they, including those of France, remain closed to this day, so that neither France nor any of her associates have since that date increased their coined silver a single franc. With the increase of silver bullion they could not continue coinage at the same ratio, but they maintain and still use the silver which they had coined up to that date. So too could we maintain at par the use of $700,000,000 or $800,000,000 of silver at the present ratio; but if we make the coinage free and unlimited the ratio must be increased, or with the increase in quantity the silver will fall below par notwithstanding the fiat of the Government.

When the Congress fixed our ratio at 16 ounces of silver to 1 of gold the silver was worth in the market a fraction more than the gold, and hence was more largely in request for use abroad, as the most valuable of our money always is; and the difference between the two metals now is such that our gold is demanded for the payment of trade balances and our other debts to foreign nations, while the silver remains with us.

To-day it requires 28 ounces of silver to equal in value 1 of gold; and how, I ask, is it possible to maintain free coinage at the ratio of only 16 to 1? With so great a difference it is utterly impossible for this country alone to have free coinage and maintain the parity at that ratio; and hence, standing upon the platform, in the absence of an international agreement, I am in favor of free coinage, but at an increased ratio, at least to approximate the market difference in the metals. This has been the uniform practice of our Government. It makes but little difference whether gold has increased more than silver, or silver has fallen and thus parted company with gold. The difference exists, and I believe that good faith and loyalty to our platform of principles require us to legislate free coinage only on an approximate parity.

Now, sir, there is a marked difference between the selfish interests of Great Britain, Germany, and other European nations and our own country. Neither of those who maintain the single gold standard are the owners of any silver mines: they own gold mines, and hence it is to their interest to contend for the single gold standard. But the United States is rich in both metals, and the annual output of our mines at the present time is, of gold, from $30,000,000 to $35,000,000, and of silver from $50,000,000 to $70,000,000.

Within the last twenty years there has been practically a complete reversal in the output of our mines. There was then an annual output of nearly $30,000,000 of gold and but little more than one-half that amount in silver. An increase of the output of gold now produced is considerably enhanced by the production of silver, because it is obtained in small quantities from the silver ore. Our mines of both metals are not half-way exhausted.

Every country in the world which is the owner of both gold and silver mines contends for the use of each as money metal or measures of value. Those which alone possess silver mines have adopted the single silver standard, and in each of these gold is treated as a commodity. Every country which has only gold mines and no silver mines has a single gold standard and treats silver bullion as an article of commerce. It is certainly the interest of every nation rich in both these metals to utilize them as metallic money. Is it not, then, the interest of the United States to do so? It certainly is as much so as that of any nation on earth. Our country produces enough silver and nearly enough gold to supply the wants of our own people, and there can be no stronger guaranty of a country's safety and independence than the production of a sufficiency of these precious metals for the use of its own people.

In the present crisis Great Britain, Germany, and other European powers are exerting their influence to cause silver to be stricken down as money in the United States and we be forced to follow their example by adopting a single gold standard, and thus to reduce the volume of our metallic money and the material of which it is made to one-half of what it is at present. We are largely the debtor of those countries, especially Great Britain, and the establishment of the gold standard alone would make all of our indebtedness and obligations payable to her people in that money, with the purchasing power of it, on account of its scarcity, double what it was when our obligations were entered into.

Can any reasonable man, with a fair amount of information as to the vastness of our country, with its more than 65,000,000 people, with its products nearly large enough to feed and clothe the world, and with resources sufficient to sustain an army large enough to triumph over the world in arms if invading our shores, say that it should be in financial matters dependent on Europe or any number of the nations of the world? Are we not large enough, and great enough, and our future sufficiently inviting for us to assume among the nations of the world the position of a dictator rather than that of a suppliant or follower?

Sir, if we pass a law increasing the ratio to 20, 22, 24, or 25 measures of silver to 1 of gold, while that is not equal to the present commercial difference, may we not reasonably expect the present low price of silver bullion to increase so that on this increased ratio our silver dollar in Europe would be worth practically as much as our gold dollar? If the ratio were so increased foreign producers of silver bullion would find no profit in sending their product to our country for sale or coinage. Will any reasonable person doubt that this would practically reduce our coinage of silver dollars to the output of our own mines less the quantity used in the arts?

Of course this lower price for silver, requiring the greater quantity of it to be put into a dollar, which could be done without enlarging the dollar by simply increasing its thickness, would make silver-mining less profitable to those engaged in it than it has been, and necessarily reduce the product of silver in our country to not more than that of gold, or about $35,000,000 per year. But still it would not destroy the business of mining silver, as would the total cessation of coinage. Though not so profitable, it would still survive and the quantity of our money of the Constitution would be kept about equal in gold and silver in proportion to the growth of population, and thus the wants of our people would be greatly relieved and our strength and ability as a debt-paying nation be placed and kept upon a solid foundation and command the respect of all the peoples of the world.

If it be desirable to give our coined silver a larger circulation than it now has among our own people we should follow the example of France and other European nations and call in all paper bills and gold coin below the denomination of $10. From necessity, then, the silver would circulate, but I doubt its expediency, because paper money is more portable and convenient.

The only use we have for coin with other nations is to pay our trade balances and the expenses of our diplomatic and consular service. At home we want it as a basis of paper circulation and redemption. Our coined silver, if of equal value to gold is as acceptable for these purposes as the latter. These metals are not received abroad according to their stamped face value, but according to their weight and bullion value, and if we coin the silver dollar to be worth as much as the gold dollar it will be so received and treated abroad, but not otherwise. All of our money—gold, silver, and paper—should be of equal value, one dollar equal to every other dollar; and the question here is whether it is practicable for Congress to so provide in respect to our silver dollars and make their coinage free to all.

For one I disdain to follow the dictation of Great Britain or Germany in any of our national affairs. I have the utmost faith in the resources of our country and the ability of its citizens. I believe we have here in this Congress as able men as those produced by any other country, and it is the feeling of my heart and every fiber of my body to stand firmly to the true interests of America against England and all the balance of the world and to maintain our manhood and Americanism, as we can easily do in this instance by providing for the coinage of our own silver upon a proper basis.

Hence I assert that it is not only practicable for the Congress of the United States to provide by law for bimetallism, maintaining both gold and silver, practically of equal value, as the money of our Constitution, but it is the duty of patriotism and

devotion to our country to exert all reasonable efforts to that consummation.

EXPENSE OF RECOINAGE.

The figures of the Secretary of the Treasury, on the basis assumed by him with reference to the cost of recoinage of silver at an increased ratio, are doubtless correct, but why include therein the cost of the purchase of additional silver when the Government already owns a sufficiency of bullion bought under the present law, and as stated by the Secretary, at a very considerable loss? The estimate for gathering in and recoining the silver dollars, it seems to me, is excessive. The law of Congress providing for the recoinage at an increased ratio should declare the present standard dollars to continue as a legal tender in payment of debts until received by the Government, and when thus received to be distributed to the mints for recoinage, in accordance with the new ratio. In this way that expense would be largely diminished below his estimates.

Besides, the learned Secretary, who is a great patriot and wise statesman, but may err notwithstanding, has seen proper to include in his calculation the cost of purchasing additional silver to make up the increased ratio in the recoinage of our fractional or subsidiary coins. There are $77,000,000 of this money, which should, in my judgment, be increased to $100,000,000. It was coined at a ratio of less than 15 to 1—I believe 14.95. It was thus coined to prevent our halves, quarters, and dimes from leaving our country. They were intended solely for domestic use and convenience. There is no necessity for increasing the amount of pure silver they contain; they will continue to circulate among our own people at the same ratio. If the silver dollars were never to be sent abroad, they, too, if not too great in quantity, might be made to circulate without any increase. So, the claim of additional expense in regard to the recoinage of the fractional currency is, in my judgment, wholly unnecessary.

There is no good reason to believe that the repeal of the Sherman makeshift will result in the establishment of the single gold standard. It will but stop the purchase of the four and one-half million ounces of silver bullion per month. All of our coined silver will continue to circulate, as now, at par with gold, and I believe the bullion now owned by the Government will also be coined and put into circulation. The real question at issue, therefore, is, shall private owners of silver bullion be allowed, without expense, to have it coined at the mints of the United States at the present or some greater ratio? I am in favor of that, provided their dollars, when coined, are as good and valuable as any other dollars. They can be thus made only by increasing the ratio.

We can not afford to make our mints free to the silver-bullion owners of the world to have it coined into 60-cent dollars to be paid to our farmers and laborers, merchants and bankers as of the value of 100 cents each.

I believe the President is opposed to the coinage of silver dollars on any account, unless it be of the bullion now owned by the Government. I differ with him on this point, because I believe that free coinage of silver is practicable on a parity with gold, as I have indicated, and I do not believe it is at this time on any other.

But, sir, I have faith in the honesty, patriotism, and ability of the President. While it is quite true that some members of Congress who advocate the unconditional repeal of the silver-purchase act are in favor of the single gold standard, it does not follow, and is not a fact, that he agrees with them.

While I am in favor of considering all three of the financial propositions of our platform in a single bill, yet as I can not have my way about it, I vote for them on their merits as they are presented to me. I vote for the repeal of the purchasing clause of the Sherman act because I voted against the act when it passed in 1890; because my party platform denounces it and demands its repeal, because my President has recommended its repeal, and because I believe it to be against the best interests of the country, and in opposition to free silver coinage on a proper basis. It has done no good whatever, except to slightly increase the paper circulation, and the holders of more than one half of the bills issued to pay for the bullion have had them redeemed in gold, so that it is to a large extent a failure in this respect, as in all others. It has awakened apprehensions everywhere, and joined other causes to produce a want of confidence, and in this way largely contributed to the prevailing stringency of money and trouble to the people.

You may inquire why it is that while I favor free coinage only at an increased ratio that I vote for the restoration of the Bland-Allison act, which provides for coinage at the present ratio? I answer that the latter provides for the coinage of a limited amount on Government account, while free coinage at present ratio would extend to foreigners and their bullion as well as ours.

DEMONITIZATION.

Up to February, 1873, the silver dollar in this country, containing exactly the amount of pure silver of the present silver dollar, to wit, 371¼ grains, and alloy sufficient to make it 412½ grains, was not only worth as much as the gold dollar, but at that time exceeded it by a premium of 3 cents. In the early part of that month, in the passage of an act revising our coinage laws, the silver dollar was omitted, and thereby demonetized. When I speak of it as being demonetized, I do not mean that it had ceased to be used as money, but that its legal-tender quality was taken away from it. So long as silver money is a legal tender in payment of private debts it cannot properly be said to be demonitized.

Now, what was the effect of this? At that time our Government owed about $1,800,000,000, represented by interest-bearing bonds. Many of these were sold during the war even below par. After the war considerable quantities had been sold at a premium. These bonds were owned by national banks and individuals in this country, and also to a large extent by parties in Europe.

When the bonds were issued and sold by the Government they were upon their face payable in coin. That which was coin when they were sold by the Government included the silver dollar as well as the gold dollar, but after the passage of this act no bond, either principal or interest, could be paid in silver. In other words, more than one-third, perhaps 40 per cent, of the means of paying these bonds were stricken down, enhancing the other 60 per cent, payable alone in gold, to the value of 100 per cent. This of course was an increase of the liability of our people who were under obligation to pay those bonds, of about 40 per cent. There was that much more difficulty and additional burden imposed upon the taxpayer who had to furnish to the Government the means of payment.

No honest man can deny that it was an outrage, a most dishonest act perpetrated upon the honest people of this country. It was so infamous that I have never yet known or heard of any man who was then a member of Congress who would admit that he took any part in it or had any knowledge of it. Gen. Grant, who was then President, did not hesitate subsequently to declare that had he known of the omission from the bill he would have disapproved it. It was an act exclusively in the interest of the bondholding creditors of the Government, and directly in opposition to the interests of the people at large.

I have heard it said by some men supposed to be ordinarily well informed that our Government in this act was only following the European example. Such, sir, is a misrepresentation. The United States Congress passed this act demonetizing silver twelve days before Germany likewise demonetized it.

But, sir, some gentlemen suggest to me that up to the date of the demonetization of the silver dollar this Government had coined but 8,031,000 of those dollars, and hence it is contended that a less measure of injury than I claim was perpetrated upon the people of this country by the act of demonetization. But they seem to forget that at that time we had many millions of foreign-coined silver dollars which were a legal tender.

Now, sir, let us see. When these bonds were issued and sold we had in addition to the number of coined dollars in silver, large silver mines, and with sufficient capacity to develop them and produce great quantities of that metal. The contract was a fair one; the bonds were sold for what they would bring in market, and they read upon their face a promise by the United States to pay the bearer the amount thereof in coin, the purchaser and all others knowing that coin, being the money of the Constitution, embraced silver as well as gold.

With this knowledge the purchaser bought and paid for his bonds. Then, when business had been resumed after the war and our silver mines were growing into a high state of development (while on the other hand the output of our gold mines was annually decreasing), when this means of paying those bonds bid fair to be quite equal, if not superior to that of gold, and in which money (silver) the people under the contract had an equal right to pay, this infamous act was perpetrated, by which the silver dollar was demonetized and the payment of the bonds confined alone to the scarcer metal, gold. It was an act of legislative infamy which had no equal in the annals of all our legislation.

This continued for five years, until Congress, having been fully informed as to the law and the denunciation of the act of demonetization by the people, remonetized the standard dollar by the passage of the Bland-Allison act, which provided for the purchase of the metal and the coinage of not less than 2,000,000 or more than 4,000,000 of standard silver dollars per month.

Sir, the closing paragraph of the President's special message to Congress reads as follows:

I earnestly recommend the prompt repeal of the provisions of the act passed July 14, 1890, authorizing the purchase of silver bullion, and that other legislative action may put beyond all doubt or mistake the intention and the ability of the Government to fulfill its pecuniary obligations in money universally recognized by all civilized countries.

Some members of Congress profess to believe that by the latter part of the above quotation—"that the Government fulfill

its obligations in money universally recognized by all civilized countries"—the President means that all obligations, even the Government bonds, should be paid exclusively in gold. There are nearly a billion of these bonds, as largely held in Europe, perhaps, as in this country, and now payable by their terms in either gold or silver.

Of course our gold and silver are recognized in other countries only according to their bullion value, while our paper has no circulation whatever abroad. But the bonds are payable here and in our own coin at its stamped value. Does the President mean that all the obligations of the Government, including the bonds, shall be paid exclusively in gold? I think not.

Should Congress pass a resolution to that effect, I inquire in all candor, wherein will there be found any difference between the effect of that and the act of 1873, which demonetized silver, so far as the payment of the bonds is concerned? Believing him to be the friend of the tax-burdened people, I do not think that he means that Congress should require the bonds to be thus paid, which would be harder to do and more unjust to the people than the act of 1873 made it, because of the increased value of gold at present. It would be a violation of the contract and a wrong to the taxpayers, which the President would not sanction.

AN HONEST DIFFERENCE.

Sir, we have many Senators and Representatives who honestly believe that all those who are opposed to the free coinage of silver are the enemies of the prosperity of the people they represent, while there are others who as honestly believe that silver coinage is impracticable and against the best interests of the country. Brethren of the same political party, uniting in all else, are thus unhappily divided. I appeal to them as brethren of equal honesty and patriotism to lay aside all selfishness and unite on some measure of compromise, as all legislation proceeds upon that basis.

Let us try, if we can not get just what we want, to obtain the next best thing for the prosperity and happiness of the people, changing and improving our financial system wherever practicable, and then give our undivided attention to a sensible and proper revision of the tariff, lightening the burdens of taxation, the better methods of raising revenue, repealing the Federal election laws, and to other reforms in which the country at large is interested. Let us carry out in good faith as nearly as practicable the pledges made to the people. If we can not obtain the full measure let us do the best we can—angels can do no more.

THE TEN PER CENT TAX.

The other financial plank in our platform is the declaration in favor of the repeal of the 10 per cent tax on State bank circulation.

There were four State banks in existence when our Constitution was formed. The framers of that instrument were therefore familiar with the existence of these banks and the circulation of their paper money. They were also familiar with the practice of the States at that time to issue bills of credit, which were intended to circulate as money, and seeing that evil might flow from this practice they embraced in the tenth section of the first article the prohibition that "no State shall emit bills of credit," so as to put a stop to that practice, but they did not employ any language to prohibit State banks of issue; but to guard against any abuse of State money issued by the banks, they provided that no State shall "make anything but gold and silver coin a tender in payment of debts." Thus bills of credit were abolished and the paper money of State banks allowed to continue as the only paper circulation and the only currency at that time except gold and silver. It took away from bank notes any cohesive circulation and let them stand alone upon the credit of the banks.

The question of their constitutionality and their right to issue bills to circulate as money was never raised until the case of Briscoe *vs.* The Commonwealth of Kentucky (11 Peters, page 257), where the Supreme Court of the United States held them to be perfectly lawful. Thus it will be seen that State banks are one of our ancient institutions, older than the Constitution itself, and fully recognized and intended to be protected by that instrument.

No tax was ever imposed by the United States upon State banks or their issue until after the beginning of the war. All the money in the country at that time was gold and silver and State bank notes, but the Congress on the 17th of July, 1861, finding these an insufficient amount for the conduct of the war, then impending, passed an act for the issuance of $50,000,000 of the Treasury notes of the United States payable on demand in coin, which February 12th, 1862 they increased to $60,000,000. The notes of the State banks being redeemable in coin, the demands for which were so great, and they having issued their bills for the most part in the proportion of $3 outstanding to $1 of coin in their vaults, they suspended specie payment. February 12th, 1862, Congress changed somewhat the character of its notes, giving them the name of United States notes, and made them payable to bearer, increasing the amount to $150,000,000, which was by subsequent acts increased to $450,000,000. These were, until after the close of the war, convertible into and received at par for Government bonds payable in coin and bearing coin interest at 5 per cent, and the law also declared the notes to be lawful money and a legal tender in payment of debts.

ORIGIN OF NATIONAL BANKS.

But the war was progressing and the thunders of the artillery were heard in the Valley of Virginia, at Fair Oaks, Seven Pines, Meadow Bridge, Frazier's Farm, Malvern Hill, Cedar Run, Second Manassas, Ox Hill, Antietam or Sharpsburg, Fredericksburg, at Shiloh and many other places in the West, where men who wore the blue and the gray met in sanguinary conflict and caused to flow torrents of the best and bravest blood that ever coursed in the veins of men, while victory trembled in the balance and was frequently upon the side of the Confederates, the Government of the United States found its credit sinking and its bonds selling away below par.

It was a crisis in the monetary affairs of the Government, which called for the best brain to be found in its citizenship.

It was at this time that Orlando B. Potter of New York, wrote a letter to Salmon P. Chase, who was at the head of the Treasury Department, suggesting the scheme of establishing a national banking system. Chase called Potter to his assistance, and from their great brains was evolved the substance of the national banking law which Congress passed on the 25th of February, 1863. That law allowed any four citizens of good character to invest their money in Government bonds, deposit them with the United States Treasurer, receive a bank charter and have issued to them at their expense 90 per cent of the face value thereof in bills of their bank for circulation. Many privileges were granted to them by the terms of the law to induce capitalists to engage in the business.

It had the desired effect. It created a market for the bonds; it sent them up to par, and above; it restored the credit of the Government; it infused into its financial system the strength of the irrepressible giant. But for this restoration of credit the Government would, ere long, have been forced to have acknowledged the independence of the Confederacy. As one of the means to encourage the system and strengthen the Government, in the act establishing the banks, Congress for the first time imposed a tax upon currency, and placed 2 per cent upon that of its own banks, and by the subsequent act of March 3, 1863, a tax of 1 per cent annually was imposed upon the circulation of State banks, measured by their capital. The tax on the national-bank circulation was then reduced to the same rate, where it still remains, and produces more revenue than the national banking business costs the Government.

The State banks continued to issue money and do business until the act of March 3, 1865, placed a tax of 10 per cent upon any national bank or State bank which should pay out, after the 1st day of July, 1866, any of the notes of State banking associations, and this was amended and enlarged in July, 1866, so that the payment of the tax of 10 per cent on State-bank notes was unavoidable and wrought the complete destruction of those institutions in the interest of the national banking associations. An additional tax of 5 per cent per annum was imposed by the same law upon the dividends of stockholders, and an additional tax of 1 per cent upon deposits, which has since been repealed. This act was inspired and induced by them in their own interest, that they might furnish the main volume of paper circulation for the entire country.

The act was passed by Congress under its taxing power and under the pretext of raising revenue, when it was simply for the destruction of the rivals of the national banks. Not a single dollar of revenue is ever collected on State money. It was destroyed by the act. Yet a majority of the Supreme Court of the United States in 1869 held, in the case of the Veazie Bank *vs.* Fenno, in 8 Wallace, that although the tax was so great as to destroy these lawful State corporations, that it was not within the jurisdiction of the court to protect them, and that they must look alone to Congress.

In the language of Justices Nelson and Davis, in their dissenting opinion, the purpose of the law is said to be "scarcely concealed in the opinion of the court, namely, to encourage the national banks. It is sufficient to add that the burden of the tax, while it has encouraged these banks, has proven fatal to those of the States; and if we are at liberty to judge of the purpose of an act from the consequences that have followed, it is not perhaps going too far to say that these consequences were intended."

Is there any fair-minded lawyer in this House who will risk his reputation by asserting that the decision of the majority of the court is good, sound law, and should be sustained? It amounts to asserting that Congress may under the pretext of its taxing power destroy State corporations, and destroy an ancient institution and legitimate State business.

The national banks having thus slaughtered their rivals grew in importance, until they had in circulation in 1880 and 1882 more than $380,000,000. When the Forty-sixth Congress passed a law requiring them to surrender their bonds bearing a high rate of interest and accept new bonds bearing 3½ per cent, at a time when the people of the United States were paying in the aggregate of interest on national bonds, more than $60,000,000 per annum, the banks, before the lapse of the ten days which the President had for the approval of the bill, by a combination surrendered $18,000,000 of their circulation and threatened to surrender much more, which was likely to produce a panic, and in this way they compelled President Hayes to veto the bill.

In the Forty-seventh Congress, when the banks asked for an extension of their charters without reorganizing, it was granted; but these Samsons were shorn of many of their locks by way of amendment to that bill. They were required to exchange their bonds for new ones bearing but 3 per cent interest, which saved to the people many millions of dollars in taxes; they were also subjected to suits in State courts like State corporations; they were required to give the Government the benefit of the losses and destruction of their old notes to pay for the printing of their new notes, and to accept silver certificates in payment of clearing-house balances, and that by no combination should they thereafter surrender in any one month more than $3,000,000 of their circulation. Thus their extraordinary privileges were in part curtailed, but still they retained the powers of contraction and expansion, which they can use to the frightful detriment of other interests by making circulation scarce at their will.

A few years subsequent to this legislation, in consequence of a large surplus accumulating in the Treasury the policy was adopted and pursued for a good while of purchasing Government bonds and in that way sending the surplus in the Treasury back into circulation among the people. It had the effect of increasing the premium on the bonds up to 30 per cent. The banks obtained an enactment by Congress that they should not be required to take out a circulation of more than 25 per cent of the face value of their bonds. Many of them then took advantage of the high premium on the bonds and sold a large portion of them, and by these methods reduced their circulation clear down to $160,000,000, which sent throughout the country a tremendous outcry of the scarcity of money. They so contracted and centralized that circulation that it aided in reducing prices of farm products and caused the Farmers' Alliance to demand an increase to $50 per capita.

There is a bill now before Congress to allow these banks to have bills issued up to the face value of their bonds, which I favor, provided it is so amended as to require them to issue currency equal to 50 per cent of their bonds, and thus benefit the people as well as themselves.

The national banks of our country are in the main conducted by gentlemen of high character and ability, though selfish in interest like all other men in business. They see and know full well that if the United States pays its bonded debt when due, as it has done hitherto, that they have at the most but fourteen years of existence. In the Southern States, and partially so in the Western States, these institutions are so few and their capital so limited that their power for evil is comparatively small; but in the great money centers of the North and East they exercise a most potential influence over all other financial affairs and exercise no small degree of influence over the legislation of Congress.

Last April these banks in the city of New York applied to the Secretary of the Treasury for the sale of at least $300,000,000 of Government gold bonds. He was finally induced to offer a portion of this amount upon short time, which they utterly declined. They desired the bonds to run a long time and to bear a good rate of interest, so that they might use them as a means of enlarging their power and perpetuating their existence. I commend the Secretary for declining to comply with their wishes. When the Secretary thus refused the demands of the New York bankers they at once declined to exchange gold with the Government for paper currency, and so continued, until several banks in Chicago and the West exhibited that liberality. Then the banks of New York adopted a liberal policy of exchanging gold for notes, not only with the Government but with other banks, until they accumulated a monopoly of currency, none of which would they pay out even to their depositors or lend upon any security whatever, but sold it at the high premium to which it arose, until the estimate of their aggregate amount of profits, made thereon during the panic, which they materially aided in producing, amounted to $1,000,000. A representative of one bank reported that its profits from this source alone amounted to $600,000. This was done while the whole country was suffering for the want of this money and sustained the losses which made these banks a million of dollars richer.

I am glad to know that a large number of presidents, cashiers, and stockholders of national banks desire the restoration of a system of State banking, but the presidents, cashiers, and stockholders in the great national banks of New York, and some other large cities, are opposed to the establishment of any rivals and want to use their power to control the financial system of the country, and to make millionaires of themselves.

I agree with Jefferson, Jackson, and Calhoun, that for the United States to place in the hands of corporations the power to enlarge or diminish the volume of money in circulation among the people is a dangerous power, and I assert that that power is now practically in the hands of the national banks.

Remand to the States the right of which they have been robbed for the benefit of these banks and then the farmers and laboring people can get money at the legal rate of interest whenever they need it. We will then have an elastic currency which will expand and contract according to circumstances. Prices of products will not then be reduced on account of the scarcity of money, and better times will be seen through the country among the agricultural and laboring people.

By independent State action, or even with Federal supervision, solvent State and municipal bonds as well as national and cash resources can be used for the redemption of State bank bills, and in this way the basis can be safely broadened for an increased amount of paper money and the degree of unusual scarcity produced by combinations and contractions originating in Wall street and elsewhere will be heard no more, but be hushed and stilled forever.

But, sir, this proposed legislation invokes the hostility of the great national banking institutions, because they regard it as inimical to their interests.

Mr. Simmons and several other presidents of great national banks of New York, hearing that there was a prospect that Congress would repeal the tax on State bank bills, with all the arrogance of ancient nabobs to their underlings, have published in the newspapers here, right under our noses, that it would not do to repeal that tax—that they were opposed to its being done, and hence Congress should not do it.

Whosoever wants to worship at the shrine of the money power will obey their behests, but, as a friend of the people, believing that they will have more freedom and more money than national banks or even free coinage of silver would ever give them, I will work and vote for the repeal of that 10 per cent tax until it is done or I cease to be a member of Congress.

Stability of Standard should be the Aim of all Monetary Legislation.

SPEECH
OF
HON. WILLIAM M. STEWART,
OF NEVADA,

IN THE SENATE OF THE UNITED STATES,

Friday, September 22, 1893.

The Senate having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. STEWART said:

Mr. PRESIDENT: It is agreed by all economists, I believe, whose opinions are entitled to any respect, that stability of standard should be the aim of all monetary leigislation; that that is the final goal to which all our efforts should be directed. Upon that point there does not appear to be any difference of opinion.

I hold in my hand a little

BOOK BY ARCHBISHOP WALSH.

He has written an introductory note to the second edition, delineating events that occurred subsequent to writing the book in the first edition. He comments in this preface upon the speech of Mr. Gladstone, who may be regarded as the representative man of the single gold standard, both for Europe and America. To save time I will merely read what Mr. Gladstone is quoted as saying, though I will print what the archbishop says:

The incident, as reported in the authorized report of the debate, may be worth quoting:

"What I have endeavored to bring to my own mind [said Mr. Gladstone], and what I should like to bring to the minds of others, is the consideration of this question: What is the standard of value? We know perfectly well that gold is our standard of value. But what is meant by a standard of value? For till we know this I do not see how we are to attain to a right position for judging of the qualities which ought to recommend to us this or that form of legislation, including the estimation of our own standard of value. I understand by a standard of value a common measure of commodities."

So far, obviously enough, but little way was made towards the settlement of any point in dispute. But this was only the beginning. Having laid this foundation for the superstructure which he had in view to erect, Mr. Gladstone—after an incidental remark upon the standard of value being, not merely a standard of value, but also itself a commodity—proceeded as follows with his elaborate argument in proof of the now universally recognized truism that, in a standard of value, stability of value is a requirement of primary importance:

"When you seek for a good standard of value, you seek for that by the terms of which you may express the real value—that is, the real purchasing power and force—of every other commodity whatsoever. What is important to the owners of, or the persons interested in, those other commodities? To supply them with a good standard of value. We have passed beyond the stage of barter. Barter and exchange are the primary necessity of mankind in their first efforts towards civilization. Barter may be the first form of that exchange, but barter is so inconvenient and so hampered by the conditions under which it acts, that no large extension of human intercourse or commerce can take place under that system; and consequently, from the very first stages of the history of mankind, there are efforts, sometimes of barbarous tribes, more energetic and more forcible as they attain more strongly towards civilization, to get at something like a standard of value."

I may be excused for here interrupting the course of Mr. Gladstone's disquisition to point out how curiously alike his method of dealing with the currency question is to Mr. Giffen's. I have elsewhere transcribed Mr. Giffen's eccentric statement, "Bimetallists * * * have made it necessary for us to go back to first principles, to begin at the beginning." Clearly, the prime minister somehow or other, has been led into taking the same strange views of the exigencies of the case.

Having laid down, then, the necessity of having a standard of value—or rather of getting "at something like a standard of value"—Mr. Gladstone moved forward as follows in the demonstration of his thesis, that whatever is to be the standard of value should be, as far as possible, itself stable in value:

"The object of it [that is, the object of getting at something like a standard of value] is this—that the man who has goods to sell, and is going to accept for these goods a certain portion of the standard of value, should know the real compensation he receives for the thing he is going to give up, and what he can make of the money which is to be given to him as representing the value of the object he is parting with."

So far for the seller. Then we are reminded that in a complete transaction of sale and purchase there is a second party, the buyer. His case, too, has to be considered:

"In the same way, with regard to the man who buys, he also wants a standard of value which will represent to him as exactly as possible the power that will be in his hands when he has bought the commodity with its value measured by the amount of circulating medium that he is willing to give for it."

Then, upon this sufficiently broad foundation, the case progressed as follows to the close of the minutely elaborated demonstration:

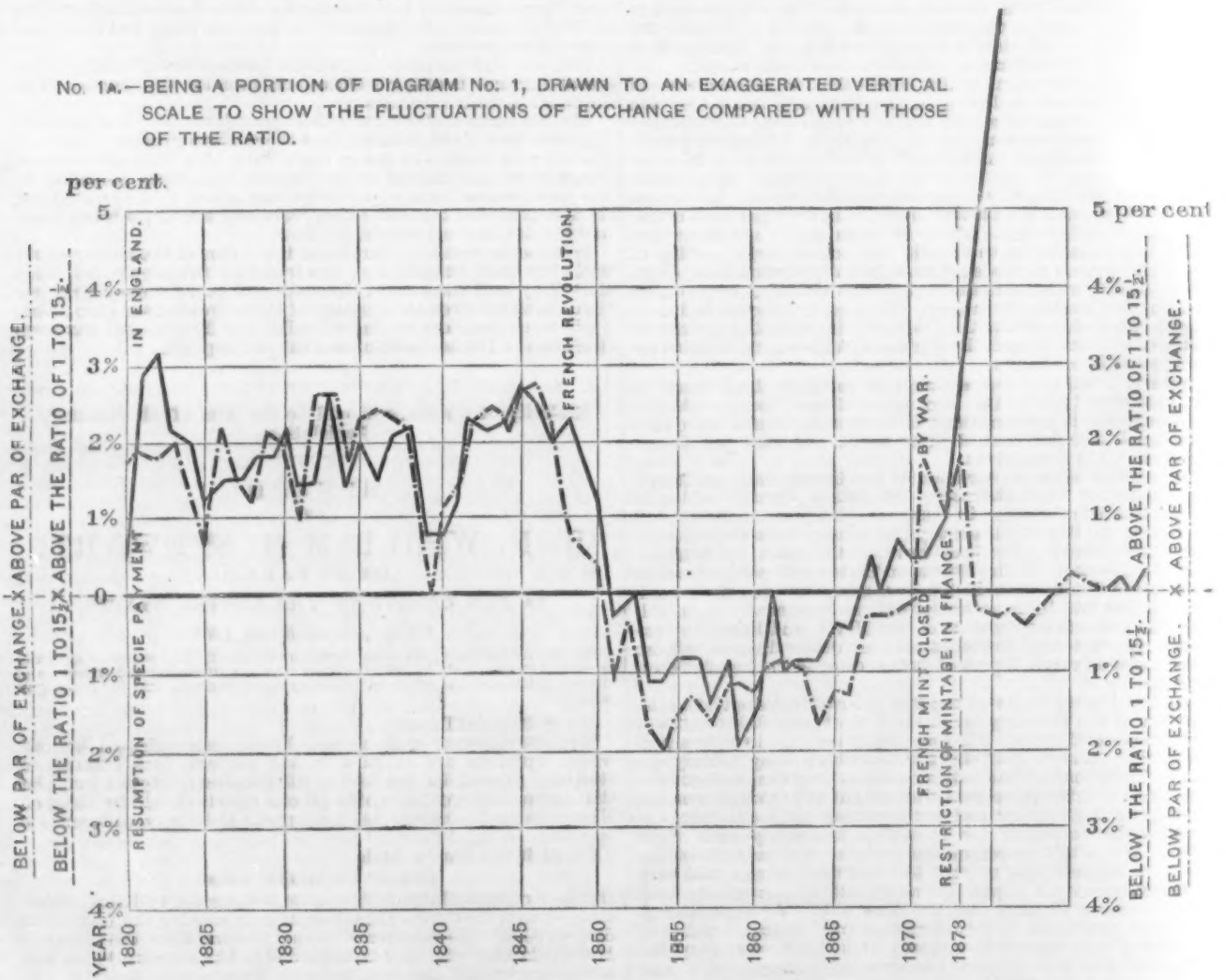
"It is exactly like the case of a standard of height, by which you can compare with the utmost exactitude the man of 5 feet with the man of 6 feet. What you want in this standard of value to make it do its work properly is fixity, steadiness, stability, and continuity. You want its properties to be such that what it is to-day it shall be to-morrow, and what it is to-morrow it shall be the next day."

At this point came the not unnatural expression of concurrence from the opposite bench, and the prompt seizure by the eloquent champion of monometallism of the point of vantage which, as he assumed, that expression of concurrence afforded to him:

"Mr. A. J. BALFOUR. Hear, hear.

"Mr. W. E. GLADSTONE. I am very glad to hear the right honorable gentleman opposite assent to that. Fixity and invariability are the first ele-

No. 1A.—BEING A PORTION OF DIAGRAM No. 1, DRAWN TO AN EXAGGERATED VERTICAL SCALE TO SHOW THE FLUCTUATIONS OF EXCHANGE COMPARED WITH THOSE OF THE RATIO.



Fluctuations in the London prices of Gold above or below the ratio 1 to 15½ ——————

Fluctuations in exchange between London and Paris denoted thus —·—·—·—·—

The vertical distance apart of these two lines year by year represents the divergence from the ratio of 1 to 15½ after correction for exchange.

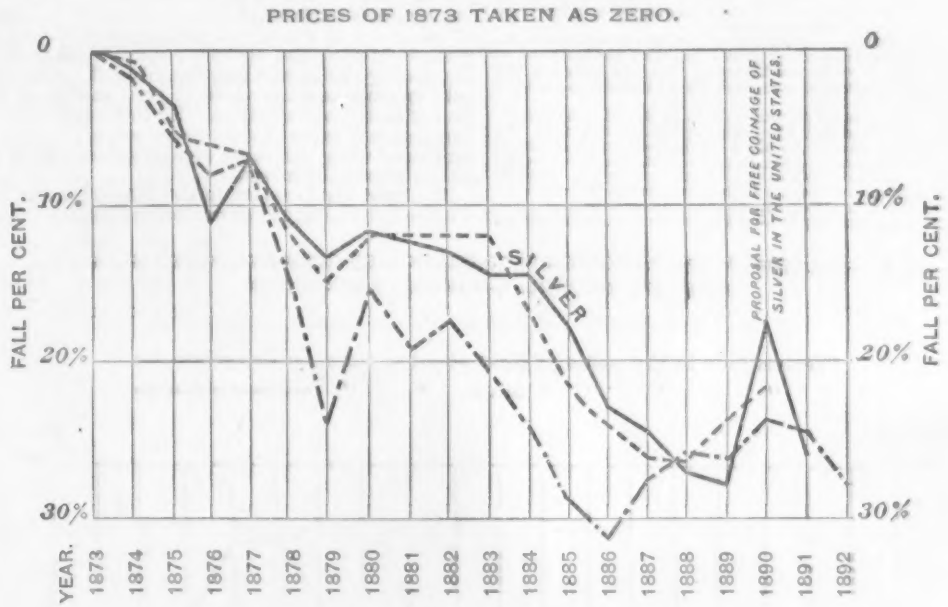
No correction has been made for other factors which would make the coincidence of two lines still more remarkable.

No. 2.—FLUCTUATIONS IN THE PRICE OF COMMODITIES AND SILVER MEASURED BY GOLD.

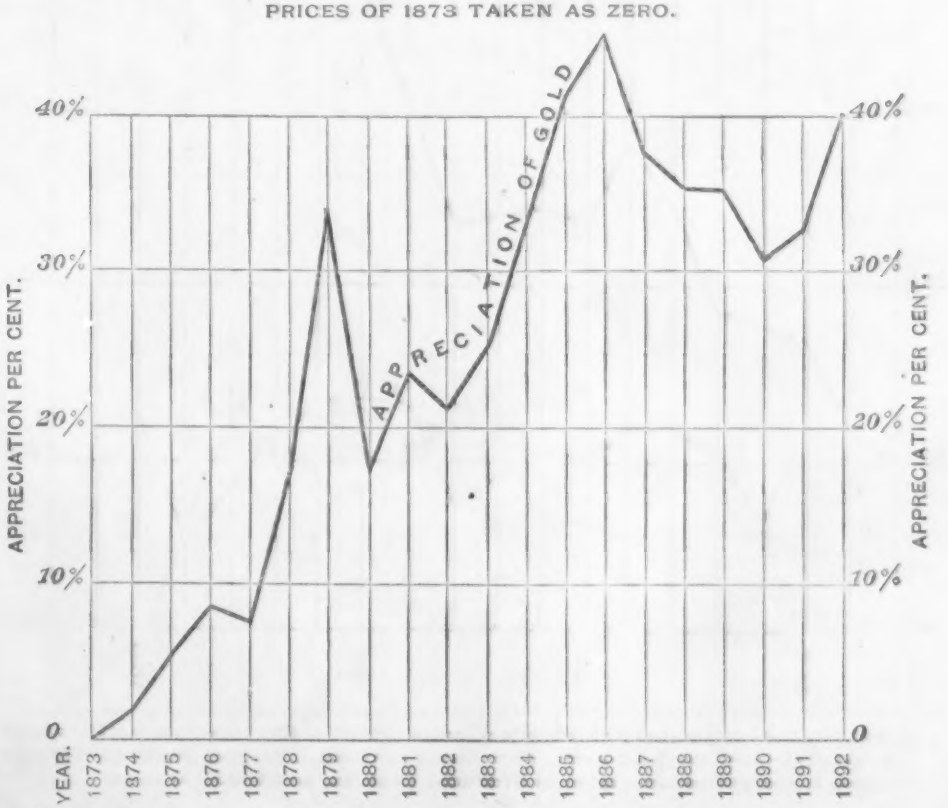
Represents the Economist Index-Numbers for the Wholesale Prices of 22 Principal Articles in the London Market.

Represents Dr. Soetbeer's Index-Numbers for the Prices of 100 Hamburg Articles, and 14 of British Export.

Represents Silver.



No. 3.—APPRECIATION OF GOLD MEASURED BY ITS PURCHASING POWER ON THE BASIS OF THE "ECONOMIST INDEX-NUMBERS."



ments of a standard of value. * * * The grand thing is, if it is to be a good standard of value, it should possess fixity and invariability."

It may well, indeed, seem incomprehensible that Mr. Gladstone could, by any process, have been led to conceive that it was of importance in the interests of monometallism to undertake the demonstration of a truth so obvious, and, moreover, so strongly insisted upon by bimetallists, as that stability of value is a requirement of the very foremost importance in whatever is to be taken as the standard of value. But the facts speak for themselves. That, when delivering his speech in the House of Commons, Mr. Gladstone was, in fact, under the impression that the demonstration of this very obvious truth, to which he devoted so considerable a portion of that speech, was a matter of primary importance in the advocacy of monometallism against its bimetallist opponents, is not open to question. His opening sentences make it unmistakably plain that the aspects of the subject which were selected to be dealt with in his speech were those only that, in his view of the case, were of really practical importance:

"I am glad," he said, "to have an opportunity of saying a few words upon the motion, and as I know there are many gentlemen who are desirous to express themselves upon it * * * and knowing that the hours of the evening are limited, I shall endeavor to compress what I have to say within a very moderate compass."

But there is more than this general announcement of Mr. Gladstone's intention of confining himself to the really important points of the case. We need only look to the quotations which I have transcribed at such length from the speech itself, and especially to the emphatic welcome accorded by Mr. Gladstone to Mr. Balfour's very natural interjection of assent. In view of these, what other conclusion can be come to than that the prime minister spoke under the belief that a refusal to recognize the necessity of looking to stability in value as a requirement of primary importance, in the selection of a standard of value, is among the fundamental errors of the bimetallist heresy? What a revelation it must have been to him when he came to see—as, of course, he must speedily have come to see in the course of the debate—that the point upon which he assumed he was routing the bimetallist forces is, in fact, one of the groundworks of their strongest position!

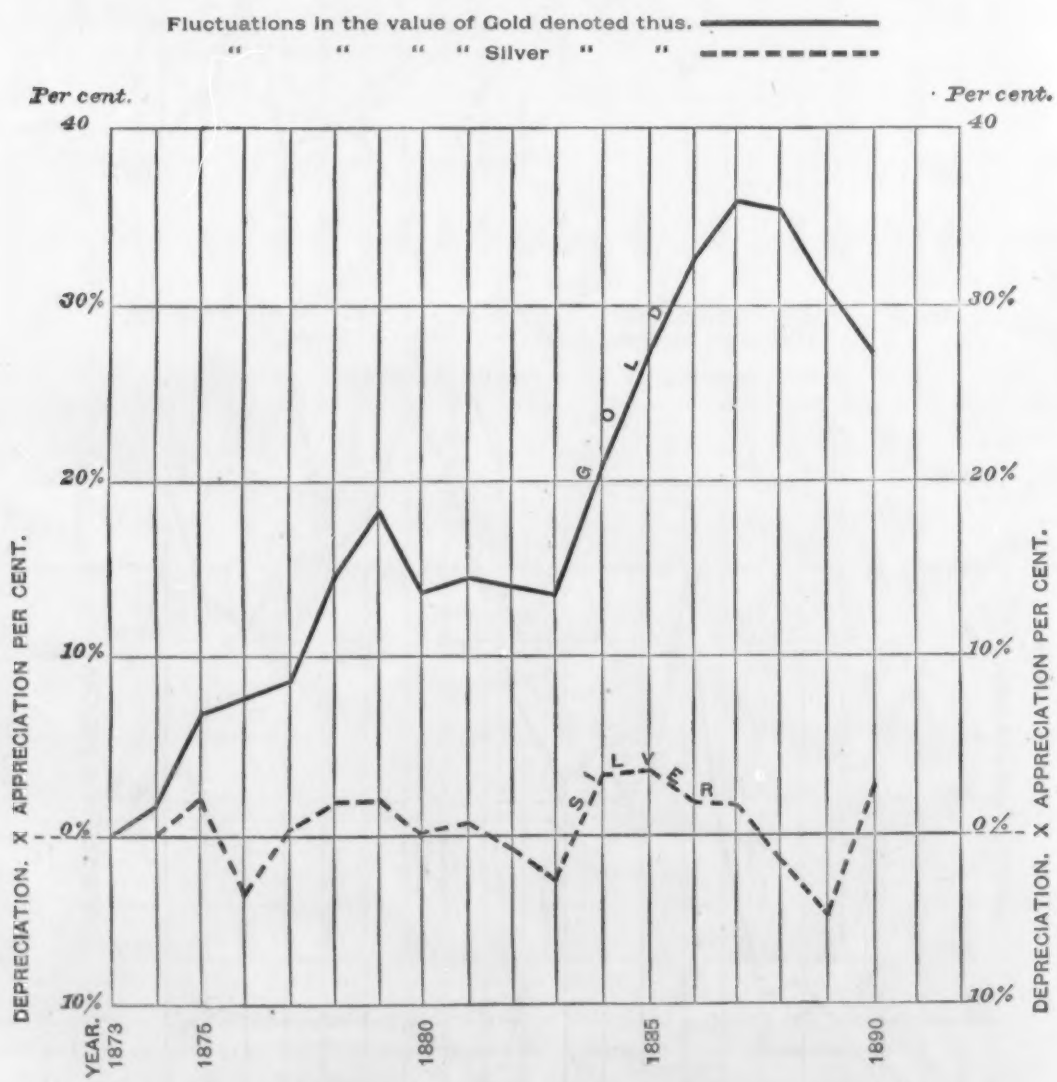
That I believe to be the doctrine of all who have written upon this subject. Mr. Gladstone, Archbishop Walsh, Mr. Balfour, and all others who have illuminated the subject have concurred in the statement of the position that

FIXITY AND INVARIABILITY

are the first elements of a standard of value at any time. At the Brussels conference this question of fixity and invariability of standard of value was somewhat discussed, and there was there exhibited and accepted tables made from a comparison of the average price of a large number of staple commodities with gold to show how the value of gold compared with the average rate of stable commodities. By these tables it appeared a year ago that the value of gold had risen a little over 40 per cent as compared with the value of a large number of staple commodities at wholesale prices.

The only way to ascertain the value of money is by comparison with property, for, as I have often said, all the money in the world

No. 3A.—RELATIVE APPRECIATION OR DEPRECIATION OF GOLD AND SILVER MEASURED BY SOETBEER'S INDEX-NUMBERS* SINCE 1873.



* Soetbeer's Index-Numbers give the wholesale prices of 100 Hamburg Articles, and 14 Articles from England—viz., Agricultural Produce, Animal Produce, Foreign Fruits, Colonial Produce, Mineral Produce, Textiles, and Miscellaneous.

and all the property offered for sale are reciprocal, dependent upon the demand and supply of each other, and if money were doubled, the supply of course remaining the same, prices would rise about one-half. This is elementary. This is agreed upon by all the writers. Now, I do not propose in the remarks I make this evening to go outside of the elementary principles.

BY A COMPARISON OF GOLD WITH COMMODITIES

according to the tables of Dr. Soetbeer and the London Economist, and carefully prepared, it appeared last fall that gold had appreciated 40 per cent. These tables have been printed at the Government Printing Office, and can be easily printed again. They are very useful, and those who desire to understand them can compare the figures for themselves. They will be found in the International Monetary Conference, 1892, a book printed by the Government, after page 154. I will incorporate them in my remarks.

The mode of applying these tables, and the explanation of them are well stated by Archbishop Walsh. He not only gives the tables, but he gives the opinion of a number of eminent scientists. The tables given by him are simply in figures and index numbers. I will also print in my remarks that portion of Archbishop Walsh's book from page 52 to page 65.

Now this brings us to the point in Mr. Balfour's Manchester speech, to which I would specially direct attention.

Money, said Mr. Balfour, has to serve, not merely as a medium of exchange, but also as "a fair and permanent record of obligations extending over long periods of time." In this, which he rightly called a "great and fundamental requirement," our existing currency, as he declared with emphasis, "totally and lamentably fails."

To make good this statement, Mr. Balfour pointed out that the gold monetary standard of Great Britain and Ireland has, in some fifteen or sixteen years, gone up in value no less than 30 or 35 per cent; and he went on to say that, of its further progressive "appreciation," or rise in value, "no man living can prophesy the limits." Again he spoke of the increase in value of our present monometallist gold standard of value as progressing "steadily, continuously, indefinitely."

As to the result of all this upon the community generally, Mr. Balfour expressed himself as follows:

"If you will show me a system which gives * * * absolute permanence, I will take it in preference to any other. But of all conceivable systems of currency, that system is assuredly the worst which gives you a standard steadily, continuously, indefinitely appreciating, and which by that very fact throws a burden upon every man of enterprise, upon every man who desires to promote the agricultural or the industrial resources of the country, and benefits no human being whatever but the owner of fixed debts in gold."

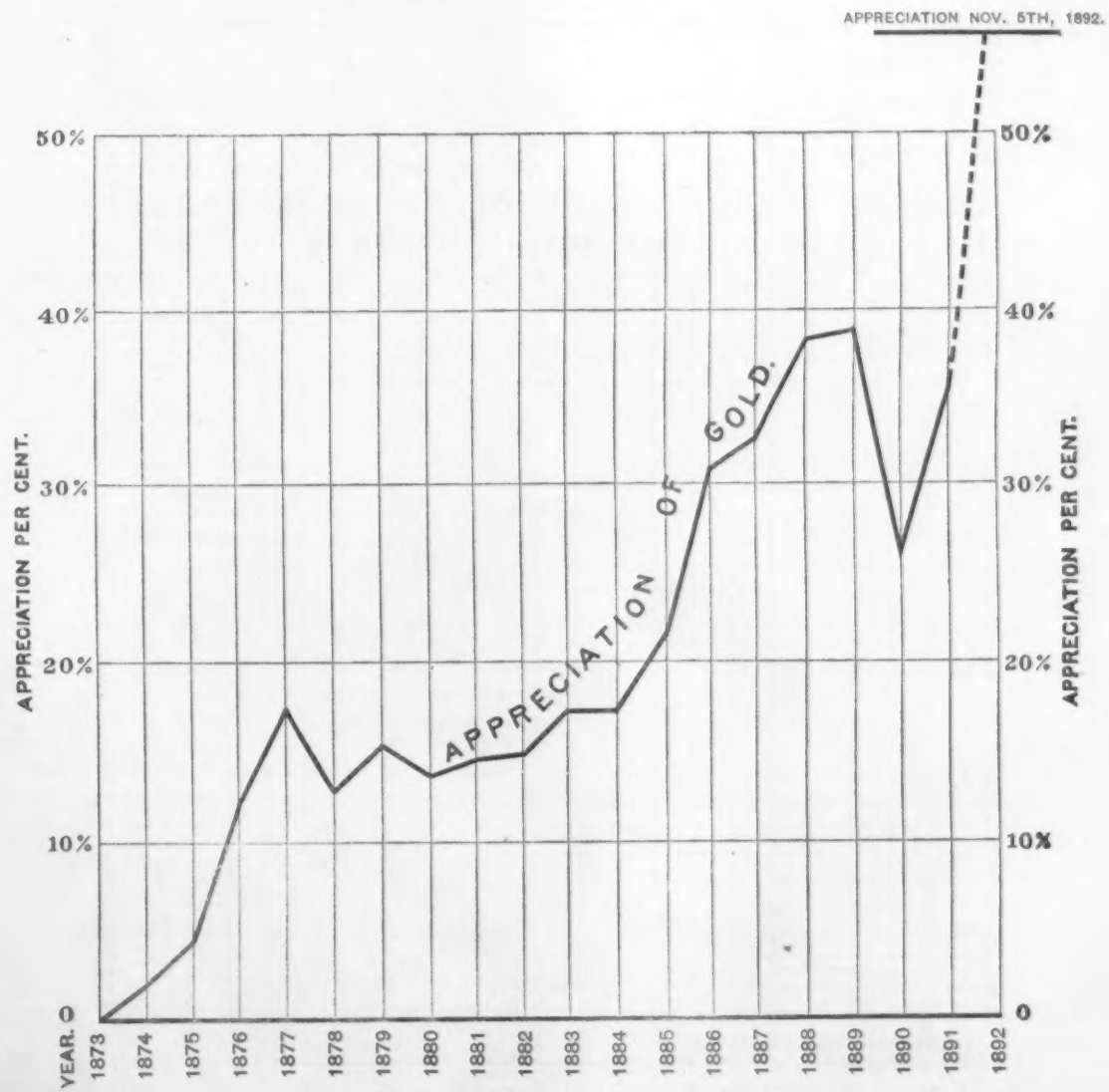
But this was nothing new. Mr. Balfour's views were on record years before. There is a highly important statement from him and from five other members of the Royal Commission, the Gold and Silver Commission of 1887.

In the special report drawn up by the six bimetallist members of that commission—including Mr. Balfour and Mr. Chaplin, two members of the late cabinet—a distinct reference is made to the question of rents. Speaking of "leases for long terms of years, annuities, pensions, and other similar charges," they say that "with every rise in the value of gold the weight of this burden upon the industry of the country increases."

What a prospect this is for Irish tenants with "judicial" rents "fixed"

No. 4.—APPRECIATION OF GOLD MEASURED BY SILVER.

PRICES OF 1873 TAKEN AS ZERO.

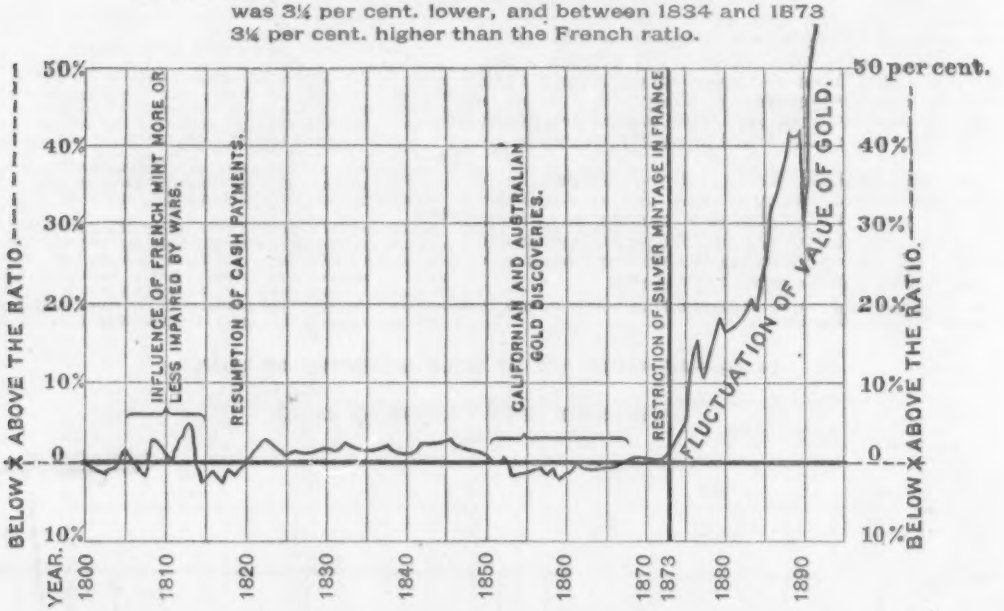


APPENDIX D.

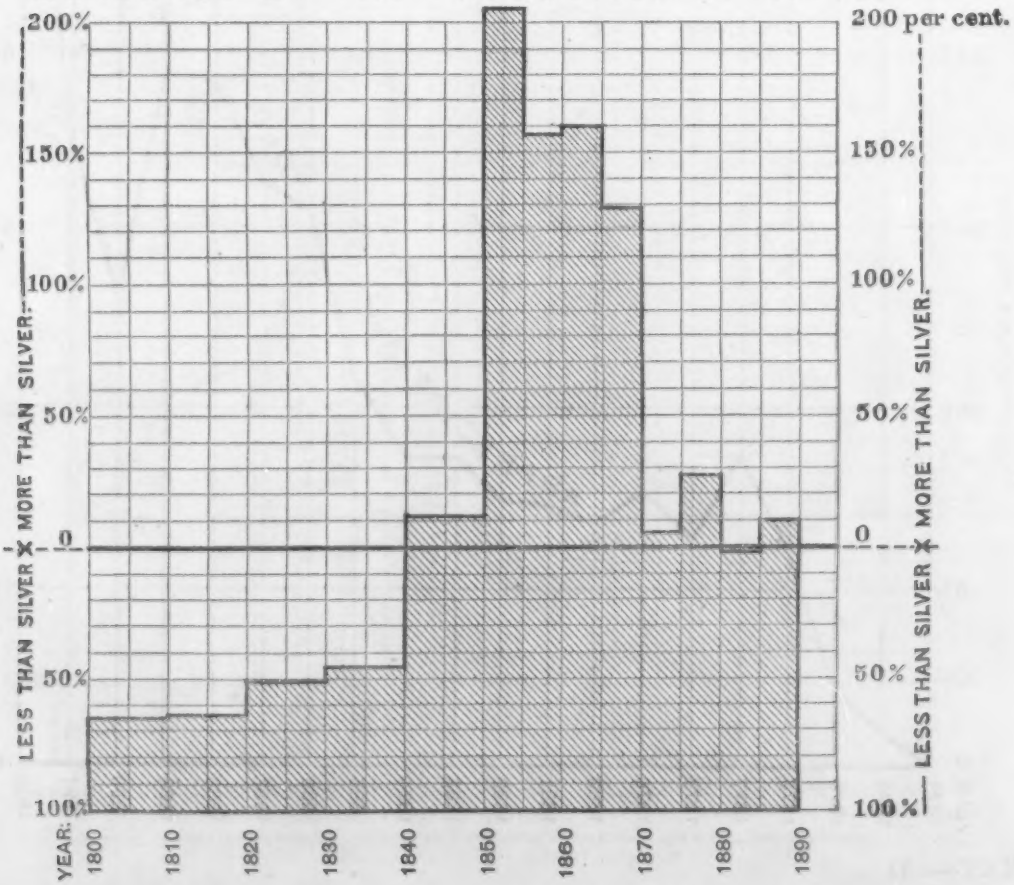
DIAGRAMS PREPARED BY SIR GUILFORD MOLESWORTH.

No. 1.—ANNUAL AVERAGE FLUCTUATION IN THE VALUE OF GOLD MEASURED BY SILVER PER CENT. ABOVE OR BELOW THE FRENCH MINT RATIO OF 15½ TO 1.

NOTE.—Between 1800 and 1834 the United States Mint ratio was 3¼ per cent. lower, and between 1834 and 1873 3¼ per cent. higher than the French ratio.



RELATIVE PRODUCTION OF GOLD (IN VALUE) MEASURED BY THE PRODUCTION OF SILVER.



for fifteen years, or for Irish tenant-purchasers, with their annual payments to the Government "fixed" for the next forty-nine years.

As I am speaking of Mr. Balfour, it may be interesting to note that his Irish land-purchase act contains a very efficient, if somewhat elaborate, provision for the protection of the State against loss, in the event, by no means unlikely, of the purchasing tenant breaking down in his payments before the forty-nine years are out.

In the scheme embodied in Mr. Balfour's purchase act, the purchasing tenant has to begin by paying at an extra rate for a number of years, so as to build up a substantial guaranty fund for the State.

No wonder, indeed, that Mr. Balfour, bimetallist as he is, should have clearly seen the necessity for some such provision. By most people it seems to have been looked upon as a mere superfluity of complication.

Mr. Balfour, however, was in a position to see what, of course, the general public were wholly unaware of, that a payment which a purchasing tenant may now be in a position to make—or which he may be in a position to make for the next few years—may be altogether beyond his reach in probably ten or twelve years to come. Putting on the screw for the first few years, then, is good policy. If it is not good for the tenant, it is good for the state. Whatever may befall the unfortunate tenant-purchaser, the state at all events is somewhat safeguarded. It has a better chance of getting back the money it has advanced.

As for the tenant-purchaser, he probably thinks that, after the extra pressure of the first few years, he may look forward to easy times for the rest of his life. He little knows what is before him. If things go on as they are, it will be harder for him, ten or twelve years hence, to pay £40 a year, than it would be for him to pay £50 a year now. But of all this he knows nothing. How could he? His only idea is that a pound is always a pound, a sovereign always a sovereign. So, in the belief that the yearly payment, when it is reduced to £40, will be well within his reach, he puts his head into the halter.

But we must be fair. No one can say that Mr. Balfour used his general knowledge of the financial situation to entrap the tenants unawares. He did nothing of the kind. If they did not know what was before them, they can not blame Mr. Balfour for it. He never concealed his views. He did not fail to give them plain warning of the consequences of entering into prolonged obligations for the payment of fixed amounts.

What he said quite recently at the meeting in Manchester is, perhaps, in one sense, somewhat more explicit, but it is not in any way different in sense or substance from what he had said years before in the most formal and public way, in the Report of the Gold and Silver Commission of 1888.

I have thought it important to call attention to the published statements of Mr. Balfour's views on this matter. His position as a prominent politician, especially in view of his recent official connection with Ireland, makes them of special interest. But they are in no way different from those expressed by many others who have written or spoken on the subject.

Mr. Samuel Smith, for instance, in an essay on "The sufferings caused by the appreciation of the gold standard," calls special attention to the increasing burden thrown upon agricultural tenants by the maintenance of the present monometallic system. He speaks more especially of the Irish tenants, in view of the fact that so many of them are in the embarrassing position of having rents judicially fixed for fifteen years.

This aspect of the case is brought out forcibly also by the Belgian economist, Emile de Laveleye:

"This consideration," he says, "especially affects Ireland. * * *

"If you can let tenants hold their land for nothing, it would be all right; but if they have to pay a fair rental either to landlords or to the Government, or to purchase at a fair price, they must then sell produce so as to procure the amount requisite for purchase or for a fair rent.

"If the price of this produce is very low, and is falling still lower, then the tenants will be incapable of raising the required sum and it will be necessary to evict them * * * or to cancel their debts.

"The supply of gold being wholly insufficient, a fall in prices must ensue; hence the ruin of Irish cultivators, in spite of home rule."

So far, then, for the chief source of the evils of our present monometallist system, and the wide field throughout which the calamitous influence makes itself felt. It remains only to point out in what way bimetallism provides a safeguard against these manifold evils—

Q. But, first, as to the fundamental fact, the rise in the value of gold. What do the monometallists say as to the existence of an extra demand upon gold, and a consequent rise in its value?

That, no doubt, is a point of much importance, especially in view of the disastrous bearing of the present currency system upon Irish farmers.

For a long time the truth of the proposition so emphatically proclaimed by the bimetallists—that the pressure upon the existing supply of gold was increasing, and that gold, consequently, was increasing in value—was disputed by monometallists.

If, indeed, the monometallists, at the outset, were committed to anything, they were committed to this, that there was no serious difficulty about gold—that is, in other words, that there was no embarrassing extra demand upon gold in relation to the existing supply of it—and that, consequently, the present general fall in prices should be ascribed, not to a change in the value of the metal which forms our only standard of value, but to an indefinite number of other causes, happening, somehow, all of them, to work together in the same direction. Silver, they said, was going down in value. Other commodities, generally, were going down in value. But gold, they maintained, was practically steady.

Now, however, there are not many intelligent monometallists who would care to identify themselves with the maintenance of such statements.

No bimetallist, indeed, has written more conclusively in refutation of the old monometallist view upon this fundamental point than Mr. Giffen, the well-known chief of the statistical department of the board of trade, probably the most determined and uncompromising champion of monometallism in England.

In a statistical paper of exceptional interest, read by Mr. Giffen before the Royal Statistical Society in London, in 1888, he not merely accepted, but proclaimed with marked emphasis, the proposition that gold had notably gone up in purchasing power; that the increase was continuing, and was likely to continue; and that this increase in the purchasing power of gold gives the true explanation of the fall in the price of commodities generally.

Mr. Giffen, indeed, in that paper, was not satisfied with dealing with the state of things as they were then found to exist. He claimed, and apparently not without justice, that a prediction of his in this matter had come true.

In a former paper, read in 1879, he had, he said, pointed out the likelihood that a rise in the purchasing power of gold would soon become evident, and he had said that, if this were to occur, there were sufficient facts in the diminished supply of gold, and in the increased demands upon gold, to account for the increase in its purchasing power.

Then, in his paper of 1888, he went on to say, "If the test of prophecy be the event, there was never surely a better forecast. The fall of prices in such a general way as to amount to what is known as a rise in the purchasing power of gold, is generally—I might almost say, universally—admitted. * * *

"Measured by any commodity, or group of commodities, usually taken as the measure for such a purpose, gold is undoubtedly possessed of more purchasing power than was the case fifteen or twenty years ago, and this high purchasing power has been continued over a long enough period to allow for all minor oscillations."

In the same paper, Mr. Giffen deals very fully with the evidence of all this, furnished by the statistics of the fall in prices of the leading commodities. The comparison is worked out by a well-known method, that of "index numbers."

An "index number" is a device to enable an average to be struck of the prices of a great number of articles.

There are several sets of such numbers, worked out by statisticians, and brought up to date each year. The Economist newspaper gives a set based upon the wholesale prices of twenty-two of the principal articles in the London market. An eminent statistician, Mr. Sauerbeck, has worked out a set upon a far broader basis, forty-five articles being included.

Here is a table showing the almost continuous fall in the wholesale prices of commodities, as represented by the forty-five principal commodities comprised in Mr. Sauerbeck's computation. I give the index numbers of Mr. Sauerbeck's table, from 1874 to 1892:

Years.	Index numbers for 45 principal commodities.	Years.	Index numbers for 45 principal commodities.
1874	102	1884	76
1875	96	1885	72
1876	95	1886	69
1877	94	1887	68
1878	87	1888	70
1879	83	1889	72
1880	88	1890	72
1881	85	1891	72
1882	84	1892	68
1883	82		

In the Report of the Gold and Silver Commission of 1888, Mr. Sauerbeck's index numbers are given in an ingenious arrangement, the average of the numbers for a continuous period of ten years being given from year to year. The following is a section of the table, commencing with the period of ten years which has for its middle point the beginning of the year 1874:

For the period—	Average of the ten yearly numbers.	For the period—	Average of the ten yearly numbers.
1869 to 1878	99	1874 to 1883	90
1870 to 1879	97	1875 to 1884	87
1871 to 1880	96	1876 to 1885	85
1872 to 1881	95	1877 to 1886	82
1873 to 1882	93	1878 to 1887	79

This may be a convenient place to mention that Mr. Sauerbeck has worked out also the yearly index numbers of the price of silver. These numbers are instructive under two aspects. First, they show the remarkable steadiness in the gold price of silver so long as the bimetallic system of the Latin Union was in operation, as contrasted with the notable fall that has since taken place. Secondly, they bring into marked prominence the wonderful similarity between the fall in the gold price of commodities in general, and the fall in the gold price of silver.

To bring out this second point, it is enough to tabulate the respective index numbers for the years from 1874 to 1892. But to bring out the first point it is necessary to take two periods, one preceding, the other following, the year of the disastrous change.

The following table, then, sets forth, by means of Mr. Sauerbeck's index numbers, the striking contrast between the relative value of gold and silver in the years preceding and in the years following 1873:

Years from 1873 back to 1854.	Yearly index numbers of silver.	Years from 1873 on to 1892.	Yearly index numbers of silver.
1873	97.4	1873	97.4
1872	99.2	1874	95.8
1871	99.7	1875	93.3
1870	99.6	1876	86.7
1869	99.6	1877	90.2
1868	99.6	1878	86.4
1867	99.7	1879	84.2
1866	100.5	1880	85.9
1865	100.3	1881	85.0
1864	100.9	1882	84.9
1863	101.1	1883	83.1
1862	100.9	1884	83.3
1861	99.9	1885	79.9
1860	101.4	1886	74.6
1859	102.0	1887	73.3
1858	101.0	1888	70.4
1857	101.5	1889	70.2
1856	101.0	1890	78.4
1855	100.7	1891	74.1
1854	101.1	1892	65.4

Taking, then, the two equal periods of nineteen years, one preceding 1873, the other subsequent to that year, we find that in the former period, during which the bimetallic system of the Latin Union was in operation, the extreme range of the gold price of silver lay between 102.0 and 99.2; whilst, throughout the period following the abandonment of that system in 1873, there has been a persistent fall, the index numbers ranging down through the nineties, the eighties, and the seventies, and reaching at length to the low figure of 65.4.

The contrast between the practical stability of the gold price of silver during the period preceding 1874, and its utter instability since then, may be exhibited in perhaps a still more striking form by indicating, for each year, the difference by which the index number of the price of silver for the year exceeded or fell short of 100.

This is shown in the following table:

Nineteen years preceding 1873.		Nineteen years following 1873.	
Years.	Difference between the yearly index number of silver and 100.	Years.	Difference between the yearly index number of silver and 100.
1872	—0.8	1874	— 4.2
1871	—0.3	1875	— 6.7
1870	—0.4	1876	—13.3
1869	—0.4	1877	— 9.8
1868	—0.4	1878	—13.6
1867	—0.3	1879	—15.8
1866	+0.5	1880	—14.1
1865	+0.3	1881	—15.0
1864	+0.9	1882	—15.1
1863	+1.1	1883	—16.9
1862	+0.9	1884	—16.7
1861	—0.1	1885	—21.1
1860	+1.4	1886	—25.4
1859	+2.0	1887	—26.7
1858	+1.0	1888	—29.6
1857	+1.5	1889	—29.8
1856	+1.0	1890	—21.6
1855	+0.7	1891	—25.9
1854	+1.1	1892	—34.6

Then the wonderful similarity—allowance being made for the inevitable slight divergence in detail—between the fall in the gold price of silver and the fall in the gold price of commodities in general, is shown in the following table.

This table gives, in parallel columns, for the years 1874 to 1892, (1) the index numbers for the 45 commodities comprised in Mr. Sauerbeck's computation, and (2) the index numbers of silver for the same years:

Years.	Mr. Sauerbeck's index numbers—		Years.	Mr. Sauerbeck's index numbers—	
	Of 45 principal commodities.	Of silver.		Of 45 principal commodities.	Of silver.
1874	102	95.8	1884	76	83.3
1875	98	93.3	1885	72	79.9
1876	95	86.7	1886	69	74.6
1877	94	90.2	1887	68	73.3
1878	87	86.4	1888	70	70.4
1879	83	84.2	1889	72	70.2
1880	88	85.9	1890	72	78.4
1881	85	85.0	1891	72	74.1
1882	84	84.9	1892	68	65.4
1883	82	83.1			

It is sufficient to note that in one case the index numbers show a fall from 102 to 68, and in the other a fall from 95 to 65. What more striking evidence could be looked for, that the fall, all round, is the result, not of causes affecting merely the prices of commodities on the one hand, nor of causes affecting merely the price of silver on the other, but of the one cause that influences both alike; that is to say, a progressive increase of value in the standard, gold, in reference to which the prices, whether of commodities or of silver, are stated?

Returning to Mr. Giffen's paper, I should not omit to remark that he puts very plainly the inevitable effects of the fall in prices—or, in other words, the inevitable effects of the rise in the purchasing power of gold—which is thus disclosed.

"It is obvious," he says, "beyond all question, that these effects may be important. * * * The weight of all permanent burdens is increased as compared with what would have been the case if there had been no appreciation.

"People in paying annuities, or old debts, have to give sovereigns, which each represent a greater quantity of commodities, a greater quantity of the results of human energy, than it would have represented if there had been no appreciation. * * *

"The debtors pay more than they would otherwise pay, and the creditors receive more. * * * Appreciation" [that is, in other words, an increase in the value or purchasing power of the standard coin] "is a most serious matter to those who have debts to pay."

Mr. Giffen then went on to speculate as to the future. "I am," he said, "bound to say that all the evidence seems to me to point to a continuance of the appreciation. * * * It is impossible to suppose that the movement [for the adoption of a gold standard of currency] will not extend to other countries. * * * All these facts point to a continued pressure on gold. * * * The better probability seems to be that the increase of the purchasing power of gold will continue from the present time."

Here, in fact, we have, in another form, the statement made by Mr. Balfour, in his recent speech in Manchester. Mr. Balfour spoke of our present gold standard of value as having gone up in value "no less than 30 or 35 per cent in some fifteen or sixteen years;" and again he says of it that it still is "steadily, continuously, and indefinitely" increasing in value, so that "no man living" can "prophesy the limits" to which the increase may not extend.

It having been established beyond controversy that fixed, invariable values are the standard of prices and give stability to those prices, the standard should be the desire and the aim of legislation. That being agreed upon, the evidence that I have put in shows conclusively that up to the last year

PRICES HAD FALLEN FULLY 40 PER CENT.

Since that time there has been a fall of more than 10 per cent in prices and a rise in the value of gold so that gold has now appreciated fully 50 per cent.

These tables also show that silver during all that time has maintained its stability. It has had that quality which Mr. Gladstone says is most desirable. It has measured human effort and property with almost absolute accuracy. The fall of silver has been the same as the fall of other commodities, and when compared with gold it bears the same relation to property that it did twenty years ago when it was demonetized.

I have in my hand a diagram prepared by Mr. George O. Jones, which takes the articles of wheat and cotton and compares them with silver, showing the great stability of silver as a measure of value, showing that silver is the honest money that measures the contract as it was originally made; that it is the money of the contract and keeps pace with other property, with cotton and wheat, while gold has gone up on account of the increased demand. That is established. I will insert this diagram, together with the explanations of Mr. Jones, in my remarks. They are as follows:

[For diagram see next page.]

OFFICIAL FIGURES.

All the figures showing average prices covering the four years of each Administration since 1872 are based on monthly reports made to Departments at Washington. The others show market prices for wheat, cotton, and silver at the beginning and end of the first five months of Mr. Cleveland's second term.

This chart and these tables and statements prove beyond the possibility of dispute that it is the price of silver bullion and the amount of money in circulation combined that controls prices for products of labor in this country.

WHY ENGLAND WANTS US TO HAVE A SMALL VOLUME OF MONEY.

An editorial printed in the London Economist, in 1883, said: "England being the chief creditor nation of the world, it is to her interest to keep the volume of money as small as possible in countries from which debts are due, in order to get more of their products in payment of interest due to her citizens." The yearly interest now paid by this country to England is said to be about $200,000,000, while at the same time American wheat and cotton and American wages are now competing in our markets for about one-half the prices they were when that article was published.

THE DOWNFALL OF AMERICAN WHEAT AND COTTON PREDICTED.

At a meeting of the British and Colonial Chambers of Commerce, held in London in 1886, Sir Robert N. Fowler, a member of Parliament, a banker, and ex-mayor of London, said that "the effect of the depreciation of silver must finally be the ruin of the wheat and cotton industries of America and be the development of India as the chief wheat and cotton exporter of the world."

An export duty prevented India from shipping any wheat out of that country before 1870, nor did she ever manufacture any cotton for export until after 1880; her wheat now competes with ours in nearly all the markets of the world. She exported 56,000,000 bushels of wheat from her crop of 1891, and sent abroad over $40,000,000 worth of manufactured cotton during that year. Is Mr. Fowler's prediction so rapidly coming to pass, and will an American Congress aid in hastening it? are questions that now assume serious importance in this country.

SILVER THE ONLY KIND OF MONEY EVER USED IN INDIA.

India is now a dependency of England. Her population is about equal to two-thirds of all the countries of Europe and America combined. Ninety per cent of the people of India never saw nor heard of anything but silver money. Their money consists of silver rupees and its fractions. The rupee has a legal-tender value of about 48 cents, which was given to it by an act of the English Parliament, passed in 1834, and has never yet been changed. But very few of the immense population of India yet know that any difference exists between the coined and bullion value of their money. The few papers that are printed in that country, like many of our own, are subsidized with English money to keep the people in ignorance.

THE INDIAN COUNCIL.

Much is now being said about the action of the Indian council in reducing and fixing the value of rupees, but that proposition is only intended to fix a permanent rate of exchange between England and India. No reliable authority in either country has ever yet intimated any intention of changing the legal-tender value of rupees among the people of India. Such an act would bring on revolution and rebellion at once. England dare not do it.

THE TRICK THAT HAS GIVEN TEMPORARY PROSPERITY TO INDIA AND ROBBED AMERICAN PRODUCERS.

Indian wheat in Bombay during the past fifty years has averaged about $1.10 per bushel, and cotton about 11¼ cents per pound in rupees at their legal-tender value:

Before silver was demonetized, a bushel of wheat in England would buy more than $1.25 worth of gold or silver bullion in that country. A dollar in gold will now buy twice as much wheat as it would then, while a dollar's worth of silver bullion will only buy the same quantity it would at that time, and that is the reason why those who live on fixed incomes from stocks, bonds, mortgages, etc., payable in gold, are opposed to higher prices for silver.

The following table shows the difference between the gold cost of Indian wheat and cotton, caused by a change in the market price of silver;

With silver bullion worth 129¼ cents per ounce the gold cost of Indian wheat laid down in English markets would be $1.20½ per bushel; at 90 cents per ounce, 88¾ cents per bushel; difference, 31½ cents per bushel. At 129¼ cents per ounce Indian cotton would cost 11½ cents per pound; at 90 cents per ounce Indian cotton would cost 8 cents per pound; difference, 3½ cents per pound.

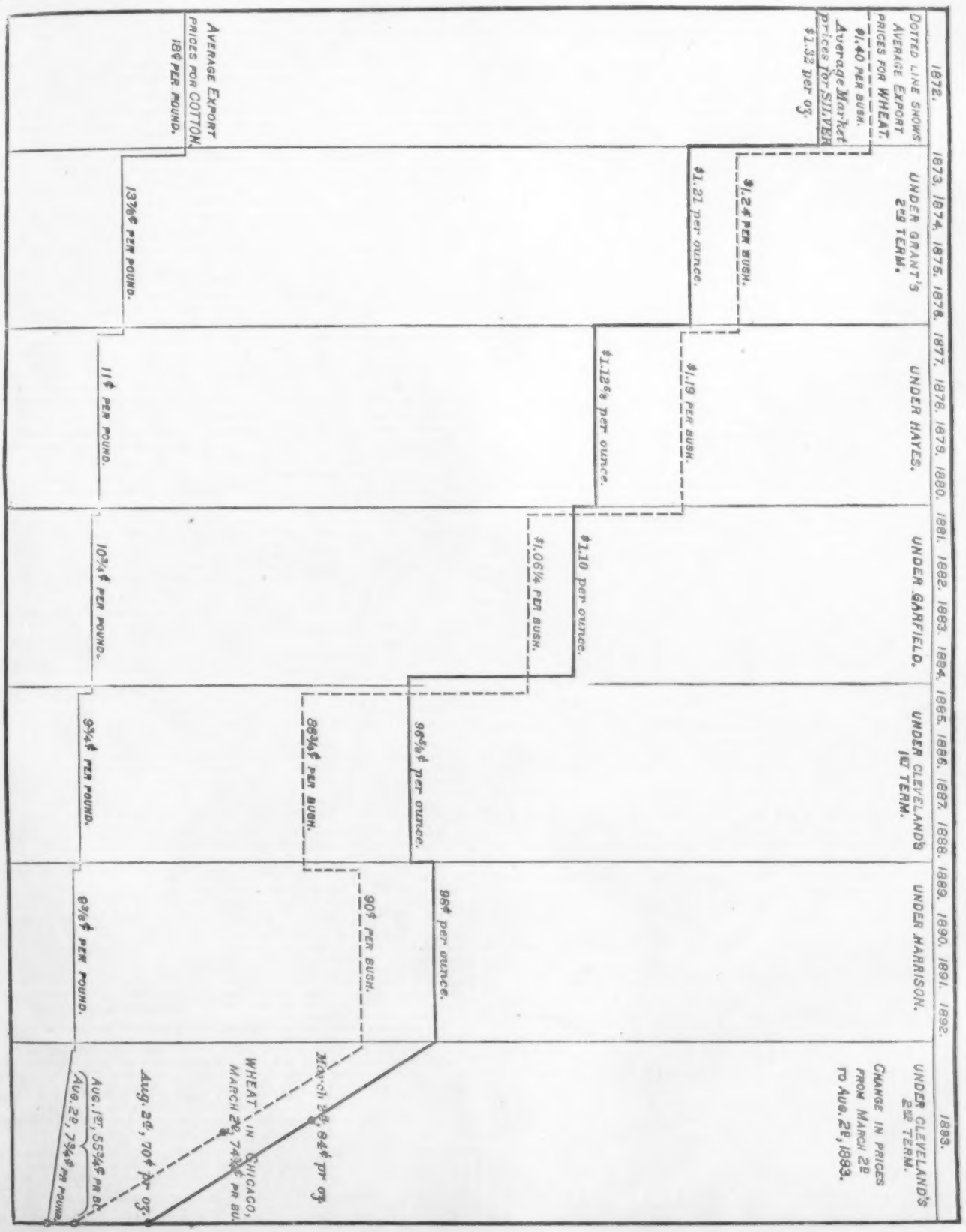
The gold cost of Indian wheat and cotton in English markets have made prices for American wheat and cotton at home and abroad ever since silver was demonetized.

Table showing average prices for wheat in England during the past fifty-eight years.

	Average price per bushel.		Average price per bushel.
1835 to 1845	$1.68	1887	$0.96
1845 to 1855	1.52	1888	.94
1855 to 1865	1.58	1889	.87
1865 to 1875	1.60	1890	.94
1875 to 1885	1.33	1891	1.05
1885	.97	1892	.97
1886	.91		

Jones's chart and tables, No. 5, showing how the price of silver bullion and the amount of money in circulation controls prices for wheat and cotton, and through them prices for most other products of American labor.

[Chart and tables entered according to act of Congress in the year 1893, by George O. Jones, in the office of the Librarian of Congress at Washington, D. C.]



Now, supposing that the wheat producers of this country had sold their wheat at 31½ cents per bushel more than they have received, and that Southern farmers had sold their cotton for 3½ cents per pound more than they have received during the past nine years, is there any one who believes that the present hard times and money panic would exist here? But they are here, and every intelligent person knows that they were caused by forcing American producers to sell the products of their toil on a gold basis.

LOSSES SUSTAINED BY SOME OF THE STATES.

The following figures show about the approximate loss sustained by some of the States caused by the decline in prices for silver bullion:

Loss per year on cotton by—	
Alabama	$12,000,000
Arkansas	9,000,000
Texas	21,000,000
Louisiana	7,000,000
Georgia	13,000,000
North Carolina	6,000,000
Mississippi	15,000,000
Tennessee	4,500,000
Loss per year on wheat by—	
Illinois	6,000,000
Iowa	5,000,000
Indiana	6,000,000
Kentucky	2,000,000
Ohio	6,000,000
Minnesota	6,000,000
The Dakotas	8,000,000
Michigan	4,000,000
Wisconsin	2,800,000
Nebraska	3,000,000
Pennsylvania	3,000,000
New York	2,000,000
Maryland	1,250,000
California	6,000,000
Oregon	3,000,000
Missouri	4,000,000
Loss per year on silver by—	
Colorado	5,000,000
Montana	3,000,000
All other States and Territories	5,000,000

The great loss sustained by American farmers resulting from decline in the market price of silver bullion must soon force itself on the attention of all business interests of this country.

WHY SO MUCH SPACE IS DEVOTED TO INDIA

is to show the effect on prices for American wheat and cotton caused by increasing the volume of money in India and continuing its former legal-tender value, in contrast with the policy of our Government in reducing the volume of its money and forcing the sale of its products at the market price of silver bullion.

LEGAL RATIO.

Much is being said about passing a law changing the parity of American coined silver dollars from 16 to 1 to 20 to 1 with American coined gold dollars. Such a change would put 2,052 grains of silver in four American dollars instead of 1,645 grains as now provided by law. Now, as 2,052 grains of silver will make more than six dollars' worth of lawful money in India, it should require no argument to prove that when the market price of silver bullion reaches the commercial value of our silver dollars, all countries having a less parity between their gold and silver money than we have will withdraw our silver dollars from circulation and coin them into their own money.

In nearly all countries except the United States and Mexico silver is now coined at a ratio of either 15 or 15½ with gold, while prices for wheat, cotton, and most other American products are governed by the market price of silver bullion alone, as shown on the chart. Therefore, this proposed change in our ratio would make no difference with present conditions except to make them permanent on American producers until the same ratio is established by all other countries.

A DISGUSTING SIGHT FOR AMERICANS TO WITNESS

is to see so many pretended American newspapers persist in saying that American silver dollars are worth only from 60 to 70 cents of their face value, and at the same time being obliged to print the fact that these same dollars are now selling in Wall street at from ½ to 4 per cent premium over certified checks of the best banks in New York. Such shameless degradation clearly proves their ignorance on the money question or their subserviency to English corruption.

THE WANT OF MORE MONEY.

The want of money is now heard as with one voice from one end of our country to the other, yet not a word comes from the President nor from any of his advisers pointing out a way to relieve that want. They persist in a manifestly studied silence in refusing to call the attention of Congress or the people to the fact that on March 3, 1884, the Supreme Court of the United States decided that legal-tender notes, issued by direction of Congress to meet the requirements of the Government or the necessities of the people, are constitutional money.

If Congress should direct the immediate coinage of all the silver in the world it would not make sufficient money to meet the pressing requirements of this country at this time. Then why not direct the issue of such notes to meet the current expenses of the Government until that want is met? Either that or universal bankruptcy must soon come upon every industry and moneyed institution in this country.

The market value of all the gold or silver bullion and coin in the world is less than the cost, in money and labor, of raising its farm products for one year.

England bankrupted nearly every man who owed a dollar in that country, and reduced her land owners from 2 0,000 to 37,000 during the five years she was forcing her people down to a gold basis.

Great Britain conquered India by bribing some of her rulers and princes, and by shooting others from the mouths of cannon, and by such other humane, civilizing, and Christianizing acts, as were in her own interest.

Has Great Britain already conquered and made slaves of the American people through corrupting our public officials and public press? Is that the Trojan horse that now stalks so defiantly through our land and demands that an American Congress shall pass the most important law ever submitted for its consideration, and that without deliberation or debate?

The sad experience of this country during the past few months, the closed mines, factories, and workshops, the poverty and distress caused by low prices for all products of American labor, the inability of business men to pay their debts or banks to pay their depositors, the unprecedented number of failures and bankruptcies, the rapidly increasing number of men and women now being thrown out of employment, and the general want and suffering that has been brought about through lack of money to do business and a wild and purchased newspaper clamor to bring this country down to a gold basis, are only "object lessons" showing what the effect of a single gold standard and other English policies would fasten on this country if they should be adopted. Will the American Congress permit them to become American laws?

We have thus seen that silver is a stable measure of value, and that it ought to produce good results where the silver standard exists.

Mr. MITCHELL of Oregon. May I ask the Senator from Nevada a question?

Mr. STEWART. Certainly.

Mr. MITCHELL of Oregon. Suppose the farmers in this country owed England 1,000,000 bushels of wheat at the prices of 1873, before silver was demonetized in this country, and were now called upon to pay the amount in money or in wheat, how much more wheat would they have to pay now than then by reason of the appreciation in the price of gold?

Mr. STEWART. About $1,000,000 more, just about double. That shows that these tables are correct, and that it takes twice as much property to pay a debt now as it did twenty years ago, but it does not take any more silver.

But you say that India has been on a silver basis all this time.

HOW HAS THE SILVER BASIS AFFECTED INDIA?

The rupee has always had the same purchasing power. Before the Royal Commission and in all the discussions on the subject it was said that it was most marvelous that the rupee should be so stable when compared with property in India; that it should remain stationary, buy the same amount of labor, of land, pay the same amount of rent, and do all the same work, and there was no change there.

Has India been affected by a stable standard? I now call attention to a series of articles prepared in England and published in the Statist. They are regarded as very important, and I want to invite the attention of all those who say that the gold standard is the thing we need. I hope Senators will pay attention, for this is very important and I want to impress it on the Senate.

The book that I hold in my hand is entitled The Silver Crisis. I read from page 56, paragraph No. 13, entitled "The Fall in Silver and Indian Prosperity." Here is an object lesson for the Senate and for the world, and I hope it will have some effect:

THE FALL IN SILVER AND INDIAN PROSPERITY.

Those who are agitating for a change in the Indian currency base their demands upon the allegation that the fall in silver has seriously injured the prosperity of India. Even Sir David Barbour asserts that Europeans are deterred from undertaking profitable works in India because of the depreciation of silver. A very little consideration will enable any body to see that the depreciation of silver can not have the effect upon the prosperity of India which is alleged. Money, no matter what it consists of, is only a medium of exchange, and it is absurd to pretend that a medium of exchange—a thing which is useful only because it facilitates exchanges, that is, buying and selling—can really and seriously injure the prosperity of a country. The prosperity of a country depends upon invention, intelligence, skill, industry, and thrift in the first place. If the inventive faculty is prolific, if the intelligence of the population increases, if skill improves, if industry is great, and thrift constantly practiced, then a country will flourish, let its standard of value be what it may.

No doubt a sound currency is a very important thing. It would be most unwise for any people who have a good currency to part with it or in any way to tamper with it. But the best currency that ever existed would not make a country prosperous if its population were lazy, dissipated, and worthless, or if their skill were small and their intelligence low. It is the people themselves who make or mar their own wellbeing. But while all this is true it is very important to have a good currency, and it would be very foolish to tamper with one if it exists. However, a number of people, either because they actually believe that a currency is the main instrument of prosperity or to ward off perils which they think threaten themselves, wish to persuade the unthinking that currencies have a mystical influence. A very large number of people, for instance, as has been said, are arguing that the prosperity of India has been seriously injured by the depreciation in silver. It may be worth while, then, to point out by a few striking examples how utterly ungrounded is the assertion, and let us begin with the construction of railways.

The depreciation of silver began in 1873, and it has been going on more or less ever since. For a year or two it appeared to be stopped, but only to begin once more. The allegation now is that Europeans are unwilling to invest in India, because the low exchange is unfavorable to them. For instance, it is said if Europeans were to provide the capital to construct a railway in India, railway fares and railway rates would be collected in India in silver, and the silver so collected would exchange for less and less gold as the fall in silver proceeded; but the capital would, under the hypothesis, have been subscribed in gold, and consequently the return would be unremunerative; the investment, that is, would be a bad one. Now, let us see how far the facts tally with the argument. In 1872, according to the "Statistical Abstract for British India," the number of miles of railway opened for traffic was 5,370½; in 1890 the number had risen to 16,404, showing an increase of 11,034½ miles, or over 205 per cent.

This certainly does not look like an unwillingness to invest. It may be said that the pace of construction is far too slow, that with a country having such great natural resources as India, and so vast a population, the pace ought to be much faster, and that, furthermore, even as it is the Government had to give guaranties insuring a minimum to the investors. We are not concerned just now to answer these objections: they do not apply in reality, for if the Government thought that railways would pay, and was willing to give the guaranties, the railways would have been constructed much more rapidly, and would now be constructed at any rate the Government might please. The policy of the Government may or may not have been wise, the whole system of railway construction may or may not have been well considered; the main point is that those who advocate a change in the currency of India contend that the depreciation of silver has prevented the construction of railways, and the facts show that they are wrong in the contention, that railways have been built far more rapidly since 1872, that is, while the depreciation of silver has been going on, than before 1872, that is, before the depreciation began.

Again, in the year 1872, ships engaged in the foreign trade of India, of a

grossaggregate tonnage of 4,645,997 tons entered and cleared at Indian ports. In 1890 the tonnage had risen to 6,469,036 tons, an increase of 1,823,039, or almost 40 per cent. Furthermore, in 1872 the total value of the exports and imports together was £108,351,039. In 1890 the value had risen to £192,023,710, an increase of £83,672,671, or almost 80 per cent. As an appendix to the statistics of railways it may be added that the length of telegraph lines in 1872 was 15,336 miles, and in 1890 35,279 miles, an increase of 19,943 miles, or about 130 per cent.

These figures show how utterly unfounded is the allegation that India has materially suffered from the depreciation of silver; on the contrary, there has been a very great development of the trade of India in the meantime. The country has been opened up by means of railways and telegraphs, and the well-being of the people has decidedly improved. It is since 1872 that the export of wheat has attained any magnitude. The Suez Canal was opened only in 1869. Before that event it was not possible to carry wheat, a bulky and cheap commodity, so immense a distance as to Europe all round the Cape of Good Hope. The construction of the Suez Canal, the adaptation of shipping to that route, the opening up of India by means of railways, and the fall in silver enabled a great trade in wheat to spring up, and everybody knows now that India is the third greatest source of supply ranking after the United States and Russia. Instead, therefore, of the fall in silver injuring the wheat trade, the fall in silver has undoubtedly stimulated it. But the fall in silver would have had very little effect were it not for the opening of the Suez Canal and the construction of railways throughout India.

As railways are pushed farther and farther into the wheat-growing districts we may expect to see the trade increase. It is notorious again that there has been an extraordinary growth in many manufactures in India of recent years. Everyone who has paid any attention to the Lancashire cotton trade is aware that Lancashire manufacturers complain very loudly that they are suffering severely from the competition of the Bombay cotton mills, especially in the Chinese markets; the facts are so notorious, and Lancashire lays so much weight upon them, that it may be assumed readers are fairly familiar with them in a broad way. Further, it may be assumed that readers are familiar with the growth of the jute trade. Especially in Bengal there has been a very great growth in that manufacture.

But perhaps the most striking incident connected with the trade of India in recent years is the wonderful strides India has made in the growing and the export of tea. Everybody knows that half a century ago Europe was supplied almost entirely by China with tea, and that now, in this country at all events, more Indian tea is consumed than Chinese. According to the "Statement on the Moral and Material Progress and Condition of India," the area under tea so short a time since as 1880 was only 208,492 acres. Seven years later the area had increased to 307,037 acres, almost 50 per cent, and two years later still—that is, in 1889—there was an increase to 329,242 acres. In nine years, that is to say, there was an increase of about 120,750 acres, almost 60 per cent. It may be added that, still according to the same authority, in 1865 the importations of tea into the United Kingdom from China were 93 per cent, and from India only 2.5 per cent, whereas in 1889 the importations from China had fallen to 39.88 per cent, and those from India had risen to 42.93.

In both cases Ceylon is omitted, and it will be seen that India alone three years ago already sent us considerably more tea than China. The area of cultivated lands in Indi can not be given. Even the most recent return does not include those for about one-third of India, and in the older statements respecting the moral and material condition of the country we have no information. But in 1889 the area under food crops—rice, wheat, other grains, sugar, tea, and coffee—amounted to a little over 127,500,000 of acres, and that under nonfood crops somewhat exceeded 92,500,000 acres, so that there was a grand total of over 150,000,000 of acres. Assuming that the same proportion existed in the remaining one-third, with a population of over 80,000,000 of people, the total crop area of India was about 221,000,000 acres, 188,000,000 acres being under food crops and about 38,000,000 acres under other crops.

THAT IS THE CONDITION OF INDIA.

There is an impartial statement, giving the deductions to be drawn from it and stating the drawbacks which should be given on account of the Suez Canal and other circumstances. Still, India has prospered.

I now wish to call particular attention to what Manchester and other manufacturing centers have done. They complained of this, and said that they were being ruined; that they were being cut off from the Chinese trade; that the silver-using countries were not trading with them; that there was one money in all the East, and that the difference in exchange amounted in effect to a tariff, which embarrassed them more than the American McKinley act, because they could get in here easier than they could get into the East. The problem was how to restore the Indian trade to England. Two plans were proposed, and they have been discussed for years and years. The documents containing these discussions have come here and been accessible to us all, and I have perused them for years.

One plan is to equalize the money of the world, so that all may have a stable standard, to restore silver to its place as standard money. On that view of the question there have been most exhaustive discussions. The most enlightened men of all Europe have said that

THAT WAS THE HUMANE WAY.

There have been others in the city of London who have all the time claimed that England, being a creditor nation, with debts payable in gold, the use of silver would be detrimental to her. That was the language of six members of the royal commission who were opposed to bimetallism; that was the language of Gladstone, and that is the language of all of the English monometallists. The governing power of England is the money power of London. They saw that they must do something or the question would enter into the next election, and it was perfectly obvious that if it did they would be overthrown. They were compelled to relieve the manufacturers and give back to them, if possible, the Indian trade. Consequently, instead of giving the world an honest measure of value, they have attempted to put India on a gold basis, which will reduce prices and break up her manufactures and give England the trade. When that was done the bimetallists called attention to the effect such a policy would have. They stated that it would lose them the Eastern trade. China and Japan still had it, and they would trade with America.

I now read an extract from

THE LONDON STANDARD

to show the alarm which was then in existence. This was reprinted in the Chicago Inter Ocean. The comments of the Inter Ocean precede the article, which is headed "The London Standard's Warning." It is taken from the Chicago Inter Ocean of Friday, July 28, 1893:

After explaining to its readers what has been done in India on the silver question, explaining the matter somewhat fully, the London Standard, the leading organ of British conservatism, winds up its editorial with the following "succedaneum" remark:

"What if the United States joined Mexico in declaring for 'free coinage of silver,' throwing over gold as too dear? What if the two American continents held out the hand to further Asia, and said: 'Let us have the white metal for our standard'? Chile, now hard hit, would eagerly respond, and all the crippled states of South America, and Mexico, and Japan, and China, and Java—all that mighty East, which cares little for Simla. It is a great danger, to which the present outburst of alarm and fear must not render us oblivious."

That was the warning. That was a movement to prevent the United States from joining the silver countries and taking the place of India and taking the lead of the world by having an honest measure of value. That is one of the reasons why England is operating upon the Senate. There are two great powers at work. One is the money power, which must take care of the manufacturing interests, or risk a defeat in the next election, and so England must put America on a gold basis or have a rival more dangerous than India. She has destroyed India as a rival, and now she must subjugate America.

I shall not continue my speech at length this evening in this line, because it leads up to an argument on my

PROPOSITION FOR A COMMON COIN

with the South American States. When I have an opportunity to take the floor again I shall proceed to show that the United States invited the South American Republics to come here and adopt a common coin which should be a legal tender in the Americas. I shall then show the able and conclusive reasons given by the delegates from all the Americas, except the United States, why we should have a common coin so that trade might be carried on between the United States and these South American countries. I will show how unfairly we treated those people. We invited them here under the pledge that we would join them in establishing a common coin, and when we got them here we treated them most shabbily and most treacherously.

That law was passed under a Democratic Administration, and the Democratic party ought to be proud of it. It was signed by Mr. Cleveland, and it was the best law and the best proposition to which he has ever had the opportunity to place his signature.

That law was not carried out. When those delegates arrived here our Administration would not allow them to execute it, and when I have an opportunity I shall lay before the Senate the proceedings which were had and the reasons for the action taken.

England has done just what her money power wanted her to do. She has done what it was for the interest of a creditor nation to have her do. She has cut off her rival—India; she has left all this trade to us; will we take it; she has destroyed her Indian rival, and left us to take the first place among the nations of the earth if we are honest enough to have honest money and brave enough to declare for financial independence.

Silver.

SPEECH

OF

HON. JOHN R. FELLOWS,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, August 26, 1893.

The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. FELLOWS said:

Mr. SPEAKER: The hour for closing the debate which has enlisted the interest and attention of the country for the past two weeks is fast approaching, and I recognize the propriety of limiting to those who yet desire to be heard such portions of time

as will enable many to speak. The restriction imposed upon myself necessarily prevents anything like an elaborate discussion of monetary principles or theories. I trust I may find it ample for the single purpose I have in view, which is to call to the attention of the Democratic party its previous pledges upon the subject now under consideration. I shall not follow the course I had marked out for myself in this debate.

The remarkable speech of the gentleman from Maine, who has just occupied the attention of the House, and the equally singular one which fell from the lips of my distinguished friend from Kentucky, have so changed the current of my thoughts as that I shall turn wholly away from the form of speech I had contemplated and address myself to some suggestions elicited by their remarks. I congratulate the gentleman from Maine [Mr. BOUTELLE] and his party associates upon the complacent mood in which they are now found. [Laughter and applause.] It seems to me that it is both natural and appropriate that they should occupy that position. They are charged with but little responsibility for legislation, and they have but a dim and cloudy hope awaiting them in the future. [Laughter.]

But we will not consent that their past history shall be forgotten, and it is with some products of that past that we are dealing now. While I am surprised at the attitude of some of my party friends, I am utterly shocked and grieved to the heart at the position occupied by my brethren of the Republican party. They seem to have cruelly abandoned their offspring. Why, do they not remember that this dishonored and degraded waif has only recently been denied the support and protection of the paternal roof where it had its birth? [Laughter and applause on the Democratic side.]

I can not forget that this mischief we are called upon to undo was the product of Republican legislation. There was not a man upon that side of the House who did not give it his support and vote. There was not a Democrat upon this side of the House who did not denounce the unholy thing as, in my judgment, they should all be found denouncing it to-night. From its inception it received no support from us. Its birth was in the house of the Republicans. Its early training and maintenance was all in their hands. At last they have become ashamed of the folly that gave it birth and have turned out the tainted and dishonored creature. Shame to the Democratic household that would give it roof and shelter now when it is driven from its father's house. [Applause and laughter.]

The gentleman from Kentucky [Mr. STONE] has told us that he shall vote for the repeal of the purchasing clause of the Sherman act because he has always been opposed to it. I thank him for this. It merely states the position of every Democrat but a short time ago. But he goes on with a speech of much fervor and eloquence to express his utter condemnation of the motives of those who are the advocates of repeal, and of the causes which he asserts have produced conditions now prevailing. He charges upon us that we have turned the true course of discussion; that we have wandered from the subject and interpolated things that had no proper place in the debate. I beg to ask my distinguished and esteemed friend who is chargeable with responsibility for the course this discussion has taken.

We presented a naked proposition for repeal. That proposition had but a proximate relation to questions of coinage and currency. It was the purchase by the Government of silver bullion we sought to stop. It is those who array themselves as opponents of this demand who have precipitated upon the country a discussion involving questions which have agitated the world for the past three hundred years, and which has included in its scope all possible matter relating to money and its functions.

Is it the friends of this bill who have strayed from the faith they once declared? Where within the sound of my voice, where within the limits of this land is there a Democrat who was not the opponent of the Sherman bill from the first? His vote was cast against it, his speech has been in denunciation of it, his party declarations have thundered the demand for its removal from our statute books; and at last in the great national council of the party where almost every household was represented, where every constituent had a delegate to declare his wishes, where speech was as free as it has been during this debate, we put the record and sentiment of nearly three years into a platform which declared for the repeal of the law of 1890.

Gentlemen tell us now that we must couple other measures with the fulfillment of this pledge. Sirs, you accompanied the demand then with no condition. You did not discuss ratios. There was nothing said about a return to the Bland-Allison act. You declared for the speedy repeal of the Sherman act, and put a period at the end of the paragraph which thus expressed the sentiment of the party. [Applause.] The voice which protested against the continuation of this vicious policy was not one which emanated alone from what the gentleman from Missouri [Mr. BLAND] so courteously characterized this afternoon as the purlieus of Wall street or the Stock Exchange of New York. It was the sentiment merely of boards of trade and all those who handle and distribute the products of the industries of the earth. It came alike from the broad plains of Nebraska and the luxuriant harvest fields of Missouri.

From every Southern savanna that voice of denunciation and demand for the abolition of this policy was heard. The Democratic party might differ as to views of coinage, of banking, and of currency, but there was no discordant note in the strain that went up from the entire body of our great organization demanding the repeal of the Sherman act. The first utterance in its behalf, the first defense it has ever received, comes now, when, at the demand of the chosen leader of our party, we are asked to redeem the pledge which we have as individuals and as a party constantly made. For one, I stand where I have stood during the whole life of this act.

I was opposed to it at the beginning, I am opposed to it to-day, and I do not feel it necessary to mingle all the demands of the Democratic party in one brew in order to accomplish a fulfillment of the promises it made to the Republic. Let us do this one thing which waits upon our action now. Then, with steady purpose and courage as unfaltering as that of the chosen head of the party, we will go forward to the fulfillment of another pledge, and know no pause until every part of the Democratic platform of 1892 is fashioned into statutes and made the law of this Republic. [Loud applause.]

I believe that the Sherman act justified the denunciation which we all formerly leveled against it. Let me inquire of my friends from this side of the House what good results they can point to to justify their eager advocacy of this measure now. I look about me and fail to discover any evidences of its success as a policy. To-day there is the breath of suspicion upon every enterprise, business is paralyzed, banks are closing their doors against the ordinary transactions of commercial life, great houses that are solvent when you come to compare liabilities with assets are compelled to suspend for the want of the agent by means of which the work of the world commercially goes on.

Thousands of people willing to work and dependent upon daily labor for daily bread are denied the opportunity to support themselves and those dependent upon them. What has caused this? The country is teeming with production. Its hillsides dripping with fatness, its valleys flowing in rivers of wealth, and with every blessing of Providence bequeathed as no nation has ever received them before. Why it is that at this hour want and woe, and penury and sorrow, and all the evils that follow in the train of stagnated industries and languishing business are the sights and sounds that meet our eyes and ears?

What is it that has engendered this fearful spirit of distrust, abatement of confidence, lack of faith in each other; that feeling of suspicion toward every other man; which has taken money out of circulation, silenced the hum of industries, stricken with paralysis all our energies, and brought us to gaze straight into the face of as awful possibilities as ever threatened our country. Almost the entire body of our fellow-citizens engaged in business enterprises tell us that these conditions are produced by the continuation of this law we seek now to repeal. A law which was wrong in theory, vicious in practice, and a radical departure from the true functions of government. What has it done for silver? You tell us that in 1873 silver was domonetized.

The Sherman act to some extent provided a market for the silver product of this country. It was the fond hope of its friends that that act would give enhanced value to silver. Yet, during that period from 1873 on to the passage of the Bland-Allison act, the price of the commodity never reached so low a figure as it does to-day. The effect of the Sherman law on the silver product itself has been to constantly depreciate its value. This result was inevitable. When silver, like any other product, is sought for in the markets of the world to meet an existing demand, its price is likely to be both higher and steadier than when it is heaped up in great masses as an unused commodity, for the apprehension that the vast volume may be precipitated at any time upon the market necessarily tends to create constant fear and lessened value.

This is a plain law of supply and demand which can not be changed by acts of Congress. The mischief of this law, therefore, is plainly apparent. Its benefits are nowhere apparent. Why, then, should the wretched system be continued? We demand the abatement of a palpable nuisance, and after that is done we will consider what healthful measure shall take its place. What do you Democrats who are opposing the repeal offer the country? We have had two weeks' discussion here. It has been generous and full; it has been eloquent and able. To the credit of the American Republic, let it be said, it has been tolerant and conservative in the main, and every Representative on this floor has seemed to feel the obligation resting upon him. Upon the record made in this debate, I ask the Democratic opponents of

this measure again to tell us, if they can, what they offer now as a reason for violating the pledges made in the past.

Tell me, my eloquent friend from Nebraska [Mr. BRYAN], whose genius has illuminated this subject with a splendor it has received at few hands, you who have stated the argument upon your side with a thoroughness, force, and ability which seems to have exhausted the resources of the party opposing this bill, what do you offer the country if you defeat the measure now before the House? Numerous amendments are proposed, but has the course of the debate demonstrated that any dozen of you are agreed upon any proposition suggested? Some cling with unfailing devotion to existing ratios; others would have a ratio of 20 to 1, and unlimited free coinage upon that basis; others declare a preference for the act of 1878. All is confusion, doubt, and uncertainty in your ranks save as to one thing, and that is opposition to the repeal of an act which six months ago as one man you denounced as shameful and dangerous legislation, and which you covenanted with the country to remove from the statute books if you were intrusted with power.

It seems to me a strange attitude in which to find Democrats. We are convened in extraordinary session by the President of the United States and asked to keep this promise we made; to fulfill that part of our pledge to the electors of this land; and yet, we who are the advocates of repeal are denounced in almost violent forms of expression. We are characterized as the enemies of labor, the murderers of industry; persons who would strip from the hands of the toiler the pittance to which his daily exertion so justly entitles him, and which is essential to his very existence itself. What has caused this most extraordinary change of sentiment in the ranks of the Democratic party? What has justified these reproaches leveled against those of us who stand to-day where all of us stood in one united column but a few months ago? Is it not perfectly apparent to every gentleman on this floor that if the pending measure is defeated, we must leave the Sherman act upon the statute books to work its mischief on and on for an indeterminate period.

I ask gentlemen of my own party to contemplate the spectacle that will be presented if this measure is defeated by Democratic votes. Upon the one side the voice of the Democracy of this Union in one unbroken chorus, demanding the destruction of this vicious policy; a voice which never ceased to make itself heard in denunciation of this most wretched and dangerous law, and upon the other side, a portion of that same Democratic party appearing as defenders of this same law the first moment it is vigorously attacked, and demanding its preservation with an intensity and zeal which would seem to indicate that every hope they had in life depended upon its retention.

Why, sirs, your action to-day is a plain declaration to the country that you were never sincere in advocating repeal. We who are its advocates stand with the President; but beyond that and better than that, we stand by the solemn promises, the earnest declaration, the pledges with which we went before the voters, all expressed in the platform of our party; and all declaring that when we could we surely would repeal the Sherman law. Tell me, my friend from Missouri [Mr. BLAND], when you were denouncing this act in your State, did any Democrat rise up then to defend it? But you answer me that we also promised the coinage of gold and silver at our mints upon certain conditions and upon equal terms. So we did. We promised a reform of the tariff; a repeal of the Federal election laws; we promised very many measures of relief. But we nowhere promised that we would not do any one of these things until we had grouped them all together in one legislative act and were enabled to pass them simultaneously.

I ask you to-night what it is that keeps you from the fulfillment of the first obligation we have reached, the first pledge of our platform. Sirs, I have listened in this Hall in the course of discussion to some expressions which I have much regretted to hear. I have heard denunciations of the city from which I come which nothing in its history has ever justified, and which even the passions aroused in an earnest debate can not excuse. I will not occupy the time of the House in telling the story of my past life; most of my colleagues here know it well.

When I was very young I became a resident of the South, my later boyhood and my earlier manhood were passed among its people. When the time of its awful struggle came, I endured with them the privations and perils of that conflict. They were my comrades during the four years of war; I loved them with that devotion which one always feels for those whose heroic courage he has witnessed, in whose perils he has shared, whose sufferings, trials, and privations were borne together; whose uprising out of the waste and ruin of war was even a more splendid illustration of lofty character and courage than that exhibited in the shock of battle.

That love will never fade out of my life. It remains as fresh and warm to-day as when it was first kindled. Subsequently, I made my residence in the city of New York, the city which has been subjected here to such vehement and bitter denunciation, and I have cause to know how worthy its people are of the love and gratitude of all patriotic citizens. Nearly, if not quite, fifty thousand men who followed the fortunes of Lee and Johnston, or the sons of those who did, have become residents of the city of New York since the close of the war. They are to-day honorably engaged in every avocation which enlists the thought and effort of men. They are found among our bankers, lawyers, judges. No hand of hate was turned against them. They were met with that warmth of welcome, that broad catholicity and conservatism which has always characterized the great metropolis.

The history of their past has never prejudiced or hindered their present career. Just for what they are now and for what they may be in the future, they have been received with a brother's welcome. Oh, my comrades of other days, the people of that city do not deserve the reproaches you visit upon them now. The history of their effort to protect the people of the South against harsh and unjust exactions after the Union had been restored; their fierce rebuke of any attempt to inflict upon you such legislation as tended to stamp you as unworthy the privileges and powers which the loyal North has asserted as its own right; its steadfast maintenance of the doctrine that the war resulted in the restoration of Union, and not in the establishment of two permanent hostile sections, and that all were entitled to the benefit of equal laws, should silence forever the voice of denunciation and reproach upon the part of the South against the people of the city of New York.

Let me recall to you an occasion when the generous sympathy and broad charity of that city were splendidly exhibited toward the South in the time of its dire extremity and distress. The yellow demon had invaded your homes, and there was a cry of despair wilder than that which went up from the homes of the Egyptians, because all through the South there was more than one dead in every house. New York, out of her generous abundance, sent money for your relief until money was no longer needed. She organized a hospital corps and sent it with a large attendance of physicians to administer to the sick free of charge.

But more than that, from all their convents and cloisters and sacred retreats in the city of New York, there went out women who have devoted their lives to the holiest and best work that mortals can ever do; the work of relieving the necessities and distresses of others; went in their black robes but with souls as pure and white as an angel's vesture ever was, and gave themselves to disease and pestilence and death to aid you in caring for your sick. [Loud applause.] It was a generous exhibition of the sentiment of New York to our suffering brothers of the South; nor has she ever failed to extend the hand of benefaction to the entire land. Her charities are as broad as the Republic; when the waters burst their barriers in the hills of Pennsylvania and swept down on their deadly course bearing thousands to sudden death, not only the sympathy but the substantial aid of New York were transmitted as fast as the electric current could bear them.

When fire devastated Chicago, or the fierce shock of the earthquake leveled the homes of Charleston to ruins, the great metropolis was still the first to respond to the cry of suffering. The prosperity of the whole country is the prosperity of New York; she has no interests which antagonize the other portions of our common land. Stop the productions of the field, and the streets of New York would become like deserts. Silence the hum of our industries, the music of our manufactories, and the courts and squares and palaces of the great city will become waste places, the hiding place for bats and owls. She can not live except as the great commercial artery through which flows the tribute yielded by all the country on its way to distribution in every part of the earth. She demands for the transaction of your business and her own a sound and stable currency. She cares nothing whether it is gold, or silver, or paper, so that each dollar is of equal and exchangeable value with each other dollar.

No one contends for the abandonment of silver as a money metal in this country. No nation has relinquished its use as such. England and France, indeed all the great commercial nations, are using silver as money in vast quantities, although recognizing gold as the standard by which to measure values. We are not asking, therefore, the retirement of silver as a money metal. What we do ask is that the dollars coined from it shall be as good as all other dollars; that they shall have the same value in the purchase of goods, the wage of the laborer, or the payment of debts, as the dollar coined from gold.

Mr. Speaker, I have deeply sympathized with the condition of the agricultural regions of this country so vividly portrayed in the course of this debate by the opponents of the pending measure. All right-minded citizens must experience regret at the prostration of any industry or the distress of any portion of our people. But I have yet to hear any argument which jus-

tifies the belief that the farmer can be really benefited by giving him dishonest money with which to pay his obligations, or that the continuation of a policy which makes Government the purchaser of the product of the Western mine-owner can materially aid the farmer in obtaining better prices for the product of his labor which he must sell as best he can in the markets of the entire world.

Besides, sir, the farmer is not the only one to be considered in the settlement of this question. All the people of the earth are consumers of the products of the soil, and it must not be forgotten that if wheat brings but a low price to the farmer, the flour which is the product of that wheat is turned into cheaper bread for every laboring man throughout the world. If cotton brings less per pound than you think it should, remember that the product of the loom, the clothing which comes from the cotton is furnished more cheaply to every poor man's family by reason of the lessened price. I have always supposed that the efforts and energies of men have been employed to cheapen production, and that this was sound philosophy.

It is for this that invention has startled the world with its novelties; that machinery has taken the place of human labor; that the instrument propelled by steam can do the work of many men. We should not so frame our legislation as to benefit certain classes or particular industries to the detriment or injury of others. The evils from which we are now suffering have largely resulted from this false and wicked system. The laws which confer the greatest blessing upon the country as a whole will in the end result in the greatest happiness to each section of the country and to all classes of its population.

But, Mr. Speaker, the time assigned me is approaching its limitation, and I must hasten to a conclusion. I trust the day is not far distant when all the great commercial nations will agree upon some plan by which both gold and silver shall be received and coined at every mint, and freely used in the business transactions of the world. I believe that time is near at hand. But the United States can not accomplish this result single-handed. It can only be reached by the consent of people in other parts of earth inseparably associated with ourselves in the maintenance of commercial life and prosperity. We can not isolate ourselves and remain a great people.

It was well said to-day by the gentleman from Maine [Mr. REED] that the world is linked together by indissoluble ties. Now we transact our business by flashes of lightning. We have laid a great iron pulse close by the foundation walls on which the ocean rests, and through it there goes beating constantly the thoughts and desires and demands of all the earth. We compare our markets and determine the rates of our exchange, not alone by the action of the great centers of trade in this Union, but by what we learn each hour from Liverpool and London, from Paris, Bombay, and Calcutta, and in like manner they mold and control their affairs by this association with us.

I hail this companionship. I am glad we have passed out of the era of separation and antagonism. We are not dependent upon other peoples, except in so far as all humanity is dependent upon all its parts for common blessings. Certainly I do not share that prejudice and bitterness which seems to be awakened here by reference to forms, and customs, and habits which prevail in the land from which we sprang. We did not seperate from all the blessings and benefits of civilized life when we cast off the political power of England. I am not willing to yield up the religion my mother taught me because English men and English women worshiped by the same ritual. I will not give up common-school education because England cherishes it. I will not abandon a sound financial policy simply because England chooses to have it. I desire for these United States the best the world has to give. I desire to have it in communion and connection with all the rest of the earth.

Far distant be that day when this country, bounteously blessed above all others in natural resources, instinct and vital with intelligence and hope, shall separate herself in gloomy solitude from the other peoples of the world. We will reject what is wrong in their systems, but we will cling to that which is calculated to uplift ourselves even though it may benefit them. Welcome be every new tie which binds the inhabitants of earth in closer companionship. I hail these swift coursers of the deep which fly to and fro like shuttles from shore to shore annihilating the distance which formerly separated nation from nation. They gather their warp and woof from every part of earth and with it they are weaving the ties of a closer brotherhood; weaving the fabric of a higher and better civilization; linking the past to the present; weaving into living realities the dreams of enthusiasts, the visions of seers, the voices of prophecy; weaving shrouds for old superstitions and ancient hatreds and feuds, and rendering forever possible the realization of that bright hope of the British Laureate in a coming "Parliament of Man; a federation of the world."

Mr. Speaker, within a very few hours we shall be called upon to discharge the important duty of deciding by our votes the momentous question before us. An intervening Sabbath with its peaceful calm, and the repose it will bring to us wearied with the long contention, will enable us, I sincerely trust, to reach such conclusion as will meet the expectations of the people of this Republic. They await with deepest anxiety the result. If our action shall be animated by patriotism and guided by wisdom, all will be well. We will go forward then to the discharge of other duties cheered by the approval of a rejoicing and satisfied people. We will march to the music of reviving industries, of uplifted business, the acclamations of hopeful and contented workers, the throb of our own approving consciences, the plaudits of "well done, faithful servants" from the millions whose hopes and desires and highest temporal interests are now intrusted to our keeping. [Prolonged applause.]

Free Coinage of Silver as Relates to the Money Power.

SPEECH
OF
HON. JAMES H. KYLE,
OF SOUTH DAKOTA,

IN THE SENATE OF THE UNITED STATES,

Monday, October 2, 1893.

The Senate having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. KYLE said:

Mr. PRESIDENT: We are urged by the chairman of the Finance Committee to a speedy vote upon an important national question.

He himself considers it the most important question that has occupied the attention of the Senate. The Senators favoring bimetallism entirely agree with him upon this proposition. In my judgment it is not only important, but the welfare and condition of 65,000,000 of people depend upon its proper solution. For thirty years the American people have been suffering the hardships of a bad financial policy, the crowning blunder of which was the demonetization of the people's money in 1873.

The avowed and constant purpose of the money power since that time has been to stamp out silver entirely and place our country entirely upon a gold basis. It is safe to say that more than 75 per cent of the people are in favor of the free and unlimited coinage of silver and opposed to the destruction of the remnant of our silver coinage. They are flooding Senators with letters and petitions, in their humble way imploring them to stand firmly in defense of silver. They appeal to the men whom their votes elected and whom they recognize as their representatives.

We are called in special session at this time for serious business, and not for hop, skip, and jump legislation, even though such a programme may have been mapped out by the Eastern financiers and urged on by the subsidized press of the country. Serious deliberation should be the watchword of the hour, as the people have a right to demand that this question shall be thoroughly debated. It may be true with this as it has been true with other important questions in the past, that debate may be the means of showing the fallacy of positions assumed and of changing votes. There is room for honest difference of opinion. We must meet face to face in this discussion with the entire absence of criminations and recriminations, and according to one another absolute honesty of conviction and purpose. I here take occasion to say that the advocates for repeal, through their press, gain nothing in the eyes of the people by referring to silver advocates as "obstructionists," "cranks," and "lunatics."

These men are honest and earnest in their convictions, and feel deeply the injustice of the proposition to strike silver from the list of our money metals. Few can be found to father the demonetization act of 1873, or who do not condemn as vicious the silver-purchase act of 1890. Is it any wonder, Mr. President, that the plain people become weary with the action of Congress? Bad legislation is none the less injurious in its effects because done through carelessness, or agreed to on the ground of expediency; and to-day the intelligent conservative yeomanry of our country do not expect us to repeal or enact laws at random without having discovered the cause and remedy for the present financial depression.

SHERMAN LAW NOT RESPONSIBLE FOR THE PRESENT DEPRESSION.

As a member of this law-making body, Mr. President, I have carefully studied the Sherman purchase law, and canvassed its effects in connection with the present, or late financial panic. And my honest conviction is that the law has no more to do with

the financial crisis than the moons of Jupiter, except as it may exist in the imagination of frightened tradesmen. The cause of a panic is one thing, Mr. President, and the occasion of it is another. Heartless financiers have used the Sherman law as the bugaboo to frighten the people, while they tightened the purse strings and swelled their ill-gotten gains.

In the first place, the leaders of monometallism are not agreed as to the effect of this law upon the present panic. Certainly upon this floor we have had many radically different diagnoses presented. The Senator from Ohio [Mr. SHERMAN] in his speech of August 30 last, uses these words:

An erroneous idea, therefore, has been carried in the public mind that this small measure has produced results with which it has no connection. But nevertheless the situation is upon us, and we have got to deal with the situation and not with the measure.

I was very much interested with the observation made yesterday afternoon by the Senator from Colorado [Mr. TELLER] upon one branch of this question. Although I am not able to agree with him in many things, I am glad to agree with him upon something.

I here give the loss in the bullion purchased under the act of 1890 at 74¼ cents an ounce, which I am told is its value to-day. The loss is $22,345,356. It must be remembered also that we have issued on the 150,000,000 ounces of silver that were bought under that law Treasury notes to the amount of the cost of that bullion, which pay no interest and which have been used as current money by the people of our country. Suppose this provision had not been made in 1890; suppose we had been compelled to face the storms that followed in 1890, the failures of banks, of the Barings, and all other causes without any increasing currency in the markets of our country; suppose the Sherman law had been stricken from the files in 1890 or rejected, who can tell what would have been the consequences in this country of the great depressing effects I have already mentioned?

Sir, "give the devil his due." The law of 1890 may have many faults, but I stand by it yet, and I will defend it, not as a permanent public policy, not as a measure that I take any pride in, because I yielded to the necessity of granting relief: but I do say that the beneficial effects that flowed from the passage of that law were infinitely greater even in the percentage of money than the loss we have suffered in the fall in the price of silver. Without it, in 1891 and 1892 we would have met difficulties that would have staggered us much more than the passing breeze of the hour—a storm for a month, or even for a year, growing out of causes entirely different, I think, with due deference to the President, from the causes he has named.

How, pray, can we be asked to vote for the repeal of a law which has proved beneficial in two different panics?

Other panics, Mr. President, have occurred at intervals when no Sherman law was in existence. There was a panic under bimetallism in 1857. A panic under monometallism in 1874. A panic under the Bland act in 1883. So that it is an open question as to whether all our burdens will have flown with the disappearance of this measure.

The press was diligent in circulating the opinions of financiers that the Sherman law was the cause of the outflow of gold, but gold began to leave us in large quantities before the operation of the Sherman law, and its continuance was due entirely to other causes. If gold went under the Sherman law, the Sherman law has caused its return. The present panic can be accounted for on other grounds. During the past four or five years some important changes have been going on amongst the nations of the world.

The great disaster in the Argentine Republic was followed by the failure of the Baring Brothers, the great banking house of London. Austria, Hungary, and Roumania have been collecting a reserve and getting to a gold basis. Australia has been rent by financial failures within a year. These remarkable proceedings can not but have produced a stringency in the money markets of the world, upon which we are in a large measure dependent. Large banking houses lost heavily in foreign investments, and money was withheld from the United States. Gold was scarce, yet Austria and her neighbors must have it. It went from us at a premium. This disturbed condition throughout the world is the result of an exaggerated condition of business. Our castles of credit have been built with lavish expenditure on all continents. Inflation bore its legitimate fruit in disaster the moment a circumstance occurred to disturb the public confidence.

But beyond this still, Europe ceased to buy our products. While our imports have continued from month to month about the same as in 1892, our exports for the first seven months of 1893 were less than for the first seven months in 1892 by $62,462,939. All these balances had to be settled with gold. It was a matter of course, and bimetallists predicted that with the revival of fall trade the gold would again return. Forty million dollars, I believe, returned during the month of August.

But the real cause of the panic, Mr. President, is deeper and well concealed. The prairie hen makes no greater flutter and cackle to conceal her young than do these leaders of "high finance" to turn the honest but easily duped people from their nests of iniquity. To the financier who lives by clipping coupons, the "dear dollar" is a god worthy of worship. His conscience, if he has one, easily approves the step necessary to swell his fortunes. The prime cause of the universal depression, which is not confined to the United States, is the appreciation of the gold dollar and the consequent depreciation of all commodities as measured by it. Depression has not suddenly appeared like an apparation. Agriculture has felt her clammy hand for a score of years. The present hue and cry is raised because, forsooth, the capitalist has been touched. When a bankers' panic occurs we hear from it, Mr. President, through the "howl of calamity," and speedy legislation follows.

But the occasion of the present crisis is the result, I think, of a conspiracy among the money lenders of the East. They have deliberately planned to force Congress to grant additional privileges heretofore denied. I recognize this to be a serious charge, and yet I think it is borne out by the facts. It is a well-known fact that the money power is able to produce almost any financial depression they may wish.

The past thirty years have witnessed a most phenomenal centralization of wealth in New York and New England. Of this I shall speak more in detail further on. Through class legislation monopolies have been produced, by which there has been a steady contribution from the pockets of the poor to the coffers of the rich.

The "rich man" of ante bellum days is now the millionaire, and the millionaire is now the multi-millionaire. Banking, railroad, manufacturing, and kindred enterprises to-day rule cities, control elections, and dictate to Presidents. A dozen men in New York and Boston can blockade commerce and produce stagnation in every State. They hold in their hands the destiny of private fortunes. Prosperity waits upon their smiles, and desolation follows their withering frown. Again, Mr. President, they have the organization necessary to accomplish their ends. It is related of Jay Gould that when asked his politics he replied: "In Republican districts I am a Republican, in Democratic districts I am a Democrat, in doubtful districts I am doubtful, but I am for the Erie Railroad all the time." Large moneyed enterprises often destroy one another through the law of competition, but they never forget their allegiance to a common parent—the money power.

This national organization has its branches in every State and Territory. Whether they have written constitutions, and by-laws, and annual conventions or not, they all stand together when their interests are threatened by national or State legislation. A week's notice only is necessary to assemble a legislative committee in Washington from all parts of the Union.

Again, the money power moreover have the disposition to resort to such measures. We can only, Mr. President, judge the present or future of this organization by its past history. One can not read the records of Congress from 1830 to 1840 without discovering that even at that early day they were almost powerful enough to control the Government. During the late civil war they dictated the terms on which legal-tender currency should be issued. They forced the passage of the national-bank act. After the war was over, they forced the retirement of legal-tenders and the funding of the debt by bonds. And though bribery may not be a matter of record as during the time of President Jackson's Administration, yet during recent years, when matters touching the money power have been before Congress, we have been almost, if not altogether, restrained from enacting the will of the people.

During the last session of Congress they made the demand for a new issue of bonds and the repeal of the Sherman law. Predictions of dire disaster and national peril were made by them as the result of non action by Congress. From published interviews, we are led to believe that they did attempt to create a stringency in the money market and in the National Treasury whereby Congress would be forced to accede to their wishes.

I quote first from the Philadelphia Press an item which has been referred to by other Senators, and which, like those that follow, will bear repeating:

The New York banks for several days have been endeavoring to bring a home influence on United States Senators to induce them to vote for the repeal of the July silver law.

To this end correspondents of the New York banks in the West and South have been told that they need not expect to get money from New York until the purchasing clause was repealed, and the Southern and Western bankers have been strongly urged to write to their Senators and to insist that they work and vote for immediate repeal. This movement has given rise to the recent feeling in New York that the silver majority in the Senate could be overcome, as the influence of the banks of the metropolis, when concentrated on any object, is regarded as invincible. There is a feeling that the strain is not as great as it was, and improvement is hoped for. Some anxiety exists as to the action of savings-bank depositors when the thirty and sixty day limit expires next month. The requirements of money for the crops will also be a potent factor, but no one is disposed to contemplate future conditions, especially if they are likely to be unpleasant.

This from the New York Sun of April 29 last:

Let us point to another fact, and we are done. Never before have the large banking institutions of Chicago and the West ordered their gold in such large quantities direct from Europe, and in this fact is found one reason why our bankers are puzzled over the anomaly that although all these millions are coming to the country, they experience little or no relief therefrom. The other reason, gentlemen, is, in order to force the repeal of the Sherman act and to quickly establish your power over the plain people of this land, you first sent out of the country one hundred and ten millions of the people's currency in order to assist the Rothschilds to demonetize silver in Austria and elsewhere, and then let it remain there, to teach the West and South an

"object lesson," as the President called it, until you found it was necessary to recall it in order to save your own house from destruction. Now, you have not only taught the West and the South an object lesson, but yourselves one as well, and you can be sure of it.

I quote next from the Springfield (Mo.) Democrat, edited by a worthy banker:

A COWARDLY COURSE.

In their desperate determination to secure the demonetization of silver the leaders of the gold-standard movement, by their own endeavors and through their allies, inaugurated a campaign of intimidation several months ago. The great banking and financial concerns of New York, with a business directory of the United States at their command, flooded the country with elaborately prepared circulars setting forth the disaster in store for the people unless the Sherman act was unconditionally repealed, and breathing love, sympathy, and interest for the agricultural and laboring classes in whom these Wall street philanthropists have at all times manifested such marked solicitude. The territory in which Springfield is embraced was evidently assigned to Henry Clews and the Fisks, and no business firm, however remote, failed to receive one of these imploring circulars in which all argument was summed in the request that the recipient appeal to Senators COCKRELL and VEST and to Representative HEARD in behalf of the plan of campaign marked out by Wall street.

Ninety-nine per cent of these missives were consigned to the wastebasket, and that plan of reaching and influencing Congress through the business interests having failed in this section, at least, another method of applying the screws has been adopted. Wholesale houses in St. Louis which have an extended trade in this portion of the State have been brought into action, and, through their traveling salesmen, are endeavoring to accomplish that in which the Wall street circulars failed. These houses have sorely pressed creditors throughout the Southwest, and instructions to their salesmen are that these retail dealers must be impressed with the necessity of calling upon Missouri Senators and Representatives for the unconditional repeal of the Sherman act—this being done in connection with suggestions of the necessity of close collections and a curtailment of credit.

It is a deliberate and cowardly attempt to intimidate the business men of the Southwest into expressions foreign to their convictions, and will, of course, in some quarters, have its weight. The Democrat's advice to its readers thus approached is that they request these emissaries to at end strictly to their business, which is that of selling goods; and an alleged sentiment that is the outcome of such a Draconian method of proselyting will cut a sorry figure as a lever of influence when our representatives in Congress are apprised of the nature of its origin.

The following is a circular sent out by the Chamber of Commerce, New York, and shows their efforts to intimidate members of Congress.

CHAMBER OF COMMERCE OF THE STATE OF NEW YORK,
New York, August 18, 1893.

To the Members of the Chamber of Commerce:

The special committee of the chamber earnestly request you to write once more and immediately to your correspondents, south and west of New York State, urging them to do their utmost, by letter, by telegram, and by personal effort, to induce their Senators and Representatives to act speedily in favor of the repeal of the silver-purchasing clause of the Sherman act. It is of the utmost importance that a large majority for repeal should be had in the House of Representatives when a vote is taken on August 28. A large majority in the House would do much toward insuring prompt action by the Senate.

JOHN CLAFLIN, *Chairman.*

In the New York World editorial of September 26 I notice the reason why the Democratic party have united as harmoniously as they have in accomplishing the wish of the money power, viz, the declaration of the Democratic platform. It is my opinion that more than three-fourths of the convention gathered at Chicago understood that the repeal of the Sherman law was to be coupled with the enactment of another law carrying out the declaration for bimetallism.

The World says:

These are words of sober truth. Power has been given to the Democratic party in order that it may accomplish a needed and promised work. The most pressing part of that work is the repeal of the silver-purchasing act. Circumstances have made this the first duty. There must be no failure at the beginning of the redemption of pledges.

The money power were "promised" and "pledged" that the law so obnoxious to them should be repealed. But they were willing to assist the party in power to the full extent of their ability by creating a public sentiment in favor of their scheme. Money was removed from circulation. The manufacturer, the jobbing merchant, the retail dealer, and the farmer in the smallest hamlet were made to feel the depression and given to understand that Congress was alone to blame in the failure to repeal the nefarious Sherman law.

But the following from the New York Sun of April 27—before the panic began—more clearly shows the disposition of the money kings in the exercise of their tyrannical power:

NEW YORK, *April 27*

Secretary Carlisle this evening met a number of bankers at the residence of George L. Williams, president of the Chemical Bank. The following gentlemen were there to greet the Secretary: Mr. Jordan, Mr. Canda, President Perkins of the Importers and Traders, President Sherman of the Bank of Commerce, President Cannoh of the Chase, President Ives of the Western, President Tappen of the Gallatin, President Coe of the American Exchange, and President Wood of the Hanover.

The conference lasted somewhat over an hour. There was the utmost good feeling displayed, and the Secretary said he was there to make a frank and open statement of what he believed to be the financial policy of the Government. In the first place, the Secretary said that an issue of bonds just at this time might be an effective remedy, but that it would be only temporary and that it would be followed by disturbances in the money market and would in the end retard the determination of the Administration to repeal the Sherman silver law. The Secretary positively thought there would be no bond issue except as a last resort.

As Carlisle outlined the policy of the Government, it was shown that nothing would be done that would in anyway retard or check the determination of Cleveland's Administration concerning the repeal of the Sherman law. The Secretary went over the currency laws of the country and said they were in bad shape and needed revision. He said the revision should start with the Sherman law.

There is a determination also to show the miners of silver the evils of the Sherman law on their fortunes. President Cleveland's advisers have told him that the only way to induce the Western and Southwestern Congressmen and Senators to consent to a repeal of the Sherman law is to demonstrate to their constituents that they are losing every day this law remains in effect.

This work in that direction has been started by a number of the bankers in the solid communities of the East. They are daily refusing credits to the South, Southwest, and West, fearing the effects of the Sherman law. The Chicago banks, it was said, are carrying out the same line of policy.

Secretary Carlisle, in his talk with the bankers, made his stand very clear. It is to be heroic treatment all the way through of the Sherman law, and possibly by the next session of Congress the silver-mine owners and adherents of silver in the Senate and House will be ready to consent to a repeal of the law. The bank presidents, replying to Secretary Carlisle, cordially informed him that they would be ready at all times to coöperate with him. Everybody shook hands, and there was harmony all round. In the meantime the Secretary continues to receive offers of gold from unexpected sources.

As a result, Mr. President, all banks outside the money centers were placed in straitened circumstances; furnace fires were banked, jobbers suspended business because credit was refused, and retail dealers were forced to refuse accommodations to their customers. In the meantime the money centers were busy by private circular and through the press in trying to convince the people that the Sherman law lay at the bottom of their grievance. They have, Mr. President, not only produced the depression, but they seem determined not to permit a complete return to prosperity until the repeal is secured. I hold in my hand an editorial of the New York World for September 23:

The deadlock seems to be absolute. Will it require another and a more disastrous panic to break it? Is the Senate really proof against public opinion? Is it willing to admit its impotency? Has the majority no more resources, no greater courage?

If so, Republican government, so far as Congress is concerned, is for the time a failure.

The inference would seem to be that another panic awaits us if we do not accede to their demands.

The time was when such argument would have prevailed with all classes. As it is, the intelligence of the American people has been turned to the dangerous policy of allowing private corporations to control the circulating medium. It has been admitted by Senators upon this floor that banking corporations have been and now are conducting their business in violation of law. They are allowed to ride roughshod over the people and Congress in their nefarious work. A million laborers, honest and willing to work are out of employment. They tramp from city to city, and if found without money are arrested for vagrancy. But the money power escapes because of their influence and their power in Congress.

There is, Mr. President, one question before the people to-day and that is finance. Show me the financial laws of a nation and I will read you the condition of her people. In free America we have been proud to say that all men are equal, and that there was one spot on earth where money does not rule and where caste is not known. Our laws are supposed to be humane and righteous. Political parties have contended for the preservation of these institutions, but in doing so no issue has been greater or more important than finance. The first battles royal of Congress were fought on this question.

RECORD OF THE DEMOCRATIC PARTY.

Just here, Mr. President, I wish to say that I have always read with pride the record of the Democratic party in this contest. But in view of the platforms now adopted and the expressions now heard from some of her exponents in Congress I am constrained to ask "What is Democracy?" It is a grand word both in etymology and in its first political application. It is the spirit of Cromwell born in American hearts. A Government wherein the people rule and every citizen a sovereign, sharing alike in the protection and privileges of a great Government.

The first great political contest upon American soil occurred in 1791 in the halls of the American Congress. The people were divided into two parties called the Federalists and anti-Federalists. The former were mustered under the leadership of Alexander Hamilton, the first Secretary of the Treasury, and the latter under the leadership of the great and patriotic Thomas Jefferson. New England had already begun to realize her financial strength. Boston and New York were cities of no mean influence. Her financiers were alive to the possibilities of gain through the establishment of favorable banking laws. The contest was led by Hamilton in behalf of the classes, and by Jefferson on behalf of the masses. Little did the people dream while returning to their homes after the bloody scenes of the Revolution that their liberties were to be stolen from them by their fellow-countrymen. The money power was already alert, and in 1791 secured the passage of the law chartering the United States Bank with a charter covering twenty years. It expired in 1811.

In 1816 the bankers appeared upon the scene, and a bill granting an extension for twenty years more passed both Houses and was signed by the President. In 1831 the usual journey was made to Washington, a bill for another extension for twenty years was introduced and passed both Houses of Congress, but was vetoed by Andrew Jackson. During all these decades the people did not submit silently to these inroads upon their rights. Some of the warmest contests the country has known were fought under the leadership of Jefferson and Jackson. But now the money power had met their equal. During the eight years of Jackson's administration they were held in abeyance by the iron will of their master. By the return of the Whig party to power in 1840 and the election of Mr. Harrison, victory for the bankers was supposed to be a foregone conclusion. But the President died within one month of inauguration, and when the new banking bill which had passed both Houses of Congress was presented to President Tyler it met with his firm veto. Thus the money power was checked in their selfish course from 1832 to 1863, when the Government was in the throes of the civil war.

For more than half a century the anti-Federalists and Democrats were known as the valiant defenders of the people's rights. There were many questions of minor consideration embodied in their platforms, but the great contest was the preservation of the rights of the people embodied in wholesome financial laws. In 1840 the Democratic party assembled in convention at Baltimore, Md., and, amongst other resolutions, passed the following:

Resolved, That Congress has no power to charter the United States Bank; that we believe such an institution one of total hostility to the best interests of the country, dangerous to the republican institutions of our country and the liberties of the people, and calculated to place the business of the country within the concentrated money power and above the laws and will of the people.

Again:

That the separation of the moneys of the Government from banking institutions is indispensable for the safety of the funds of the Government and rights of the people.

These same principles were reëmbodied in resolutions 6 and 8 of the Democratic platform adopted at Baltimore, Md., in May, 1844. The Democratic platform of 1848 embodied the eighth resolution of the preceding convention, and goes on further to state, in section 14:

Resolved, That we are decidedly opposed to taking from the President the qualified veto power, by which he is enabled, under restrictions and responsibilities amply sufficient to guard the public interests, to suspend the passage of a bill whose merits can not secure the approval of two-thirds of the Senate and House of Representatives until the judgment of the people can be obtained thereon, and which has saved the people from the tyrannical domination of the Bank of the United States, and from a corrupting system of general internal improvements.

Section 19 of the same platform is as follows:

Resolved, That in view of the recent developments of this grand political truth of the sovereignity of the people and their capacity for self-government, which is prostrating thrones and erecting republics on the ruins of despotism in the Old World, we feel that a high and sacred duty has devolved with increased responsibility on the Democratic party of this country, as the party of the people, to sustain and advance among us constitutional liberty, equality, and fraternity, by continuing to resist all monopolies and excessive legislation for the benefit of the few at the expense of the many, and by vigilant and constant adherence to these principles and compromises of the Constitution, which are broad and strong enough to impress and uphold the Union as it was, the Union as it is, and the Union as it shall be, in the full expansion of the energies and capacity of this great and progressive people.

In the platform adopted at Baltimore June, 1852, the ninth and tenth resolutions are as follows:

Resolved, That Congress has no power to charter a national bank; that we believe such an institution one of total hostility to the best interest of the country, dangerous to our republican institutions and the liberties of the people, and calculated to place the business of the country within the control of the concentrated money power, and against both the law and the will of the people; and that the results of Democratic legislation in this and all other financial measures upon which issues have been made between the two political parties of the country have demonstrated to candid and practical men of all parties their soundness, safety, and utility in all business pursuits.

Resolved, That the separation of the moneys of the Government from banking institutions is indispensable for the safety of the funds of the Government and the rights of the people.

These same resolutions were adopted as resolutions 7 and 8 of the national platform promulgated at Cincinnati in the convention of 1856. The first resolution of the Democratic platform adopted at Baltimore June, 1860, begins with this sentiment:

Resolved, That we, the Democracy of the Union, in convention assembled, hereby declare our affirmance of the resolutions adopted and declared as the platform and principles by the Democratic convention at Cincinnati in the year 1856, believing that Democratic principles are unchangeable in their nature when applied to the same subject-matters.

These principles, Mr. President, were embodied in platforms at a time when platforms meant something.

In the heat of conflict these sentiments were born from the convictions of men. It was the day when the Democratic party, in the zenith of its power and glory, was battling for the rights of the masses; and the names of Jefferson, Jackson, Calhoun and a host of others will go down into history loved and revered in the hearts of their countrymen. Let us stir up our minds by way of remembrance, by quoting from the written words of a few great Democratic champions. Let Jefferson speak:

Bank paper must be suppressed and the circulation restored to the nation, to whom it belongs.

The power to issue money should be taken from the banks and restored to Congress and the people.

I sincerely believe that banking establishments are more dangerous than standing armies.

I am not among those who fear the people. They, and not the rich, are our dependence for continued freedom. And to preserve their independence we must not let our rulers load us with perpetual debt.

Put down the banks, and if this country could not be carried through the longest war against her most powerful enemy without ever knowing the want of a dollar, without dependence on the traitorous class of her citizens, without bearing hard on the resources of the people, or loading the public with an indefinite burden of debt, I know nothing of my countrymen.

From President Andrew Jackson's inaugural message I quote the following:

It being thus established by unquestionable proof that the Bank of the United States was converted into a permanent electioneering engine, it appeared to me that the path of duty which the executive department of the Government ought to pursue was not doubtful. As by the terms of the bank charter no officer but the Secretary of the Treasury could remove the deposits, it seemed to me that this authority ought to be at once exerted to deprive that great corporation of the support and countenance of the Government in such a use of its funds and such exertion of its power. In this point of the case the question is distinctly presented, whether the people of the United States are to govern through Representatives chosen by their unbiased suffrages, or whether the power and money of a great corporation are to be secretly exerted to influence their judgment and control their decisions. It must now be determined whether the bank is to have its candidates for all offices in the country, from the highest to the lowest, or whether candidates on both sides shall be brought forward, as heretofore, and supported by the usual means.

Still another. Listen to the words of Thomas H. Benton, a Representative for a long term of years from the State of Missouri in this body, and whose spirit still lives in our present Representatives from that State. He speaks as follows:

The Government itself ceases to be independent, it ceases to be safe when the national currency is at the will of a company. The Government can undertake no great enterprise, neither war nor peace, without the consent and coöperation of that company; it can not count its revenues six months ahead without referring to the action of that company—its friendship or its enmity, its concurrence or opposition—to see how far that company will permit money to be scarce or to be plentiful; how far it will let the money system go on regularly or throw it into disorder; how far it will suit the interest or policy of that company to create a tempest or suffer a calm in the money ocean. The people are not safe when such a company has such a power. The temptation is too great, the opportunity too easy, to put up and put down prices, to make and break fortunes, to bring the whole community upon its knees to the Neptunes who preside over the flux and reflux of paper. All property is at their mercy. The price of real estate, of every growing crop, of every staple article in the market is at their command. Stocks are their playthings, their gambling theater, on which they gamble daily with as little secrecy and as little morality and far more mischief to fortunes than common gamblers carry on their operations.

One more quotation; and in this I do not wish to cast any reflection upon the senior Senator from Indiana, now a member of the Senate. For thirty years I have been accustomed to look upon him as the champion of the liberties of the people. He was known in the country where I resided as the "Sycamore of the Wabash" who stood amidst all the legislative storms, unyielding and unbending against all forms of class legislation. Proudly have the people treasured the eloquent words as they fell from his lips. And whatever may have been his failings the masses have looked upon him as the worthy successor of the patron saints of Democracy in defending their rights against the encroachments of the money power. I could entertain the Senate for days together by reading extracts from elegant speeches of his in the RECORD before me. But the following quotation from a speech delivered in this room, June 19, 1882, during the discussion at the time of the recharter of the national banks, will be sufficient to show his life-time record. On June 19, 1882, in a speech on this floor, he said:

A brief glance at the conduct of the banks during the last year and a half is all that I can indulge in at this time, but it is sufficient to prove the truth of what I say.

In the closing days of the last Congress and of the last Administration the banks precipitated an issue upon the people which ought not to be forgotten on an occasion like this; an issue so full of danger to constitutional liberty that it ought to be faithfully remembered now that they are asking a new and indefinite lease of power.

It is now twenty years ago that this Government first engaged in building up, fostering, and encouraging the present vast and overshadowing system of national banking.

No favor ever demanded by the banks has ever been withheld, no privilege denied, until now they constitute the most powerful moneyed corporations on the face of the globe. Congress has heretofore on nearly all occasions abdicated its powers under the Constitution over the finances of the banks, except when called upon to legislate in their favor. They have demanded the violation of legislative contracts with the people, and the demand has been granted, whereby their own gains and the people's burdens have been increased a thousand fold beyond right and justice. They have demanded the remission of all taxation on their bonds, and it has been conceded, thus leaving the poor to pay the taxes of the rich. They have been fortified in their strongholds of moneyed caste and privilege by double lines of unjust laws, supplemented with here a redoubt and there a ditch, to guard them from the correcting hand of popular indignation, until now, deeming themselves impregnable, they bully and defy the Government.

* * * * * * *

Sir, with full and unrestricted power over the volume of the currency and, consequently, over all values conceded to the banks, together with ample

machinery by which in an emergency they can defy the passage of any act of Congress, what is left to the Government except an abject submission? This Government could not, to-morrow, go to war in defense of its flag, its honor, or its existence without first asking permission to do so of the great financial corporations of the country. If there was an invading force on our soil this hour, Congress could not with safety or show of success declare war to repel it without first supplicating cowardly and unpatriotic capital, engaged in banking, not to contract the currency, withhold financial aid, and leave the country to starve. In fact, there is no measure of this Government, either in peace or in war, which is not wholly depending on the pleasure of the banks.

This Government is at the mercy of its own creatures. It has begotten and pampered a system which is now its master. The people have been betrayed into the clutches of a financial despotism which scorns responsibility and defies lawful restraint. * * *

The methods adopted by our present national banking system are also similar to those pursued by the United States Bank in its rebellion against the Government. The contest between the United States Bank and the United States Government commenced in 1829 and terminated in 1836, covering a period of seven years, as long as the American revolution, and involving results as important to the rights and power of the people to govern themselves. The charter of the bank was to expire in 1836, and Andrew Jackson, who was a magnanimous foe, gave notice in 1829 that it should never be renewed with his consent. The war at once opened. A torrent of incessant abuse was at once poured on Gen. Jackson and his supporters by the bank and its stipendiaries. The newspapers of that period show that he and his followers were all stigmatized as hopelessly ignorant on the subject of the finances and bent on destroying the public credit. These charges have a familiar sound and are in daily use now, as they were fifty years ago, against all who dare oppose the insolent pretensions of the banks.

As I read these words, Mr. President, and place them side by side with the position now held by the chairman of the Committee on Finance, I must confess that I am grieved and pained. It must mark the fact Democracy is fast drifting away from its moorings. Have we already arrived at the time when platforms are meaningless platitudes? Have we already come to this, that the Democratic party in order again to be victorious must beg and cringe at the foot of the money power? It has been said in speeches delivered on both sides of this Chamber that the money power has dictated the Presidential nominations of both political parties for the past twenty years, and that now our Chief Executive stands upon the same financial platform as did Mr. Harrison four years ago. What is thought by a score or more Democrats in Congress here is thought by hundreds of thousands of people who are rapidly becoming educated upon financial questions. As was well said by the Hon. RICHARD P. BLAND, of Missouri, "We have come to the parting of the ways."

Democrats are beginning to understand what is Democracy. Representatives can no longer retain their seats in Congress and conceal their views upon these vital questions. Every man must show his colors. As I read Democracy there are Democrats in name to-day who are not Democrats; for in every contest between the people and the money power they are found as defenders of class legislation. Many speeches already delivered in this Chamber might well cause the fathers of Democracy to groan in their tombs. Behold what a change has taken place. Democrats vie with Republicans in the race for the almighty dollar. They have come to worship the aristocracy of wealth, and declare that the dollar is greater than the man. A few men of wealth apparently stand higher in the estimation of the party than the great body of common men who have bravely espoused the party cause. Democracy has been made the victim of the wiles of the money power, who have not lost an opportunity to nominate the man to be placed at the head of both national tickets. But Democracy has taken this step at the cost of disrupting the party organization.

THE PEOPLE DEMAND JEFFERSONIAN DEMOCRACY.

The people are still wedded to old-fashioned Jeffersonian Democracy, and if they can not have it in their own parties they will construct another. They are not to be frightened by the daily assertions of a subsidized press that "The people demand repeal," "All lovers of honest money demand repeal," "All newspaper men demand repeal," "Only lunatics and silver-mine owners oppose repeal." The New York World a short time ago published what purported to be Virginia's demands for repeal of the Sherman law. It was boldly asserted that these dispatches represented the sentiment of Virginia. But, Mr. President Virginia is very like other agricultural States. There are bankers and capitalists enough to control the party organization, and the press, and imagine they are the people because most of the people are obligated to them. They control political conventions because they are shrewd tacticians. They are the agents and copartners of the great Eastern money centers.

Puffed up with a sense of their importance they feel that the people are but a common herd who should be grateful for their guidance and dictation. They meet us did the three tailors of Tooley street and resolve, "That we are the people of America and so forth." Our bankers meet and resolve, first, that the rights of the people must be protected; and, second, resolve that we are the people. The press and the bankers, though but a fraction of the population, have the money to make themselves felt. Money talks. One man with $10,000,000 is in politics equal to 10,000,000 men with $1 each, at least such has been the case. But this day, Mr. President, is fast passing away. The people are informed on financial matters and are fast showing themselves capable of managing their own political affairs. The glory of the money power must soon wane. Such is the declaration of the People's party and the great body of Democracy.

THE PEOPLE DEMAND THE ABOLITION OF NATIONAL BANKS.

But while talking of the money power, I can not refrain from saying a few words as to our banking institutions. There are many lessons to be learned from the late panic: but the clearest and most significant is that we must get back to the Constitution and permit the Government to issue and control her own volume of currency. Many strong speeches have been made on both sides of this Chamber against socialism and paternalism. It is not my purpose to-day to discuss the correctness or incorrectness of these theories. But it is safe to say that in a modified form a large majority of the people to-day demand the extension of this policy. What works so well in our present post-office system it is thought should be extended to the telegraph and the railroads. But whatever may be argued against these on the ground of unconstitutionality can not be argued against the paternalism of the control by the Government of her own volume of currency. The framers of the Constitution were emphatic and explicit on this point.

In accordance with this, the people are opposed to the further extension of power and privileges to the banking fraternity. The system is wrong in principle. Money, Mr. President, is the lifeblood of commerce; restricted and controlled, stagnation ensues in all lines of business. As well delegate the power to control the circulation of the blood of the human body as to trust the circulating medium—the life of the people's trade—in the hands of private and selfish individuals. As it is not just that articles of common consumption should pass through many hands between the producer and the consumer merely for the purpose of supporting a class of people who prefer to trade rather than to produce, so it is not wise that the issue of the people's money should be delegated to private corporations merely for the sake of furnishing a lucrative occupation for a class of selfish money-getters. To borrow the expression of the Senator from Missouri [Mr. COCKRELL], "It is a wrong principle that the money of a nation should be allowed to percolate through the fingers of the national bankers before reaching the people."

But the wrongness of the principle is equaled only by the audacity of the banking fraternity in asserting that there is very little or no profit in the banking business. There may have been times during the past thirty years, but they are few, when, on account of the high price of bonds, there was not great profit in bank circulation, but the fact remains that the banking institutions of the United States have already fulfilled the dire predictions made by their opponents when the first charter was granted, in 1863, and have proved the mightiest agents in the centralization of wealth. To day the money power of the world speaks to us and commands through the national banks of the United States.

To whom, Mr. President, are these institutions amenable, As I understand the law, they were created to be servants and not tyrants; to be a public benefit, not a public burden; and they should be compelled to close their doors when they cease to perform the functions of banks. They were created, first, as places of safe deposit for the people's funds; and second, were given the power to issue and in a measure control the volume of national currency. But repeatedly have we been compelled to witness the failure of these institutions to perform both these public functions. The people have largely in the past cherished the delusion that national banks were in some way safer than private banks and were responsible for the money of depositors. But this dream has of late been rudely shaken. For years, also, the people have imagined that the banks were public benefactors in the issue of the circulating medium; but even our most credulous business men during the past few months have been forced to admit that the banks have been prompted by self-interest alone. It is plainly too much power to place in the hands of a corporation whose only principle is the increase of their own wealth.

In times of great financial disaster the commerce of our country is compelled to fall at their feet. It is impossible to conceive how Congress should have delegated so much power and authority to private institutions. It is a remarkable fact that in the past twenty years national banks have managed their circulating medium to the detriment of the public welfare, and have retired their circulating medium when they thought the volume of currency was too great and have increased it again when there was urgent demand and high rates of interest for money. From the remarks of the Senator from Missouri on August 16, last, I notice that in 1881, when Congress threatened a reduction in the rate of interest on bonds to 3½ per cent, the New York banks "rushed down like a hungry horde" and retired

eighteen millions of their circulation in one day, and threatened, moreover, to retire all their circulation unless Congress acquiesced in their demands. During the present financial stringency, when rates of interest went up in New York to 20 per cent, they rushed to the Treasury and took out nearly thirty millions of paper circulation in one month.

I have before me, Mr. President, the report of the Comptroller of the Currency for 1892. From this I quote a few facts to show the power of the national banks in increasing or decreasing the volume of the currency. Since it is not compulsory upon them to take out circulation, and since they have power to retire their notes and take up their bonds, they can make money cheap or dear at will. They have it in their power, moreover, to come to the rescue of the country in times of disaster such as the one through which we have passed, if they are patriotic enough and wish to do so.

The Comptroller, on page 50, states that the national banks, from October 31, 1883, to October 31, 1884, decreased their circulation as follows:

Oct. 31, 1883, to Oct. 31, 1884	$24,170,676
Oct. 31, 1884, to Oct. 31, 1885	15,545,461
Oct. 31, 1885, to Oct. 31, 1886	56,590,533
Oct. 31, 1886, to Oct. 31, 1887	50,495,589
Oct. 31, 1887, to Oct. 31, 1888	16,848,739
Oct. 31, 1888, to Oct. 31, 1889	22,159,043
Oct. 31, 1889, to Oct. 31, 1890	15,248,549
Oct. 31, 1890, to Oct. 31, 1891 (increase)	11,795,101
Oct. 31, 1891, to Oct. 31, 1892 (increase)	10,487,226

It is supposed that the contraction had by this time proceeded far enough to make their circulation profitable. But these banks took very slow steps recently to relieve the stringency of the money market. The Comptroller says:

Of the 3,773 banks, 2,737 have a capital not exceeding $150,000, nor less than $50,000, which is the lowest amount any bank in the system may have, the aggregate capital amounting to $221,057,830. The remaining 1,036 have a capital of over $150,000 each, the aggregate amounting to $465,515,185. If an amount of bonds equal to the total capital were deposited to secure circulation, the banks to-day might have a circulation amounting to $617,915,714, or $521,557,927 more than the present minimum.

Here is, moreover, a list of eleven important national banks which have not thought it necessary to take out circulation:

Title of bank.	Capital.	Bonds.
Chemical National Bank, New York, N. Y.	$300,000	$50,000
Mechanics' National Bank, New York, N. Y.	2,000,000	50,000
Merchants' National Bank, New York, N. Y.	2,000,000	50,000
National City Bank, New York, N. Y.	1,000,000	50,000
National Park Bank, New York, N. Y.	2,000,000	50,000
National Bank of Washington, D. C.	200,000	50,000
Chestertown National Bank, Chestertown, Md.	60,000	12,000
First National Bank, Butte, Mont.	100,000	25,000
First National Bank, Houston, Tex.	100,000	25,000
Citizens' National Bank, Englewood, N. J.	50,000	12,500
National Bank of Cockeysville, Md.	50,000	12,500

In a speech delivered in this Chamber the late Senator Plumb made this very remarkable statement as to the customs of national banks in expanding and contracting their currency. In April, 1888, he said:

But this contraction of the currency, by means of the retirement of national-bank circulation, has been going on for more than ten years, and all the committee has to say now is that it has considered some bill, but it is not completed. If the committee will not complete some measure the Senate must. If the Senate will not, and the other House will not, then the country is going upon the breakers of financial disturbance. As a Senator says in my hearing, "it is there now." I think it is there now. We are dealing with a question which has more to do with the welfare of the people of the United States, which is of more concern to them than any other thing that is pending in either House of Congress, or which can be pending—the volume of the circulating medium of the country, the value of its property, the difference between debt and bankruptcy on the one hand, and freedom from debt and prosperity on the other.

It is estimated that there are in circulation, including that which is locked up in the Treasury and held in the banks as a reserve fund, about $1,600,000,000, of all kinds of currency of the United States, gold and silver, the overplus of gold and silver certificates, greenback notes and national-bank notes, all told, and there are more than $60,000,000,000 of property which must finally be measured by this volume of currency. It has been contracted during the last year more than 5 per cent in addition to all that has occurred by reason of abrasion and loss. No man can tell the volume of greenbacks outstanding. Nominally it is $346,000,000 and a fraction, but that volume has been subject to all the accidents which have occurred during the past twenty-five years, whereby money has been consumed, worn out, lost, and it is doubtful if the amount is really over $300,000,000 to-day.

But saying nothing about that, the retirement of the national-banking circulation during the past twelve months has been 5 per cent of the total amount of the currency outstanding. There has been during that period a phenomenal depreciation of the prices of property. There has been the greatest depreciation of the price of agricultural products the country has ever known.

* * * * * * *

The contraction of the currency by 5 per cent of its volume means the depreciation of the property of the country $3,000,000,000. Debts have not only increased, but the means to pay them have diminished in proportion as the currency has been contracted. Events based upon nonlegislation have proved of advantage to lenders, but disastrous to borrowers.

I have referred, Mr. President, during my remarks to the attempt of the money power to control the action of Congress during President Jackson's Administration, and to the economic folly of delegating the control of the money volume to a private corporation. I hold in my hand a valuable work, entitled "Executive Messages," published in 1841. From this I wish to make a few pertinent quotations. One might think he was reading from certain economic journals of to-day on the banks, monopolies, and the subsidized press. This is the Democratic bible, and is good enough to read over and over again.

THE DEMOCRATIC BIBLE.

In this work, on page 408, I find a statement in President Jackson's message of December 3, 1833, as to the power of this great money corporation to control Congress and the press.

Since the last adjournment of Congress the Secretary of the Treasury has directed the money of the United States to be deposited in certain State banks, designated by him, and he will immediately lay before you his reasons for this direction. I concur with him entirely in the view he has taken of the subject, and some months before the removal I urged upon the Department the propriety of taking that step. The near approach of the day on which the charter will expire, as well as the conduct of the bank, appeared to me to call for this measure, upon the high considerations of public interest and public duty. The extent of its misconduct, however, although known to be great, was not at that time fully developed by proof.

It was not until late in the month of August that I received from the Government directors an official report, establishing beyond question that this great and powerful institution had been actively engaged in attempting to influence the elections of the public officers by means of its money; and that, in violation of the express provisions of its charter, it had, by formal resolution, placed its funds at the disposition of its president, to be employed in sustaining the political power of the bank. A copy of this resolution is contained in the report of the Government directors before referred to, and however the objects may be disguised by cautious language, no one can doubt that this money was in truth intended for electioneering purposes, and the particular uses to which it was proved to have been applied abundantly show that it was so understood. Not only was the evidence complete as to the past application of the money and power of the bank to electioneering purposes, but that the resolution of the board of directors authorized the same course to be pursued in future.

It being thus established by unquestionable proof that the Bank of the United States was converted into a permanent electioneering engine, it appeared to me that the path of duty which the executive department of the Government ought to pursue was not doubtful. As by the terms of the bank charter no officer but the Secretary of the Treasury could remove the deposits, it seemed to me that this authority ought to be at once exerted to deprive that great corporation of the support and countenance of the Government in such an use of its funds and such an exertion of its power. In this point of the case the question is distinctly presented whether the people of the United States are to govern through their representatives chosen by their unbiased suffrages or whether the power and money of a great corporation are to be secretly exerted to influence their judgment and control their decisions. It must now be determined whether the bank is to have its candidates for all offices in the country, from the highest to the lowest, or whether candidates on both sides of political questions shall be brought forward as heretofore and supported by the usual means.

Again, on page 422 (Jackson's message, December 2, 1834), reference is made to the money power of the East in creating financial panics. At the beginning of my remarks I referred to the power of the moneyed organizations in New York to bring about a financial panic; that they had organization to bring about such a panic; that they had the disposition to do it, and that the supposition was they had produced the present financial panic. Notice the similarity between the condition then and the condition now.

Circumstances make it my duty to call the attention of Congress to the Bank of the United States. Created for the convenience of the Government, that institution has become the scourge of the people. Its interference to postpone the payment of a portion of the national debt, that it might retain the public money appropriated for that purpose to strengthen it in a political contest, the extraordinary extension and contraction of its accommodations to the community, its corrupt and partisan loans, its exclusion of the public directors from a knowledge of its most important proceedings, the unlimited authority conferred on the president to expend its funds in hiring writers and procuring the execution of printing and the use made of that authority, the retention of the pension money and books after the selection of new agents, the groundless claim to heavy damages in consequence of the protest of the bill drawn on the French Government, have, through various channels, been laid before Congress.

Immediately after the close of the last session the bank, through its president, announced its ability and readiness to abandon the system of unparalleled curtailment and the interruption of domestic exchanges, which it had practiced upon from the 1st of August, 1833, to the 30th of June, 1834, and to extend its accommodations to the community. The grounds assumed in this announciation amounted to an acknowledgment that the curtailment, in the extent to which it had been carried, was not necessary to the safety of the bank, and had been persisted in merely to induce Congress to grant the prayer of the bank in its memorial relative to the removal of the deposits, and to give it a new charter. They were substantially a confession that all the real distresses which individuals and the country had endured for the preceding six or eight months had been needlessly produced by it with the view of effecting, through the sufferings of the people, the legislative action of Congress.

It is a subject of congratulation that Congress and the country had the virtue and firmness to bear the infliction; that the energies of our people soon found relief from this wanton tyranny, in vast importations of the precious metals from almost every part of the world; and that, at the close of this tremendous effort to control our Government, the bank found itself powerless and no longer able to loan out its surplus means. The community had learned to manage its affairs without its assistance, and trade had already found new auxiliaries; so that on the 1st of October last the extraordinary spectacle was presented of a national bank more than one-half of whose capital was either lying unproductive in its vaults or in the hands of foreign bankers.

On page 424, of the same message, is an extract which shows the tyranny of banks over the rights of the people:

The high-handed career of this institution imposes upon the constitutional functionaries of this Government duties of the gravest and most imperative character—duties which they cannot avoid, and from which, I trust, there will be no inclination on the part of any of them to shrink—my

own sense of them is most clear, as is also my readiness to discharge those which may rightfully fall on me. To continue any business relations with the Bank of the United States, that may be avoided without a violation of the national faith, after that institution has set at open defiance the conceded right of the Government to examine its affairs; after it has done all in its power to deride the public authority in other respects, and to bring it into disrepute, at home and abroad; after it has attempted to defeat the clearly expressed will of the people by turning against them the immense power entrusted to its hands, and by involving a country, otherwise peaceful, flourishing and happy, in dissension, embarrassment, and distress—would make the nation itself a party to the degredation so sedulously prepared for its public agents, and do much to destroy the confidence of mankind in popular governments, and to bring into contempt their authority and efficiency. In guarding against an evil of such magnitude considerations of temporary convenience should be thrown out of the question, and we should be influenced by such motives only as look to the honor and preservation of the Republican system.

Omitting a few lines I read on:

Events have satisfied my mind, and I think the minds of the American people, that the mischiefs and dangers which flow from a national bank far overbalance all its advantages. The bold effort the present bank has made to control the Government, the distresses it has wantonly produced, the violence of which it has been the occasion in one of our cities famed for its observance of law and order, are but premonitions of the fate which awaits the American people should they be deluded into a perpetuation of this institution, or the establishment of another like it. It is fervently hoped, that thus admonished, those who have heretofore favored the establishment of a substitute for the present bank will be induced to abandon it, as it is evidently better to incur any inconvenience that may be reasonably expected than to concentrate the whole moneyed power of the Republic in any form whatsoever, or under any restrictions.

Then again, on page 498—the veto message of President Jackson—there is a very remarkable prediction as to the concentration of wealth in the United States:

It is to be regretted that the rich and powerful too often bend the acts of Government to their selfish purposes. Distinctions in society will always exist under every just government. Equality of talents, of education, or of wealth, can not be produced by human institutions. In the full enjoyment of the gifts of Heaven, and the fruits of superior industry, economy, and virtue, every man is equally entitled to protection by law. But when the laws undertake to add to these natural and just advantages, artificial distinctions, to grant titles, gratuities, and exclusive privileges, to make the rich richer and the potent more powerful, the humble members of society, the farmers, mechanics, and laborers, who have neither the time nor the means of securing like favors to themselves, have a right to complain of the injustice of their Government. There are no necessary evils in government. Its evils exist only in its abuses. If it would confine itself to equal protection, and, as Heaven does its rains, shower its favors alike on the high and low, the rich and the poor, it would be an unqualified blessing.

Again, omitting a few lines, I read:

Experience should teach us wisdom. Most of the difficulties our Government now encounters, and most of the dangers which impend over our Union, have sprung from an abandonment of the legitimate objects of government by our national legislation, and the adoption of such principles as are embodied in this act. Many of our rich men have not been content with equal protection and equal benefits, but have besought us to make them richer by act of Congress. By attempting to gratify their desires, we have, in the results of our legislation, arrayed section against section, interest against interest, and man against man, in a fearful commotion which threatened to shake the foundation of our Union.

It is time to pause in our career, to review our principles, and, if possible, revive that devoted patriotism and spirit of compromise which distinguished the sages of the Revolution, and the fathers of our Union. If we can not at once, in justice to interests vested under improvident legislation, make our Government what it ought to be, we can, at least, take a stand against all new grants of monopolies and exclusive privileges, against any prostitution of our Government to the advancement of the few at the expense of the many and in favor of compromise and gradual reform in our code of laws and system of political economy.

This, Mr. President, is the prophesy. To-day we have the fulfillment before our eyes. From the Forum of November, 1889, I quote a table compiled by Mr. Thomas G. Shearman, which is to this effect:

Concentration of wealth in the hands of the few.

Families.	Worth.
70	$2,625,000,000
90	1,025,000,000
180	1,440,000,000
135	968,000,000
360	1,656,000,000
1,755	4,036,000,000
6,000	7,500,000,000
7,000	4,550,000,000
11,000	4,125,000,000
14,000	3,220,000,000
16,500	2,722,000,000
50,008	5,000,000,000
75,000	4,500,000,000
200,000	4,000,000,000
1,000,000	3,500,000,000
2,000,000	4,000,000,000
9,630,000	7,215,000,000
13,002,090	62,062,000,000

Now let us put them into four great classes:

Families.	Worth.
182,090	$43,367,000,000
1,200,000	7,500,000,000
2,500,000	5,200,000,000
9,120,000	6,015,000,000
13,002,090	62,062,000,000

One year ago I had occasion to refer to this matter in particular and to show the concentration of wealth upon the Atlantic seaboard. I showed then that there was a ruinous inequality in the distribution of the loanable funds of the banks of the United States. I again submit the table as a portion of my remarks, with the remarks, I then made upon it.

Table showing by States and Territories the population of each on June 1, 1891, and the aggregate capital of national and State banks, loan and trust companies, and savings and private banks in the United States on June 30, 1891, and the average of these per capita of population.

States and Territories.	Population June 1, 1891.	All banks.	
		Capital, etc.	Average per capita.
Maine	663,000	$81,253,068	$122.55
New Hampshire	379,000	96,235,832	253.89
Vermont	333,000	40,981,914	123.07
Massachusetts	2,299,000	742,651,224	323.02
Rhode Island	352,000	127,120,389	361.15
Connecticut	764,000	199,953,331	261.72
New York	6,110,000	1,663,604,173	272.27
New Jersey	1,484,000	119,766,779	80.70
Pennsylvania	5,382,000	546,267,053	101.50
Delaware	170,000	14,886,050	87.56
Maryland	1,048,000	101,096,200	96.46
District of Columbia	236,000	20,146,171	85.37
Virginia	1,670,000	42,131,055	25.23
West Virginia	775,000	14,113,894	18.26
North Carolina	1,658,000	10,602,746	6.47
South Carolina	1,165,000	14,556,233	12.49
Georgia	1,867,000	22,682,049	12.14
Florida	405,000	8,485,786	20.95
Alabama	1,538,000	14,200,568	9.69
Mississippi	1,309,000	11,754,338	8.98
Louisiana	1,137,000	35,138,019	30.90
Texas	2,304,000	65,070,737	28.24
Arkansas	1,161,000	7,607,971	6.55
Kentucky	1,870,000	86,078,682	46.03
Tennessee	1,773,000	42,603,237	24.03
Ohio	3,720,000	220,297,991	59.22
Indiana	2,213,000	71,753,885	32.42
Illinois	3,899,000	271,513,188	69.61
Michigan	2,139,000	124,332,290	58.12
Wisconsin	1,728,000	91,828,490	53.14
Iowa	1,935,000	111,981,211	57.87
Minnesota	1,360,000	102,482,170	75.38
Missouri	2,734,000	164,047,645	60.00
Kansas	1,448,000	53,896,588	37.22
Nebraska	1,148,000	69,333,620	60.39
Colorado	440,000	40,480,478	92.00
Nevada	44,000	1,176,791	26.75
California	1,244,000	271,189,235	218.00
Oregon	333,000	17,878,204	53.69
Arizona	61,000	1,272,356	20.86
North Dakota	193,000	8,985,308	46.56
South Dakota	341,000	11,669,101	34.22
Idaho	93,000	2,588,258	27.83
Montana	145,000	20,277,490	139.85
New Mexico	157,000	4,415,963	28.12
Indian Territory	181,300	282,954	1.56
Oklahoma	115,000	480,347	4.18
Utah	214,000	15,358,062	71.77
Washington	375,000	27,859,317	74.29
Wyoming	66,000	5,373,750	81.42
Total	64,156,300	5,840,438,191	91.03

A glance at the tables submitted will show that the Eastern States are enjoying the benefits of a per capita of loanable funds ranging from $80.70 in New Jersey to $361.72 in Rhode Island, while the Southern States have only $6.56 in Arkansas to $30.90 in Louisiana. This inequality becomes more marked as the statistics of loans and currency are considered, which will be brought out further on. To such an extent has this inequitable condition of congestion in the East and depletion in the South and West obtained as to attract the attention of many who have heretofore doubted its existence, and may lead to a thorough awakening of public interest in the matter.

It will be noticed that out of the gross amount of loanable funds aggregating $5,840,438,191, the eleven Eastern States control $3,737,812,013, or nearly 64 per cent, while the eleven Southern States have only $197,041,996, or a little over 3 per cent, and the remaining twenty-seven States and Territories have $1,905,584,182, or about 33 per cent.

The eleven Eastern States, with an area of 117,062,640 acres of land, hold $3,737,812,191 in loanable funds, while the eleven Southern States, with 479,995,758 acres, have but $197,041,996. Reduced to an average, gives the eleven Eastern States $31.93 and the eleven Southern States less than 4 cents per acre. These figures will be met with the statement that the East needs more money than the South, which, under present conditions, is no doubt true, and because it is, furnishes one of the best reasons for a change.

That the financial system as now practiced tends to intensify this situation to the detriment of other sections is apparent to all who will give it even a partial examination. To eliminate the necessity for the West and South going to the East for money to carry on or encourage production, is one of the greatest questions before the American people.

Mr. President, we have had quite a number of references upon the floor of this Chamber to the fact that the press to-day not only works in harmony with the money power, but that it has been subsidized. I wish to refer, upon page 536 of the volume from which I am quoting, to the condition of affairs which existed in the decade between 1830 and 1840. President Jackson said in his communication to the Cabinet, September, 1833:

It has long been known that the president of the bank, by his single will, originates and executes many of the most important measures connected with the management and credit of the bank, and that the committee, as well as the board of directors, are left in entire ignorance of many acts done and correspondence carried on in their name and apparently under their authority. The fact has been recently disclosed, that an unlimited discretion has been, and is now, vested in the president of the bank to expend its

funds in payment for preparing and circulating articles and purchasing pamphlets and newspapers calculated by their contents to operate on elections and secure a renewal of its charter. It appears from the official report of the public directors that on the 30th of November, 1830, the president submitted to the board an article published in the American Quarterly Review, containing favorable notices of the bank, and suggested the expediency of giving it a wider circulation at the expense of the bank; whereupon the board passed the following resolution, viz:

"*Resolved*, That the president be authorized to take such measures in regard to the circulation of the contents of the said article, either in whole or in part, as he may deem most for the interest of the bank."

By an entry in the minutes of the bank, dated March 11, 1831, it appears that the president had not only caused a large edition of that article to be issued, but had also, before the resolution of the 30th November was adopted, procured to be printed and widely circulated numerous copies of the reports of Gen. Smith and Mr. McDuffie in favor of the bank, and on that day he suggested the expediency of extending his power to the printing of other articles which might subserve the purposes of the institution. Whereupon the following resolution was adopted, viz:

"*Resolved*, That the president is hereby authorized to cause to be prepared and circulated such documents and papers as may communicate to the people information in regard to the nature and operations of the bank."

The expenditures purporting to have been made under the authority of these resolutions during the years 1831 and 1832 were about $80,000. For a portion of these expenditures vouchers were rendered, from which it appears that they were incurred in the purchase of some hundred thousand copies of newspapers, reports and speeches made in Congress, reviews of the veto message, and reviews of speeches against the bank, etc. For another large portion no vouchers whatever were rendered, but the various sums were paid on orders of the president of the bank, making reference to the resolution of the 11th March, 1831.

Taken in connection with the nature of the expenditures heretofore made, as recently disclosed, which the board not only tolerate but approve, this resolution puts the funds of the bank at the disposition of the president, for the purpose of employing the whole press of the country in the service of the bank, to hire writers and newspapers, and to put out such sums as he pleases, to what persons and for what services he pleases, without the responsibility of rendering any specific account. The bank is thus converted into a vast electioneering engine, with means to embroil the country in deadly feuds, and under cover of expenditures, in themselves improper, extend its corruption through all the ramifications of society.

On page 566 I wish to quote the resolutions of two New England Legislatures touching the action taken by President Jackson with reference to the banks of the United States. These resolutions were passed in a day when the New England hills were not so barren as they are now, and when the Puritans were the dominant factor in New England politics as well as society; when they were in sympathy with the people and not in sympathy with the corporations which seem now to control the Atlantic seaboard. First, I read on page 566:

The two branches of the Legislature of the State of Maine, on the 25th of January, 1834, passed a preamble and series of resolutions, in the following words:

"Whereas at an early period after the election of Andrew Jackson to the Presidency, in accordance with the sentiments which he had uniformly expressed, the attention of Congress was called to the constitutionality and expediency of the renewal of the charter of the United States Bank; and

"Whereas the bank has transcended its chartered limits in the management of its business transactions, and has abandoned the object of its creation by engaging in political controversies, by wielding its power and influence to embarrass the administration of the General Government, and by bringing insolvency and distress upon the commercial community; and

"Whereas the public security from such an institution consists less in its present pecuniary capacity to discharge its liabilities than in the fidelity with which the trusts reposed in it had been executed; and

"Whereas the abuse and misapplication of the powers conferred have destroyed the confidence of the public in the officers of the bank, and demonstrated that such powers endanger the stability of republican institutions: Therefore,

"*Resolved*, That in the removal of the public deposits from the Bank of the United States, as well as in the manner of their removal, we recognize in the Administration an adherence to constitutional rights, and the performance of public duty."

On the 11th of December, 1834, the house of assembly and council composing the Legislature of the State of New Jersey, passed a preamble and a series of resolutions in the following words:

"3. *Resolved*, That we view, with agitation and alarm, the existence of a great moneyed incorporation, which threatens to embarrass the operations of the Government, and, by means of its unbounded influence upon the currency of the country, to scatter distress and ruin throughout the community; and that we, therefore, solemnly believe the present Bank of the United States ought not to be rechartered."

The Senator from Tennessee [Mr. BATE] asks me what book this is. I will state that it is entitled "Messages of the Presidents of the United States, from the formation of the General Government down to the close of the Administration of President Van Buren, concluding with the Inaugural Address of President W. H. Harrison," published in Columbus, Ohio, in 1841.

In closing this book I can not refrain from expressing my admiration for Jacksonian Democracy. If anybody should be anxious to know my political belief to-day as an independent in this body, I would say unqualifiedly that I am a Jacksonian Democrat. Lincoln was a Jacksonian Democrat, Thaddeus Stevens was a Jacksonian Democrat, and there are Jacksonian Democrats to-day upon both sides of this Chamber.

The difficulty to-day is that the members of whom I speak are a party without a leader; they are people without a home; they have no place to go. The trouble is not their own. It is related of an Indian, with the Indian characteristic, who went to the hut of a certain settler at one time, and, having lost his bearings, stated that he did not know in which direction his cabin was. The white man said, "Are you lost?" The Indian replied, "Indian no lost; wigwam lost." [Laughter.] The truth is that the great body of Democrats to-day are all right, but the party is lost. There is no place for them unless they are received to the sheltering care of the People's party.

But, Mr. President, the money power since the days of President Jackson has grown from childhood to manhood. It waxes fat and is lusty. Their demands upon their people now are a hundred fold greater than in those early times. Since then the volume of the nation's currency and revenues has grown almost beyond conception. The opportunities for plunder have correspondingly increased. Since the extraordinary session of Congress was called we have one continuous concentrated pressure brought to bear upon us, not only to secure the repeal of this obnoxious law, but clearly outlining the policy to be followed out by the Administration at the suggestion of the money power. It brings us to inquire whether Congress, though the greatest of the coördinate branches of the Government, shall be allowed to assemble and enact laws without the interference from powerful corporate organizations; whether New York shall make laws for the people, or the people make laws for New York. I hold in my hand a little volume giving the constitution, by-laws, members, and committees of a very powerful organization in New York. Their object in organizing is stated in the constitution, as follows:

CERTIFICATE OF INCORPORATION OF THE REFORM CLUB, NEW YORK.

SEC. 2. The particular business or object of such society or club shall be to promote social intercourse among ourselves and others, our associates and successors, and to promote such economic and political reforms as may from time to time, in the opinion of ourselves and others, our associates and successors, governed by a patriotic desire to conserve the public weal, be most conducive to the general good of the people of the United States in their national, State, or municipal government.

They have committees almost equal to the number in the United States Senate; covering the subjects of tariff reform, finance, etc.

THE COMMITTEE ON CURRENCY.

The composition of two important committees is as follows:

COMMITTEE ON CURRENCY.	FINANCE.
Charles S. Fairchild, chairman.	Isidor Straus, chairman.
Henry Hentz, treasurer.	E. Ellery Anderson.
E. Ellery Anderson.	Walter S. Logan.
Henry De Forest Baldwin.	Alfred Bishop Mason.
William J. Coombs.	James Speyer.
A. Augustus Healy.	Everett P. Wheeler.
William S. Opdyke.	Charles S. Fairchild, treasurer.
William Salomon.	
William Trenholm.	
John De Witt Warner.	
Everett P. Wheeler.	
Horace White.	
Louis Windmuller.	
Frank S. Williams, secretary.	

The duties of these two committees seem to be clear. The Press has published the fact that Mr. E. Ellery Anderson, the chairman of the tariff committee, had prepared the tariff bill to be the guide for the Ways and Means Committee of the House of the Fifty-third Congress. From this we may infer that the object of the finance committee of this organization is to draft bills and furnish suggestions to the Finance Committee of Congress. Already they have declared their position on the question now before the Senate. Of this work I read, page 136:

The silver-producing States, strongly moved by their local interests, demanded the adoption of this policy. Many of the Western States, and substantially all of the Southern States echoed this demand. It is not easy to understand the causes which produce results of this nature. A substantial half of our people suddenly appeared to be possessed and honestly possessed of the belief that the passage of a law declaring 412½ grains of standard silver to be the absolute equivalent in value of 25.8 grains of gold would be of inestimable benefit to the whole country. The other half of our people believed with an equal intensity that the proposed measure would work incalculable mischief. The result of the enormous increase of Democratic Representatives in Congress was that an apparent majority of the House favored the free coinage of silver. The interests of New York and the great seaboard States were directly opposed to the adoption of this policy, and the unanimous judgment of their experienced financiers and business men was that the proposed law would result in infinite confusion and disaster.

The effect of this singular divergence of judgment on the promised success of the Democratic party and on the adoption of its policy relating to the tariff was menacing in the extreme. The adoption of a bill for free coinage, or its passage through the House of Representatives would necessarily lead to the defeat of any Democratic candidate for the Presidency in 1892, because no candidate could possibly have drawn to his support the great financial interests of the Atlantic States, including especially the State of New York, after the party had committed itself to the policy of free silver.

These are the views of the controlling element of the Democratic party to-day.

Whether the money power voices the sentiment of this organization or not, this organization certainly voices the sentiment of the money power as represented in the press. We are asked to repeal, urged to repeal, and threatened if we do not repeal.

I have a few clippings from prominent newspapers of Washington and New York, which, if they are not Administration organs, are certainly the organs of the money power.

This maps out clearly the line of policy to be pursued not only by the money power, but by the Administration. We are not asked to repeal the Sherman law alone. From the Washington

Post of September 4, 1893, I read a standing advertisement at the head of the first editorial column:

THE SURE ROAD TO BIMETALLISM.

The way to force Europe to agree with us upon international bimetallism is for the United States to stop buying silver and buy gold.

The repeal of the Sherman law is only the first step. If we follow it up by getting our share of the gold of the world, we will compel England to come to our terms.

It is one of the strongest demands made upon Congress to-day that we shall issue a new series of $100,000,000 or $300,000,000 of bonds. The Post of the same issue has an editorial entitled "The easiest way out." It reads as follows:

THE EASIEST WAY OUT.

It occurs to the Post as a sound business proposition that the wisest way to deal with a possible shortage in the Treasury is the simplest and speediest way. That instead of devising any temporary makeshifts or trying any new experiments in order to get around a difficulty, it were better to adopt direct and straightforward methods.

The credit of the Government is unquestionably good for any amount it may need. Assuming, therefore, that by reason of diminishing revenues, which can not be summarily augmented, and increasing expenditures, which can not well be curtailed under the laws authorizing them, the Treasury is likely to be drained of its available resources by the expiration of the present fiscal year, why should the Government hesitate a moment to borrow whatever sum or sums it may require to meet this draft?

A business man whose note was as good as his bond would not stand a moment upon the order of such a proceeding, in case he found himself in a tight place. He would raise the money he wanted, pull himself through, and come out all right.

The Government should do the same thing. Instead of fooling with due bills or scrip, or any other hand-to-mouth nonsense, it should place its bonds upon the market, or be put in a position to do so if it becomes necessary.

If there is really a serious emergency at hand, it will demand prompt relief. It can not wait upon a general reconstruction of our financial system. That will take time, and time is an element of importance in the present situation. The proper thing to do now is to provide for exigencies that can not be postponed, and there ought to be no great difficulty in making the necessary provisions.

Again, another editorial of the same day from the same paper:

GOOD AS FAR AS IT GOES.

The repeal of the Sherman law is good as far as it goes. It will show to the world that this country is not prepared to go on indefinitely buying silver. But up to the present time we have bought so much silver that the notes issued against it, added to the other outstanding notes of the Government, make it necessary to strengthen our gold reserve. If $100,000,000 of reserve was necessary in 1879 to maintain the value of the greenbacks, certainly more is needed now, when the amount of the outstanding notes of the Government is more than double what it was then. Our reserve can be strengthened by selling bonds and buying gold, and not till that is done will Congress have carried out the pledge of both political parties to make every dollar as good as gold: that is to say, as good as every other dollar.

Besides giving this needed strength to our Treasury, the policy of selling bonds and accumulating gold will bring about international bimetallism. In this country public opinion favors international bimetallism, believing it will give greater stability to the measure of all values than we can have with gold alone.

But there is incidentally another aspect of international bimetallism which may fairly be taken into account, and that is its necessary effect on the silver industry of the United States. It will enlarge the use of silver and thus add to its value. Now we have been stimulating the silver industry for years by buying silver, and the country has found it necessary to suddenly stop. This, like the sudden withdrawal of any form of protection, results in hardship to communities and individuals who are in no way responsible for the policy of the Government upon which they have based their undertakings and means of living. To remedy this evil, so far as it may be done without producing other evil, is a plain duty which Congress owes to these people. International bimetallism is an obvious and practicable remedy, which not only does not produce other evils, but, on the contrary, must produce great good to the whole country.

Congress can not enact international bimetallism, but by authorizing the purchase of the gold necessary to strengthen our Treasury it will make Europe see that there is not enough gold to go round, and bring about an international bimetallic agreement.

And again from the same paper:

THE PITY OF IT.

"The proposal to empower the Government to borrow money by an issue of United States bonds is one which Senator SHERMAN would hardly have made without sufficient reason. Further, it is one which the right-thinking men of both parties will feel themselves compelled to support. It is a great pity that the National Government should be obliged to raise money in this way so soon after the advent of a Democratic Administration."—*New York Tribune.*

But what is the "pity" of it? If the Government needs the money, why shouldn't we all be thankful that its credit is good enough to get all it wants? As to the causes which have led up to this exigency, there will be time enough for their discussion when the exigency is provided for.

These causes are numerous; they have been of gradual growth; some of them are of long standing; many of them are but imperfectly understood even by the best financiers; all of them have, no doubt, been severely aggravated by the silver-buying policy of the Government under the Sherman act.

Honors are easy on these points as between administrations. The thing to do now is to meet the necessities of the hour like brave men and patriots, instead of wasting time in a wrangle over the question of responsibility.

So far as the pity business is concerned, however, the Democratic party may congratulate itself that the emergency, if it had to come, has come this early. Better to have it now, speaking from a political standpoint; better now, "so soon after the advent of a Democratic administration," than its postponement to the summer of 1894.

I call attention to an article from the Chicago Inter Ocean, quoted in the Post, September 4:

SENATOR SHERMAN'S POSITION.

JOHN SHERMAN, the great financier of this country, is a strong and consistent bimetallist, opposed alike to the gold or the silver single standard. In a word, as he tersely put it, "the problem which Senators have to solve is how to procure the largest use of gold and silver without demonetizing either." There could be no truer definition of the duty of the hour.

Then the language of the Post:

Mr. SHERMAN is a bimetallist, and he favors the policy that will lead to bimetallism—the purchase of gold wherewith to strengthen the reserve of the Treasury against possibility of disturbance either at home or from abroad.

The United States insisting upon its equitable share in the distribution of gold, Europe will necessarily concede to equitable terms in the distribution of silver.

The United States wants no monopoly of silver; England nor any other nation should have a monopoly of gold.

Here is a sample of the average New York bankers' circular, with which mail has been burdened the past three months. Our duties are clearly stated:

DEAR SIR: The present financial situation requires the following action by Congress, which should be favored by all interests, to wit:

1. Pass a resolution repealing purchase clauses of Sherman silver bill.

2. Pass a bill authorizing the issue of $300,000,000 of United States 3 per cent bonds, payable in gold, directing United States Treasurer to sell $100,000,000 immediately in Europe, with stipulation that none of them should be resold within the United States; the Treasurer to take this $100,000,000 of gold and issue $100,000,000 of gold certificates against it, and deposit them in the different national banks of the United States, pro rata to their capital and circulation, upon adequate security being given to the Government securing such deposits; such deposits to be preferred liens upon all assets of each bank, etc.

It should also direct the Treasurer to sell $100,000,000 of such bonds immediately in Europe under similar conditions, the money to be placed in the United States Treasury, or left on deposit in London, Paris, and Berlin, for use by the Government in paying deficiencies between the Government's receipts and expenditures, and drawn as needed.

The remaining $100,000,000 should be held subject to sale whenever the necessities of the Government or the financial interests of the country demand it.

Bringing $200,000,000 of gold to this country, in addition to the balances of trade in our favor, would immediately establish confidence in our financial strength.

3. Pass a resolution calling an international conference to establish an international agreement as to the use of silver as currency, to be held within twenty days after the passage of such resolution. Twenty days' notice by cable is amply sufficient to allow time for every government to appoint men who understand the subject thoroughly, and have them meet at some convenient place.

The delegates representing the United States should be selected by Congress, and named in the resolution: two of them to be Senators from the silver States, and two of them equally representative of the other side of the question.

4. Pass the act increasing national-bank circulation to par of deposited bonds.

The above legislation would immediately inspire confidence here and abroad in American finances, and start again the wheels of business, now helplessly clogged.

For the future, the following action should be taken:

This has already been under consideration, and favorably too, by the Committee of Finance.

5. Pass a resolution appointing a committee to consist of five New York bankers of the highest standing, and one each from Boston, Philadelphia, Chicago, St. Louis, Cincinnati, Nashville, Atlanta, Savannah, New Orleans, Galveston, San Francisco, Denver, St. Paul, Detroit, Buffalo, and Pittsburg.

This committee to immediately meet, consider, and report to an adjourned session of Congress a bill incorporating a United States national bank, founded on the same lines as the National Bank of England and the National Bank of France, to be entirely divorced and free from politics; and it being expressly stipulated that one-half of the committee shall be selected from Republican bankers and one-half from Democratic bankers.

A national bank is absolutely necessary for the future financial safety of the country. Under present conditions there is no elasticity to our currency.

Five per cent of our financial business is done with cash.

Ninety-five per cent with credit.

To-day credit is largely destroyed, which leaves us trying to do more than one-half of the business of the country on the insignificant 5 per cent cash, and a considerable proportion of this cash hoarded and taken out of circulation.

To meet emergencies like this, we should have a national bank, having power to make almost an unlimited issue of currency, with the same power and self-interest, when confidence returns, to take and return all this specially-issued currency and retire it.

The Bank of England and the Bank of France have power to issue millions upon millions of additional currency whenever necessary to protect and conduct the finances of the country, and they exercise this power, and therefore such extreme panics as ours are unknown in those countries. When the crisis is over this extra currency is retired.

There is no question as to the safety of this power: it has been exercised by these great banks in these two countries for generations, and has been their financial salvation, and we can have no permanent financial safety in the United States until we create a similar national bank, or else make the United States Treasury a bank, and authorize and direct that in times of panic and destruction of credit the Government shall issue currency to an extent necessary to meet the emergency, and deposit it in the national banks of the country. Of the two measures, it is certainly preferable to have a great national bank, founded on almost exactly the lines of the Bank of England, thus taking financial questions and management entirely out of the influence of politics, because the government of the great National Bank of England is entirely in the hands of the greatest business men of the country, who have no interest whatever in politics, except as citizens.

Yours, truly,

WM. R. CONWAY.

We are expected, Mr. President, to follow out seriatim the programme they have laid down. First, repeal the purchase clause of the Sherman law. Second, grant the banks power to issue circulation to the par value of the bonds deposited at the Treasury. Third, issue a new series of bonds amounting to $300,000,000. Fourth, lay plans to establish a permanent banking system.

I do not hesitate to say that such dictation is un-American, unpatriotic, selfish, and tyrannical. It should sound a note of alarm in the ears of every member of this body, and cause the country to rise to the emergency.

Mr. President, wisdom would dictate an entire revision of our financial system. We should defeat the plans of the money power to continue further their unjust demands upon the people. But let us now begin to consider the advisability of adopting a new medium of exchange. We are crowning a century of remarkable achievements in the arts, sciences, inventions, and literary culture. A new generation is coming which will look upon our crude measures of value, as we now look back upon the wooden plow and the stage coach.

MONEY ECONOMICALLY DISCUSSED.

Money, Mr. President, is a function and may be attached to any material. This is an advanced stand, but I am firmly convinced that our nation and the world will ultimately come to it. Mr. Gladstone, in his speech in the British Parliament February 28 last, says that we have passed beyond the stage of barter and exchange in the primary necessaries of mankind in their first efforts towards civilization. He seems to think that we have made rapid advancement from the primary principles. But such I assert has not been the case. We are still in our transactions exchanging one commodity for another. In barbarous times when a man wanted a horse, he may have exchanged grain or a cow or an instrument of warfare for it. The name of the commodity to be exchanged was not specified. To-day one commodity has been selected by agreement for exchange purposes. So that one must now convert his grain, cow, or instrument of warfare into the commodities of silver or gold and then exchange those for the horse.

How far removed, Mr. President, is this from the old system of barter. It is not only not better, but it is tyrannically worse in some respects. Now, all the exchangeable commodities of man are compelled to walk round systematically and make obeisance to the one commodity, gold. The owner of this favored commodity must feel highly flattered and honored. Gold is to-day the king of commodities, sitting on the throne of commerce and ruling the destinies of individuals and of nations.

During all the ages of history the subject of finance has been shrouded in mystery, the veil being lifted for the benefit of a few of the most favored citizens. The money lender has been trained in all the arts and fine practices of his profession, while the people have accepted their lot, enduring an oppression the cause of which they knew not. Bonds and funding acts, expansions and contractions, demonetization and resumption, and a score of such terms are as meaningless to them as the recitation of a foreign alphabet. They have been accustomed to see banks upon the street corners, but few have ever thought it their right to inquire whence they came, or whether they represented a favored class or not. They know that some are called private banks and some national banks, and that they are convenient places to visit when a check or draft is to be cashed. The law creating the institution is a mystery. They have a currency, but how they came by it they have not thought fit to inquire. There is a vague idea that sometime in the past financiers ciphered out and determined what was to be money. As for the method of getting it stamped and put in circulation Congressmen were elected to do that, and they were elected to accept the result without a word of complaint.

But that day of ignorance, Mr. President, is happily passing by, thanks to our public schools and other institutions of enlightenment. The day of barter is entombed with departed nations of antiquity. With it will soon lie the crude, superstitious ideas of money and finance promulgated to-day. With the introduction of commerce the barter system gave way to a medium of exchange called money. The medium was naught else than a product of nature having a tolerably uniform value, and hence a general measure of commodities. But this theory is fast becoming obsolete, as people come to understand that a medium of exchange is not an equivalent of value, but merely enables the holder to obtain such an equivalent. It is the Government system of bookkeeping, done under the sanction and provisions of the law.

But gold and silver have been thrust upon us from generation to generation, until we have come to think that nothing else can be money.

We are confronted with such media of exchange at birth, and we go through life without raising the question as to their right to fulfill this important office. We look upon the beautiful metals almost with superstition. We see a divine fitness in their selection for this purpose. A prominent economist says:

It is hardly possible to avoid being impressed with the thought of a designing mind as we contemplate the relations of these metals to the economy of the human family. Among all the materials of which the solid earth is composed, two substances are found, each of which is so related to human taste as to render it an object of universal desire among all civilized nations. They are thus fitted and seem intended to unite the whole human family into one great economic world.

But, ordained as a monetary standard or not, the supply of gold, according to the testimony of experts, is rapidly diminishing, while the business and population are rapidly increasing, and we shall be compelled sooner later to adopt a different standard or medium. Gold is nicely adapted for money as far as beauty and divisibility are concerned, but utterly wanting in quantity and regularity of supply, the elements most essential in a standard of value. Whenever and wherever used, it has proven itself a traitor to commercial interests.

KINDS OF MONEY USED BY NATIONS.

China's monetary history is the most extensive known, covering as it does a period of fifty centuries. Hundreds of years before the Christian era they were engaged in commercial intercourse with India, Arabia, Greece, Rome, and Africa, and yet the records show that gold and silver were not always essential as money. Tortoise or porcelain tablets and cowrie shells were used in 2347 B. C.; copper before 2119; clay, mixed with glue, was used for a long period. This was also used in Africa, India, Babylon, Egypt, Siam, Etruria, Rome, Polynesia, and Arabia. In the second century B. C. and during the first, tenth, eleventh, twelfth, thirteenth, fourteenth, and fifteenth centuries paper money was used freely, based sometimes on copper, as in 807 A. D., or as in the reign of Tai Tsu, when the government warehouse system was in use and notes were issued from the treasury on almost all articles deposited.

Frequently these notes were based entirely on the credit of the nation. Sir John Mandeville, in 1327, after visiting China, wrote:

This Emperor maketh no money but of leather imprinted or of paper. And of this money is some of greater and some of lesser price, after the diversity of his statutes. And when the money doth run so long that it beginneth to waste or wear out then they bring it to the Emperor's treasury, and there take new money for the old. And that money goeth throughout all the country and throughout the provinces, for there and even beyond there they make no money neither of gold nor silver.

Fifty centuries have produced in China nearly a score of different media of exchange, all good in their way so long as they were properly managed and constituted money only through the stamp of the government issuing them. Every nation, including our own, has passed through a somewhat similar experience, using tobacco, skins of animals, or other material as a standard of value as occasion demanded.

After five thousand years we are but little in advance of Chinese wisdom. We are but one degree removed from the old system of barter. We have as a civilized nation built upon the ruins of exploded ideas. We follow in the footsteps of those who have ruined nations. Along the highways of history are finger boards pointing to the folly of a currency dug out of the ground at a great expense and so scarce as to cause stagnation to all lines of industry.

MONEY NEED NOT NECESSARILY POSSESS INTRINSIC VALUE.

There is a growing sentiment, Mr. President, amongst the people of our nation that we may readily discard both gold and silver and adopt a new circulating medium which is more convenient, and which will not, like the present standard, be currency only in name. Very little business is done with gold and silver. If we were limited to-day in our currency to gold and silver every branch of business from coast to coast would be in stagnation. Our annual output of gold from the mines is only thirty-two millions, while the annual business done through the clearing houses alone amounts to $60,000,000,000. Ninety-five per cent of all business is done through a paper medium. A metal basis is a delusion calculated to blind the masses and enrich the few.

Treasury notes are the people's money, based not upon the output of this or that mine, but on the wealth of the nation. The stamp is that of a great nation, and signifies that behind every dollar is the power, integrity, valor, and wealth of every State in the Union and of all the States combined. No Treasury note of the United States with such a foundation, when not discriminated against in its debt-paying power, ever depreciated. Twenty different times Treasury notes were issued by our Government before the late war. They were receivable for duties, were legal tender, and not one of them ever depreciated. The first issues of sixty millions of demand notes at the beginning of the war did not depreciate. All this goes to prove that money is money if the creation of law, no matter of what material made, so long as a strong government is behind it.

Hon. JOHN DAVIS, a member of the House, says:

Money, strictly speaking, is not a material thing. The money function may be attached by law to any proper material. The material should be appropriate, convenient to handle, light to carry, easy to conceal, and difficult to counterfeit. Intrinsic value in the material to which the money function is attached is not necessary.

Dr Franklin said:

On the whole, no method has hitherto been formed to establish a medium of trade equal in all its advantages to bills of credit made a general legal tender.

Jefferson's financial philosophy was this:

Our only resource, an ample one for any emergency, Treasury notes bottomed on taxes.

But discussion of this subject is no sooner begun than the cry of "cheap money" is raised. It is called cheap money because it is easily produced. I am not able to discover why we should be compelled, in order merely to procure a circulating medium, to search the bowels of the earth, and tax the resources of our people, when a most excellent and desirable article is at hand, any more than I might see the wisdom in a railroad company's searching the continent of Africa to obtain ivory for baggage checks when brass, a substantial, cheap article, is at hand.

But by whom is the cry of "cheap money" raised? By the banking or creditor class and their friends. These same men, when, during the war, under a paper currency, poor, hard-working farmers contracted debts payable in a money representing a given amount of labor, never thought of raising the cry of dear money when the farmer was compelled to pay in coin. Never in history has there been an instance of an abundance of or even enough money under a gold currency. The money kings can corner the finances and subject the masses to the payment of exorbitant interest. It will be an unprofitable day for money lenders when articles of intrinsic value cease to be money. But the poor will rejoice. The people who live by labor, and who on Saturday night draw their bills and with their wives visit the stores to buy the week's provisions, never object to "cheap money." The farmer, who ciphers close to make receipts and expenditures meet is glad for a "cheap money" which circulates as naturally as blood through the arteries of the human body and can not be held back at the wish of a class who reap rich harvests through loans.

This is the brave money, Mr. President. It accommodates the people in peace, and it is the first to enlist in time of war. Gold has never failed to oppress the people in peace, and has never failed to secure a hiding place in war. "Cheap money" redeemed France in the Revolution. Sir Archibald Alison says it saved England from 1797, to 1815 from being a tributary to France. Gold deserted Venice in 1176, America in 1776, France in 1790, England in 1797, and Europe in 1813. Paper money fought the battles for American independence. It was the nations stay during the late civil war. Why was it good? Because a brave, united people are behind it. It is based upon the entire wealth of the nation.

I lay down, Mr. President, a few fundamental principles as characterizing a sound currency.

1. It must be issued by the sovereign power of the nation.
2. It must be honored by the issuing power by being receivable for public dues, customs, taxes, etc.
3. It must be made a full legal tender for all monetary purposes.
4. It must be beyond the reach of the counterfeiter as far as possible.
5. It should, in the amount of issue, bear a reasonable relation to the public revenues collected.
6. It should be issued by a stable, nonrevolutionary government whose people possess a high degree of enlightenment. No government paper, Mr. President, ever depreciated or was repudiated when issued according to these principles.

CHEAP MONEY IN HISTORY.

But we are pointed to the features of paper money in past history. We are asked to explain the paper money of France. Let me say that it was issued in violation of sound principles; according to Alison, it was counterfeited by the wagonload. The volume was entirely out of proportion to the revenues, and it was made redeemable in gold, which is not redemption. Exchange of dollars is not redemption, and never can be. A dollar is redeemed when it is received in revenue by the government issuing it and not otherwise.

Mr. E. G. Spaulding, a banker in Buffalo, N. Y., in time of the war, chairman of the Subcommittee on Ways and Means in 1861, 1862, and 1863, and known in financial history as "The Father of the Greenback," has discussed commodity redemption of money as follows:

> Every time a hundred-dollar bill passes from one person to another, it is a practical redemption of it by the person who takes it. Every time a merchant at Chicago pays to a farmer $600 in national currency for a carload of wheat, the farmer by the operation redeems such national currency, not in greenbacks, nor in gold, but in a commodity better than either, namely, wheat, a staple article useful to all. So every merchant in New York that sells a bale of cotton goods and receives his pay for it in currency, redeems such currency, not in the way that banks redeem it, but in cotton goods, which is far better, because it performs the true functions of money by facilitating the legitimate sale of commodities. So every time that a merchant or manufacturer pays his internal-revenue tax to the United States collector in national currency, the Government redeems such currency by receiving and discharging such tax. So every mechanic or laborer that receives national currency for his services, redeems such currency by the labor performed. So it will be seen that just so long as the national currency is practically redeemed every day in its passage from hand to hand in the payment of commodities and services, and in the ramified operations of trade and business both with the Government and the people whose operations it greatly facilitates, there is not the slighest necessity for resorting to the expensive and risky operation of assorting and sending it home for redemption.—*Spaulding's History*, Appendix, page 10.

At this point the honorable Senator yielded to Mr. PETTIGREW.]

Mr. KYLE. Mr. President, the money of the Revolution, as Lord Howe says, was counterfeited and sent to America by the shipload. Continental money was terribly depreciated, but it was issued out of proportion to the public revenue. It was not receivable for taxes because the Continental Congress had no power to collect taxes; and hence it was crippled in the most essential feature of money. The first issue of our civil war, sixty millions, did not depreciate because they complied with the essential laws above laid down. They differed from subsequent issues, which sank to one-third of a dollar, in that the latter contained the famous exception clause, by which the Government acknowledged them good enough to pay all debts except those due herself. The Government repudiated her own offspring, crippled her own child, and then cast it off because crippled.

The Argentine Republic has been in a straitened condition financially because her paper is depreciated much as ours was during the late war. But it is not receivable for revenues, and is not a general legal tender. On the other hand, Venice in 1176 began her system of book credits, issuing a paper currency which was a full legal tender, was receivable for all revenues, and was not based on coin. This was continued during a period of six hundred years of unexampled prosperity. And when Napoleon marched into Venice with the expectation of finding gold he did not find one dollar. Paper money succeeded in the larger Colonies during the Revolutionary war in this country, even though the times were dark. North Carolina's $400,000 of paper money was kept at par for twenty years after she became a State. Other States did likewise.

There is no reason, Mr. President, why a nation such as ours, covering 3,000,000 square miles of territory, 65,000,000 of people, $63,000,000,000 of wealth, with exhaustless resources of all that goes to make up the necessities of mankind, with the best government upon earth, with a people of excellent morality and enlightenment, possessed of remarkable valor and patriotism, and with an annual revenue of over four hundred millions, should not be able to issue and maintain a currency of this character three or four times as great as her revenues. But our financiers have thought otherwise and our legislators have followed suit. The opportunities of the banking class during the years following the war were not great enough, and the prosperity of the farmer unparalled. The only remedy, in the judgment of the banker, was to get rid of the greenbacks and call back the deserting coin.

By some superhuman effort we have gotten onto a specie basis at last. How we got there is a picture long to be remembered. We have a mountain of paper upon a pinnacle of metal. It is a resumption in name and not in reality. Three hundred and forty-six millions of greenbacks rest on one hundred millions of gold in the Treasury in case of a possible redemption, and the people are satisfied. They would be as well satisfied if three hundred and fifty millions more were based on the same one hundred millions. But better yet were such issue based on all kinds of property; the cotton of the South, the wheat of the West, the corn of the valleys, and the metals of the mountains. Whether, then, our balances with foreign countries were to be settled in the one product or the other an honored currency would see that it was forthcoming.

PROMINENT ECONOMISTS FAVOR SUCH MONEY.

Sir John Sinclair says:

> It was a great discovery when a metallic medium was substituted for barter; it was also a great discovery when paper convertible into coin was substituted for gold and silver; but a third discovery was reserved for our own times, namely, that, with an incontrovertible paper currency, agriculture, commerce, and manufactures might advance in a career of unexampled prosperity.

The following is from the great English philosopher, Herbert Spencer:

> England herself does not in reality base her currency on specie; nor could she without bringing all business to a dead stop in a very short time. She just mixes enough of this specie-basis fiction in her finances to continually or periodically divest the laboring classes of their earnings for the benefit of the nobility. But for the real basis of value to her currency she makes the notes of the Bank of England, as well as her coins, a full legal tender for the payment of debts, and not the notes of the other banks. From this we see that even in England specie basis is a mere fiction, a false pretense.

Aristotle, writing of money, says:

> Money by itself * * * has value only by law, and not by nature; so that a change of convention between those who use it is sufficient to deprive it of all its value and power to satisfy all our wants.

In his proposal for an economic and secure currency, Ricardo says:

> A well-regulated paper currency is so great an improvement in commerce, that I should greatly regret if prejudice should induce us to return to a system of less utility. The introduction of the precious metals for the purposes of money may with truth be considered as one of the most important steps toward the improvement of commerce and the arts of civilized life; but

it is no less true that with the advancement of knowledge and science we discover that it would be another improvement to banish them again from the employment to which during a less enlightened period they had been so advantageously applied.

Prof. Francis A. Walker says:

Let me repeat, money is to be known by its doing a certain work. Money is not gold, though gold may be money; sometimes gold is money, and sometimes it is not. Money is no one thing, no group of many things having any material property in common. On the contrary, anything may be money; and anything, in a given time and place, is money which then and there performs a certain function. Always and everywhere that which does the money-work is the money-thing.

Jevons (Money and Exchanges), Chapter VIII, says:

Those who use coins in ordinary business need never inquire how much metal they contain. Probably not one person in two thousand in this kingdom knows, or need know, that a sovereign should contain 123.27447 grains of standard gold.

Money is made to go. People want coin not to keep in their own pockets, but to pass it off into their neighbors' pockets.

Dugald Stewart, professor of moral philosophy in the University of Edinburgh, in his Lectures on Political Economy (Part I, Book II), said:

When gold is converted into coin, its possessor never thinks of anything but its exchangeable value, or supposes a coffer of guineas to be more valuable because they are capable of being transferred into a service of plate for his own use. Why, then, should we suppose that if the intrinsic value of gold and silver were completely annihilated, they might not still perform, as well as now, all the functions of money, supposing them to retain all those recommendations (durability, divisibility, etc.) formerly stated, which give them so decided a superiority over everything else which could be employed for the same purpose.

Supposing the supply of the precious metals at present afforded by the mines to fail entirely the world over, there can be little doubt that all the plate now in existence would be gradually converted into money, and gold and silver would soon cease to be employed in the ornamental arts. In this case a few years would obliterate entirely all trace of the intrinsic value of these metals, while their value would be understood to arise from those characteristical qualities (divisibility, durability, etc.) which recommend them as media of exchange. I see no reason why gold and silver should not have maintained their value as money, if they had been applicable to no other purposes than to serve as money. I am therefore disposed to think with Bishop Berkeley, whether the true idea of money, as such, be not altogether that of a ticket or counter.

These, Mr. President, are the statements of a few of the world's greatest economic teachers. They proclaim a doctrine in advance of their day. It is the economic system of the future by which financial standards will be solved, when legislators and nations have become enlightened, and when we have become tired of quarreling over these so-called precious metals, which are but one degree removed from the cowrie shell of the barbarian. For the present we must adjust ourselves to the times and secure as convenient and accurate a medium of exchange as possible in gold and silver. Gold and silver wedded has been our standard. The question confronting us is whether we shall discard silver and come to an absolute gold basis. There are many reasons, Mr. President, why this step should not be taken.

SILVER IS THE MOST STABLE MEASURE OF VALUE.

The United States uses gold, silver, paper, copper, and nickel; all are money after the money function has been attached. And in the consideration of these materials we have no right to consider whether one is more valuable than another.

Silver is scorned and repudiated to-day by the monometallists, because it does not rise above 75 cents per ounce or because the dollar has silver worth but 55 or 60 cents, while gold they say still maintains its par value and its stability.

It is true that as measured with gold, silver is at a disadvantage. But how, pray, can a parity be maintained when silver is shorn of its money function? You might as well enter two fast and equally matched horses in a race and breaking the leg of one expect it to run an even race, as to expect silver under present circumstances to maintain a parity with gold. No two kinds of money ever remained at a parity unless they possessed an even chance in the eyes of the law. Gold is to-day a legal tender for all debts public and private and for all amounts. Silver is a legal tender, or possesses a money function, only to the amount of $5.

All metals used as money have both a commodity and a monetary value. The copper cent is worth as a commodity but one-eighth of 1 cent, and the stamp of the Government adds the money function, viz, the faith and credit of the Government, which is seven-eighths. The nickel in the 5-cent piece is worth as a commodity but a trifle; with the money function added it is worth 5 cents. The component parts of the silver dollar are 40 cents of commodity and 60 cents of monetary value. The commodity value of the gold dollar is not more than 25 cents, while the stamp of the Government, adding the money function, makes it worth 100 cents. Were the world to-day to relieve gold of its monetary function it would be shoveled into the corners of buildings as more worthless than iron. It would not, as economists tell us, be universally desirable. It is not fit to make plows, shovels, knives, forks, or any other article useful in the mechanical arts. Restore silver again to its rightful place in our monetary system and it will be universally desired by our bankers as well as by the poor.

The material chosen for money, Mr. President, must first be a convenient medium of exchange, and second, a constant and invariable measure of the value of commodities. Of the former I have already spoken; I will only add that about the only argument which has been adduced against silver is that it is bulky and can not be easily handled. If this is an objection, it is one that comes from bankers only. The people never complain, except because they are denied the privilege of carrying it. Silver is the poor man's money. It circulates in all the small transactions of life, and a large percentage of business dealings are small transactions. The people love silver. They revere it because of its antiquity and because it has always been the money of the people. There can be no reason for taking it away from them, except that by its presence they are made less dependent upon the gold of the rich. The bankers to-day are relieved from the burden of handling silver coins through the convenience of silver certificates. Give silver coins the same chance under the law that gold has, and it will go to the people and never return for redemption or to trouble the banker. Do you wonder, therefore, that the people are aroused at this time as never before in the history of the nation?

I wish to speak more particularly of the second feature of a circulating medium, and that is its constancy and invariability as a measure of the value of commodities. This is an all-important question, seeing that the world is hopelessly in debt and that the situation is growing worse. The kings of plutocracy in Europe to-day rule the world. Every civilized nation upon the globe is under obligation to them. The interest gatherers hourly clip their coupons, which go across all seas and represent the gold tribute they exact from the poor and unfortunate of all countries. Contracts have been made for a century, and will continue to be made for a century to come. The question, therefore, becomes as important to the creditor as to the debtor. The former wishes the payment of his money in a material which represents as much to him as at the time the loan was made, and the latter wishes to cancel his obligation with products which cost him no more labor than at the time he made the contract.

It is manifestly unjust that pending this stupendous indebtedness the contract should be changed and either party be made to suffer. For the kings of finance to change the terms of payment in contracts with the poor is nothing less than robbery of the most exacting type. This is the question that now confronts us. It is not, as the subsidized press says, an obstruction by silver lunatics and owners of silver mines. The Government has by law fixed a measure of commodities in the bushel, the pound weight, and the yardstick. The grain gamblers have robbed the people enough as it is: but should they attempt, after connering the wheat of the United States, to change by law the bushel measure and maintain their price there would be revolution. There is almost revolution to-day, Mr. President, through the tampering with the monetary standards. The people protest against the attempt to bring the country and the world to a gold standard especially when gold is enhanced in value by the demonetization of silver.

It has been proven, I think, that this silver is less variable than gold, and therefore should be preserved as the measuring standard.

NOT AN OVERPRODUCTION OF SILVER.

Constancy of supply cuts an important figure as to the constancy and invariability of any metal used as money. But if we shall take the trouble to investigate it will be observed that there has been no great excess in the production of silver, and hence no reason for the change of ratio, much less for a cessation of coinage.

Hon. Thomas V. Carter, of California, has compiled some very valuable facts from statistics, complete for the world to 1889. There has been no change of importance since that time. From this it appears that at that period the world's stock of gold and silver was as follows:

In pounds avoirdupois: Gold, 43,526,435; silver, 633,826,889. The ratio indicated is 14.56.

Turned into dollars the result is as follows: Gold, $14,363,723,229; silver, $12,993,451,501. The result shows an excess of $1,370,271,719 of gold.

Again the total production of gold and silver in the world from 1848 to 1889 is as follows: Gold, 13,333,639 in pounds avoirdupois; silver, 105,026,469. The ratio indicated is 8 to 1.

The value of the same in dollars would be as follows: Gold, $4,418,300,870; silver, $2,153,842,114.

The result shows that more than twice as much gold as silver was produced during that period.

From 1878 to 1889, there was a slight excess in the production of silver over gold, though not such as to cause any great variation. In 1889, the excess of gold over silver was $1,370,000,000.

These statements are borne out by the tables furnished by the eminent statistician, Dr. Adolph Soetbeer, for the years 1492 to 1892 inclusive.

Statement of the production of gold and silver in the world since the discovery of America.

[From 1493 to 1885 is from table of averages for certain periods compiled by Dr. Adolph Soetbeer. For the years 1886–1892 the production is the annual estimate of the Bureau of the Mint.]

Period.	Gold.				Silver.				Percentage of production.			
	Annual average of period.		Total for the period.		Annual average of period.		Total for the period.		By weight.		By value.	
	Fine ounces.	Value.	Fine ounces.	Value.	Fine ounces.	Coining value.	Fine ounces.	Coining value.	Gold.	Silver.	Gold.	Silver.
1493–1520	186,470	$3,855,000	5,221,160	$107,931,000	1,511,050	$1,954,000	42,309,400	$54,703,000	11.0	89.0	66.4	33.6
1521–1544	230,194	4,759,000	5,524,656	114,205,000	2,899,930	3,749,000	69,598,320	89,986,000	7.4	92.6	55.9	44.1
1545–1560	273,596	5,656,000	4,377,544	90,492,000	10,017,940	12,952,000	160,287,040	207,240,000	2.7	97.3	30.4	69.6
1561–1580	219,906	4,546,000	4,398,120	90,917,000	9,628,925	12,450,000	192,578,500	248,990,000	2.2	97.8	26.7	73.3
1581–1600	217,267	4,495,000	4,745,340	98,095,000	13,467,635	17,413,000	269,352,700	348,254,000	1.7	98.3	22.0	78.0
1601–1620	273,918	5,662,000	5,478,360	113,248,000	13,596,235	17,579,000	271,924,700	351,579,000	2.0	98.0	24.4	75.6
1621–1640	266,845	5,516,000	5,336,900	110,324,000	12,654,240	16,361,000	253,084,800	327,221,000	2.1	97.9	25.2	74.8
1641–1660	281,955	5,828,000	5,639,110	116,571,000	11,776,545	15,226,000	235,530,900	304,525,000	2.3	97.7	27.7	72.3
1661–1680	297,709	6,154,000	5,954,180	123,084,000	10,834,550	14,008,000	216,691,000	280,160,000	2.7	97.3	30.5	69.5
1681–1700	346,095	7,154,000	6,921,895	143,088,000	10,992,085	14,212,000	219,841,700	284,240,000	3.1	96.9	33.5	66.5
1701–1720	412,163	8,520,000	8,243,260	170,403,000	11,432,540	14,781,000	228,650,800	295,629,000	3.5	96.5	36.5	63.4
1721–1740	613,422	12,681,000	12,268,440	253,611,000	13,863,080	17,924,000	277,261,600	358,480,000	4.2	95.8	41.4	58.6
1741–1760	791,211	16,356,000	15,824,230	327,116,000	17,140,612	22,162,000	342,812,235	443,232,000	4.4	95.6	42.5	57.5
1761–1780	665,656	13,761,000	13,313,315	275,211,000	20,985,591	27,133,000	419,711,820	542,658,000	3.1	96.9	33.7	66.3
1781–1800	571,948	11,823,000	11,438,970	236,464,000	28,261,779	36,540,000	565,235,580	730,810,000	2.0	98.0	24.4	75.6
1801–1810	571,563	11,815,000	5,715,627	118,152,000	28,746,922	37,168,000	287,469,225	371,677,000	1.9	98.1	24.1	75.9
1811–1820	367,957	7,606,000	3,679,568	76,063,000	17,385,755	22,479,000	173,857,555	224,786,000	2.1	97.9	25.3	74.7
1821–1830	457,044	9,448,000	4,570,444	94,479,000	14,807,004	19,144,000	148,070,040	191,444,000	3.0	97.0	33.0	67.0
1831–1840	652,291	13,484,000	6,522,913	134,841,000	19,175,807	24,793,000	191,758,075	247,930,000	3.3	96.7	35.2	64.8
1841–1850	1,760,502	36,393,000	17,605,018	363,928,000	25,090,342	32,440,000	250,903,422	324,400,000	6.6	93.4	52.9	47.1
1851–1855	6,410,324	132,573,000	32,051,621	662,566,000	28,488,597	36,824,000	142,442,986	184,169,000	18.4	81.6	78.3	21.7
1856–1860	6,486,262	134,083,000	32,431,312	670,415,000	29,005,428	37,618,000	145,477,142	188,092,000	18.2	81.8	72.1	21.9
1861–1865	5,949,582	122,989,000	29,747,913	614,944,000	35,401,972	45,772,000	177,009,862	228,861,000	14.4	85.6	72.9	27.1
1866–1870	6,270,086	129,614,000	31,350,430	648,071,000	43,051,583	55,663,000	215,257,914	278,313,000	12.7	87.3	70.0	30.0
1871–1875	5,591,014	115,577,000	27,955,068	577,883,000	63,317,014	81,864,000	316,585,069	409,322,000	8.1	91.9	58.6	41.4
1876–1880	5,843,110	114,586,000	27,715,550	572,931,000	78,775,902	101,851,000	393,878,009	509,256,000	6.6	93.4	53.0	47.0
1881–1885	4,794,755	99,116,000	23,973,773	495,582,000	92,003,944	118,955,000	460,019,722	594,773,000	5.0	95.0	45.5	54.5
1886	5,127,750	106,000,000	5,127,750	106,000,000	93,276,000	120,600,000	93,276,000	120,600,000	5.2	94.8	46.8	53.2
1887	5,093,984	105,302,000	5,093,984	105,302,000	96,189,000	124,366,000	96,189,000	124,366,000	5.0	95.0	45.9	54.1
1888	5,316,412	109,900,000	5,316,412	109,900,000	109,911,000	142,107,000	109,911,000	142,107,000	4.6	95.4	43.6	56.4
1889	5,746,950	118,800,000	5,746,950	118,800,000	125,830,000	162,690,000	125,830,000	162,690,000	4.4	95.6	42.2	57.8
1890	5,473,631	115,150,000	5,473,631	113,150,000	133,213,000	172,235,000	133,213,000	172,235,000	4.0	96.0	39.7	60.3
1891	5,830,107	120,519,000	5,830,107	120,519,000	144,426,000	186,733,000	144,426,000	186,733,000	3.9	96.1	39.2	60.8
1892	6,328,272	130,817,000	6,328,272	130,817,000	152,062,000	196,605,000	152,062,000	196,605,000	4.0	96.0	40.0	60.0
Total			397,191,823	8,204,203,000			7,522,507,716	9,726,072,000	5.0	95.0	45.8	54.2

During the period covered by this table the total production in the world of gold was 397,191,823 fine ounces; silver, 7,522,507,716 fine ounces, or a ratio of 18 to 1.

From the comments of the senior Senator from Missouri [Mr. VEST] I collate the following table of the relative proportions of gold and silver produced at stated periods and the value of silver:

	Value per ounce.
1833 to 1840, thirty-five times as much silver as gold	129 to 132
1841 to 1850, fifteen times as much silver as gold	129 to 131
1851 to 1855, five times as much silver as gold	132 to 135
1855 to 1860, four times as much silver as gold	134 to 136

The great argument of gold monometallists is that overproduction of silver since the passage of the Sherman law has produced its decline. During the year immediately preceding the panic the silver production of the United States was $74,000,000, while the production of gold was $33,000,000, the production of silver being only twice that of gold. May I ask why the price of silver did not fall when the production of silver was four, five, fifteen, and thirty-five times the production of gold.

NO DANGER OF A DELUGE OF SILVER, NOR ARE WE LIABLE TO BECOME THE DUMPING GROUND FOR THE FOREIGN COMMODITY.

All foreign silver is liable to be consumed at home as subsidiary coin, and none of it will be presented at the mints of the United States. At the present ratio between gold and silver, silver is more valuable abroad than it is here. On this point I will express my views in the words of the Hon. W. H. Standish, the present attorney-general of North Dakota, given in an article in the Arena of August last. He says:

THE DUMPING GROUND OF FOREIGN SILVER ARGUMENT ANSWERED.

We are told that unlimited coinage will cause the silver money of other countries to be melted down into bullion and sent here for free coinage and thereby cause our Government to lose several hundred millions of dollars.

The total silver money of the world is approximately $3,700,000,000. We have $500,000,000 of this, leaving $3,200,000,000 in other countries. This $3,200,000,000 is money that has been coined in those countries and by the laws of those countries has been made legal tender for the payment of all debts in them, public and private, and therefore has a debt-paying value equal to its face value, and will cost its face value in gold, as shown by our preceding remarks and a letter from our Secretary of the Mint that we have heretofore quoted.

The assumption then that it could be purchased in gold at what would be its value in bullion if it had not been coined and made a legal tender must be discarded, even as to the limited legal tender money of the world.

This being the case, what profits would foreigners and speculators make in buying in the coined silver money of other countries to have it recoined by us? First, they would pay its face to get it; secondly, they would lose 3 per cent in weight, the coined dollar there being smaller than ours; thirdly, by reason of the use of coined money there since it was coined it has worn away not less than 3 per cent, which would be another loss in weight; fourthly, under a properly drawn mintage bill they would have to present to us pure bullion, such as we get in the bar from the mine. To do this they would have to extract the alloy from their bullion after it was melted down, to wit, the 10 per cent alloy that was put into it before coinage to enable it to be coined.

This extraction would probably be at least one-half of the cost of mintage, which would make 5 per cent additional before they had ever reached our mint, and our mint would charge 10 per cent of the bullion as its toll for recoinage, making 30 per cent of an outlay to buy in foreign silver money to have it recoined by us, or a loss to the foreigner or speculator who attempted it of $960,000,000. And what would these foreigners and speculators receive? This bullion, $640,000,000. And when they got them they would circulate them as money the same as we do now our silver notes, and if they prefer the coin they would present their certificates to the treasurer and get the silver dollars that had been recoined out of this silver foreign money at a loss of 30 per cent and in one case out of six they would get gold, as five-sixths of our coin would be silver and the balance gold, and our total gain for the recoinage, less expense of mintage, would produce $236,666,666 66 as the Government's profit in helping those foreigners to lose $960,000,000 in trying to swamp us with their silver, and the recoinage would leave the same volume of coined money in the world as now exists, less 6 per cent in loss in weight by existing money being worn and lighter coinage than ours.

We are not endangered, Mr. President, by a prospective deluge of silver from our American mines. From the report of the Acting Director of the Mint, Mr. R. E. Preston, I collate the production of silver in the United States from 1873 to 1892, inclusive:

1873	$35,750,000	1883	$46,200,000
1874	37,300,000	1884	48,800,000
1875	31,700,000	1885	51,600,000
1876	30,800,000	1886	51,000,000
1877	39,793,573	1887	53,357,000
1878	45,281,385	1888	59,195,000
1879	40,812,132	1889	64,606,000
1880	39,260,000	1890	70,465,000
1881	43,000,000	1891	75,416,500
1882	46,800,000	1892	74,989,900

Our product will be needed to furnish the currency necessary for a rapidly growing nation. Our population has increased from 40,000,000 in 1873 to 65,000,000, and the volume of business has increased a hundredfold. Our annual increase in population is a million a year. Nearly forty millions of our gold and silver is consumed in the arts, and this demand on the metals is growing at the rate of a million annually. It is thus seen that our output is not equal to the demand for an increase of currency, and will not be in the future unless some unforseen discoveries of the precious metals are made. As to this, it is a well-known fact that every square mile of territory has been prospected, so that

the ratio of production as compared with gold is liable to decrease, and the demand for silver advance instead of recede.

THE COST OF SILVER.

It has been asserted time and time again that we are being flooded with silver, the cost of production of which is not over 30 cents per ounce, and that the Government is being compelled to buy this at the exorbitant rate of from 77 cents to $1.29. These statements, Mr. President, show an utter ignorance of the whole process by which silver is obtained. I have before me the pamphlet of statistics as to the mining of silver in the Territory of Utah. Only a very few mines are of a class that can produce ore at less than the market price of to-day. From the table of mining claims it is ascertained that but 40,000 claims have been filed in the Territory of Utah since it was first discovered, and of these but 8,000 have ever produced ore, and one-quarter of these again have already been worked out. One would think, to hear Eastern men talk, that one has but to take a journey through the mountains and stumble upon a rich vein of silver to make his fortune. Little do they think of the hunger and privations undergone by prospectors, or of the energy and capital that must be employed to develop a mine after it has been discovered.

But this is not at all uncommon that after months and years of work it is discovered that the search is a fruitless one and the claim must be abandoned. It is my honest opinion that were prospecting, developing, mining, smelting, and shipping all taken into account the price will approach more nearly $4 per ounce than $1.29.

We have, Mr. President, coined only about $400,000,000 of silver in the one hundred years of our history, and no one has ever thought we were approaching a danger point until it was suggested by the financiers of Wall street. The people of the country, on the other hand, have been very grateful because a few millions have been added annually to our currency supply. France's example is a safe guide for other and greater nations to follow. The wisdom of her statesmen and the energy of her people are commended throughout the civilized world.

After the Franco-Prussian war she was compelled to pay an indemnity of $1,000,000,000 in addition to the debts incurred in carrying on the war. Her rebound has been without parallel, and to-day she has more gold and more silver in her vaults than any nation in Europe. If France with a population one-half as great as our own, with a territory which might be included within two or three of our States, with resources taxed to the utmost, can maintain in circulation between seven hundred and eight hundred millions of silver, is it to be supposed that the United States, with her 65,000,000 of enterprising people, a territory reaching from ocean to ocean, resources as yet but partially developed, and a Government more stable than France supported by energetic and patriotic citizens, will not be able without even the suspicion of embarrassment to maintain a circulation of fifteen hundred millions of silver. The people upon whom the responsibility rests will grant no such supposition. Their manhood and their patriotism will not brook even the suspicion of insolvency or repudiation.

The Senator from New York a day or two since stated that business would again resume if this law were repealed: that the trouble in New York is largely want of confidence. Confidence by whom, or in what or in whom, may I ask? Have foreign nations questioned our integrity? No. Have the financiers of New York ever doubted that we would be able to float and maintain at a parity four hundred millions of silver? Never for a moment. Have the people lost confidence in themselves? Not at all.

Then, Mr. President, where is this want of confidence? It exists nowhere unless the people have lost confidence in the bankers and capitalists of our country. The unvarnished truth of the matter is that silver stands in the way of the money-lender, and it is this class that have raised the cry of suspicion against the white metal. But monometallists tell us that business men at least imagine that this purchase law is the cause of our depression, and that for this reason, if for no other, it should be repealed.

Mr. President, we are not here to prescribe for hysterical, imaginative patients, if in doing so we must rob the people of their best and most faithful currency. Let us give New York the bread-pill prescription and she will recover. Unless it can be shown to me that the Sherman law is the active cause of our commercial depression, I will not vote for its repeal. For I stand with the Senator from Ohio [Mr. SHERMAN] in saying that this much-abused law has mitigated the evils of two panics; and though not as good as free coinage of silver, it is yet a recognition of this metal as money by our mints, and is a source of prosperity to a large and growing section of our country.

There is no danger of a flood arising from any sudden cheapness of production, and we can therefore rely upon the same law which has governed the production of gold and silver from prehistoric times. When given an equal chance under the law there has been but little variation during centuries and centuries of the progress of civilization.

SILVER VARIES IN PRICE WITH COMMON COMMODITIES.

But, Mr. President, there are other facts and arguments bearing directly upon the stability of silver. I think it can be shown conclusively that during all these trying years from 1873 to the present, silver being the money of the people, has been the most accurate measure of their products. The facts show that the market price of wheat, cotton, and other commodities, allowing for minor causes of fluctuation, rise and fall directly with the rise and fall of silver.

The common phrase of newspaper parlance to-day is that silver has depreciated and that gold has remained the one steady, unswerving unit during all panicky situations. These statements we are prepared to contest, and affirm that the gold dollar is the dishonest dollar.

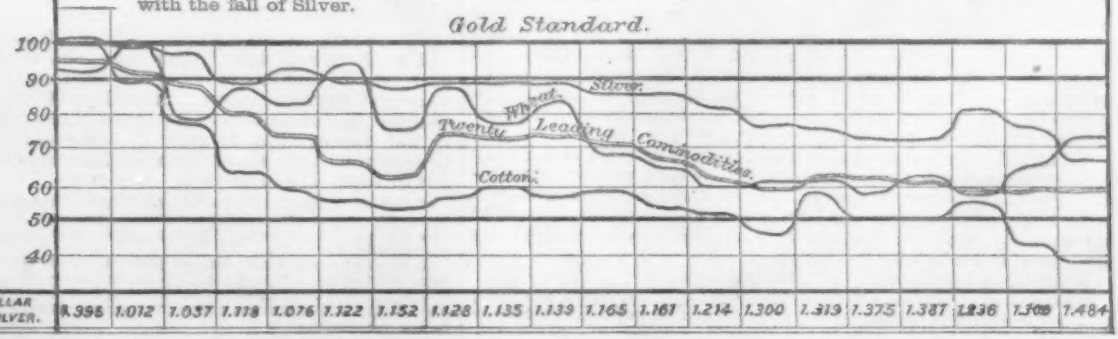
It arises from an ignorance of the first principles of economics. The great law of supply and demand alone is sufficient to convince any fair-minded man that by the destruction of one of the money metals of the world the one left, being scarcer, is bound to appreciate. I hold in my hand, Mr. President, three charts, marked D, E, and F, prepared by Mr. T. T. Baker, a civil engineer of ability in Butte, Mont., which I gladly incorporate in my remarks. This gentleman has evidently made a full study

United States.	1873	1874	1875	1876	1877	1878	1879	1880	1881	1882	1883	1884	1885	1886	1887	1888	1889	1890	1891	1892
AVERAGE PRICE OF WHEAT.	$1.31	1.43	1.12	1.24	1.17	1.34	1.07	1.25	1.11	1.19	1.13	1.07	.86	.87	.89	.85	.90	.83	.93	1.03
" " " COTTON	$0.20+	.18-	.15+	.13-	.12-	.11+	.11-	.12-	.12+	.12-	.12-	.11-	.10+	.03+	.10+	.10+	.11-	.11+	.09-	.08-
VALUE OF SILVER DOLLAR AS MEASURED BY GOLD.	$1.004	.988	.964	.894	.929	.891	.868	.886	.881	.878	.858	.861	.823	.769	.758	.727	.724	.809	.764	.674

CHART "D".

As the production of Gold has fallen away its value has appreciated. Hence, prices measured by Gold have depreciated.

The twenty commodities represented below include Cotton, Corn, Wheat, Wheat-Flour, Mess Pork, Anthracite and Bituminous Coal, Butter, Eggs, etc., such as constitute the chief sources of America's wealth. The fall in price of these commodities has kept pace with the fall of Silver.



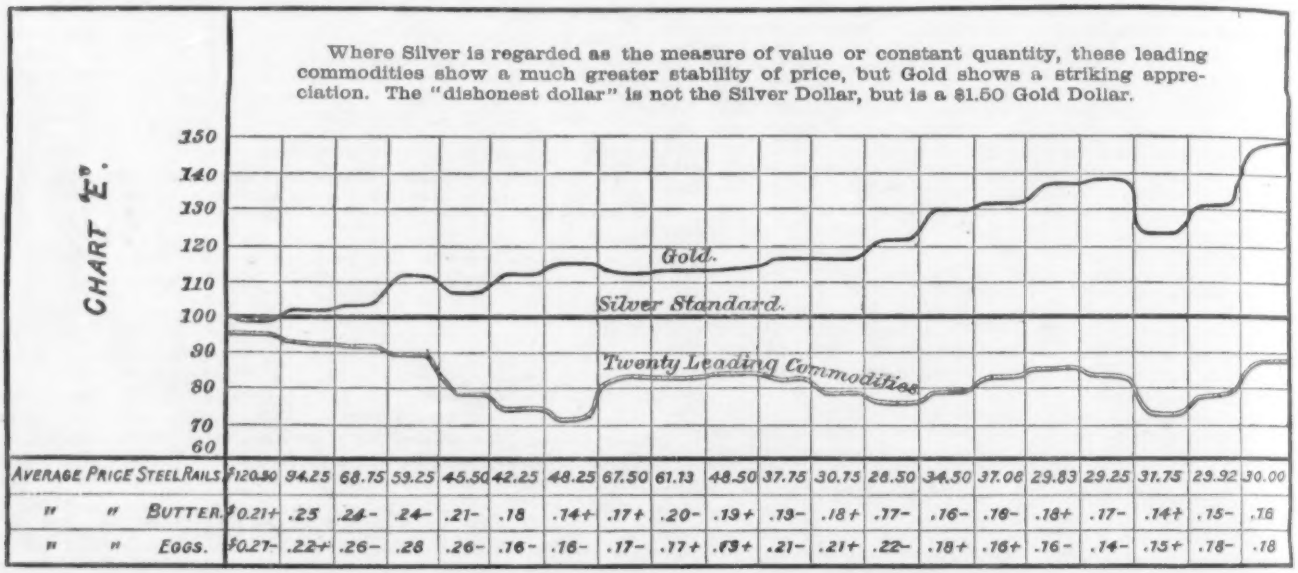
VALUE OF GOLD DOLLAR AS MEASURED BY SILVER.	$.996	1.012	1.037	1.118	1.076	1.122	1.152	1.128	1.135	1.139	1.165	1.161	1.214	1.300	1.319	1.375	1.387	1.236	1.309	1.484

of the relation of the common products consumed by the people to our money standard.

It is shown that the market prices of wheat have fallen from 131 in 1873, to 86 in 1885, 89 in 1887, 90 in 1889, 83 in 1890, 103 in 1892. Cotton ranges from 20 cents per pound in 1873, to 10 cents in 1885, 11 in 1889, and 8 in 1892.

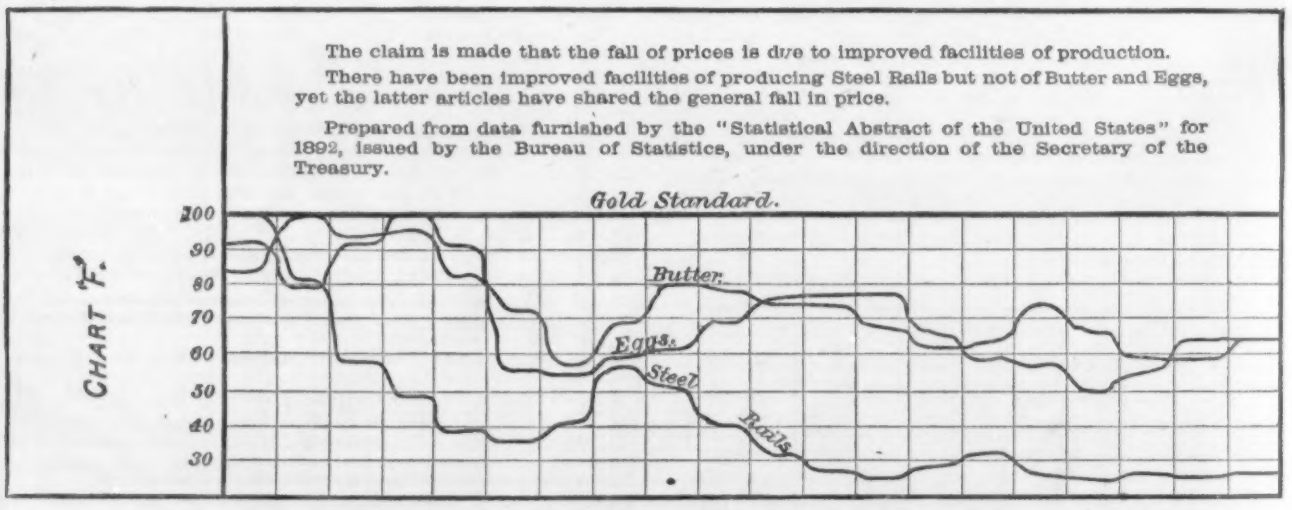
The value of the silver dollar as measured by gold has dropped from 100 in 1873, to 60 cents in 1892, or taking 100 as the gold standard, silver, wheat, cotton, and twenty other leading commodities range from 70 down to 39.

In the mean time the value of the gold dollar as measured by silver has risen from 99 to 148.



AVERAGE PRICE STEEL RAILS	$120.50	94.25	68.75	59.25	45.50	42.25	48.25	67.50	61.13	48.50	37.75	30.75	28.50	34.50	37.08	29.83	29.25	31.75	29.92	30.00
" " BUTTER.	$0.21+	.25	.24-	.24-	.21-	.18	.14+	.17+	.20-	.19+	.19-	.18+	.17-	.16-	.16-	.18+	.17-	.14+	.15-	.16
" " EGGS.	$0.27-	.22+	.26-	.28	.26-	.16-	.16-	.17-	.17+	.23+	.21-	.21+	.22-	.18+	.16+	.16-	.14-	.15+	.18-	.18

From Chart E we learn that when silver is taken as the standard, upon the basis of 100, the leading commodities keep very close company. Starting at 95 in 1873 they reached their lowest point in 1879, which is but 75, and are found in 1892 at 89; while gold has steadily risen to 150.



It is claimed by gold monometallists that the depreciation in all lines of products has been caused by the improved facilities of production, but from Chart F we see that taking 100 as the gold standard and basis, steel rails, which are now produced with great facility, have fallen, but that butter and eggs, and other common articles of consumption, still produced in the old fashioned way, have kept a steady march downward for twenty years. These facts have all been taken from the Statistical Abstract for 1892, issued by the Bureau of Statistics under the direction of the Secretary of the Treasury.

Silver, Mr. President, being the money of use in the ordinary transactions of life, still measures the common commodities, although demonetized since 1873. But when crowned with the monetary rights under the law it has measured on account of its stability not only commodities but gold itself amongst the nations of the earth for centuries.

Boeckh, in his Economy of Athens, says:

The value of gold is more variable than that of silver, which, therefore, may be considered as the standard of price for gold as well as for other commodities.

The gold of the Greeks, the Persians, and Macedonians was all measured by silver. Locke, in his work on Money, says:

I have spoken of silver coin alone, because that makes the money of account and measure of trade through the world.

But recent testimony upon this point confirms what I have just read. Mr. Robert Giffen, who is chief of the statistical department of the board of trade in England, and one of the strongest and most avowed champions of monometallism in that country, has made some very remarkable admissions in regard to the appreciation of gold in a pamphlet entitled "Recent Changes and Prices and Incomes Compared," published in London in 1888. He says:

If the test of prophecies be the event there was never surely a better forecast. The fall of prices in such a general way as to amount to what is known as a rise in the purchasing power of gold is generally, I might almost say universally, admitted.

Measured by any commodity, or group of commodities, usually taken as the measure for such a purpose, gold is undoubtedly possessed of more purchasing power than was the case fifteen or twenty years ago, and this high purchasing power has continued over a long enough period to allow for all minor oscillations.

These statements are borne out in his pamphlet by tables and facts.

I shall also, Mr. President, present some tables compiled by the eminent statistician, Mr. A. Sauerbeck. On the principle of the index number, 100 being the unit, he has rated 45 leading articles of common consumption. These range from 102 in 1874 to 68 in 1892.

Years.	Mr. Sauerbeck's index numbers for 45 leading commodities.	Years.	Mr. Sauerbeck's index numbers for 45 leading commodities.
1874	102	1884	76
1875	96	1885	72
1876	95	1886	69
1877	94	1887	68
1878	87	1888	70
1879	83	1889	72
1880	88	1890	72
1881	85	1891	72
1882	84	1892	68
1883	82		

The second table of Dr. Sauerbeck on the same principle indicates a striking contrast between the relative value of gold and silver between the years 1854 and 1892.

Years from 1873 back to 1854.	Yearly index numbers of silver.	Years from 1873 on to 1892.	Yearly index numbers of silver.
1873	97.4	1873	97.4
1872	99.2	1874	95.8
1871	99.7	1875	93.3
1870	99.6	1876	86.7
1869	99.6	1877	90.2
1868	99.6	1878	86.4
1867	99.7	1879	84.2
1866	100.5	1880	85.9
1865	100.3	1881	85.0
1864	100.9	1882	84.9
1863	101.1	1883	83.1
1862	100.9	1884	83.3
1861	99.9	1885	79.9
1860	101.4	1886	74.6
1859	102.0	1887	73.3
1858	101.0	1888	70.4
1857	101.5	1889	70.2
1856	101.0	1890	78.4
1855	100.7	1891	74.1
1854	101.1	1892	65.4

From this we learn the gold prices of silver in 1854 was 101.1 and 97.4 in 1873. Since which time there has been a steady declination to 65.4 in 1892.

The third table on the same principle rates the forty-five principal commodities and silver.

Years.	Mr. Sauerbeck's index numbers—		Years.	Mr. Sauerbeck's index numbers—	
	Of 45 principal commodities.	Of silver.		Of 45 principal commodities.	Of silver.
1874	102	95.8	1884	76	83.3
1875	96	93.3	1885	72	79.9
1876	95	86.7	1886	69	74.6
1877	94	90.2	1887	68	73.3
1878	87	86.4	1888	70	70.4
1879	83	84.2	1889	72	70.2
1880	88	85.9	1890	72	78.4
1881	85	85.0	1891	72	74.1
1882	84	84.9	1892	68	65.4
1883	82	83.1			

These London statistics corroborate the facts that have been given time and time again by bimetallists in America that the principal commodities of common consumption are closely allied with silver and rise and fall with it.

Let me quote also some statements made by the Right Hon. Leonard Courtney, member of Parliament, in the Nineteenth Century for April last.

This gentleman was a member of the gold and silver commission, signed the favorable report, but feels that he can not acquiesce in all the statements made. Here are some extracts:

Is it true that gold is thus a stable standard? I was one of the six members of the gold and silver commission who could not see their way to recommend bimetallism, and reported:

"When we look at the character and times of the fall in the prices of commodities, * * * we think the sounder view is that the greater part of the fall has resulted from causes touching the commodities rather than from an appreciation [or increase in value] of the standard."

In the same paragraph we had said:

"We are far from denying that there may have been, and probably has been, some appreciation of gold, though we held it impossible to determine its extent."

Let me make a confession. I hesitated a little about this paragraph. I thought there was, perhaps, more in the suggestion of an appreciation of gold than my colleagues believed; but while I thus doubted I did not dissent.

I am now satisfied that there has been an appreciation of gold greater than I suspected when I signed the report, and I should not be able to concur in the same paragraph again.

We have been passing through a period of appreciation of gold, and no one can tell how long it will last. This is a serious matter. * * * The pressure of all debts, private and public, has increased.

The situation is serious. It is a dream to suppose that gold is stable in value. It is no more stable than silver. It has undergone a considerable appreciation in recent years, and industry and commerce have been more hampered by its movement than they would have been had silver been our standard.

Every step taken towards the further demonetization of silver must tend to the enhancement of the value of gold.

It is true that much inconvenience is involved in the use of gold as the standard in some countries, and of silver as the standard in others, with no link to check their divergent variations; but the advantage of having the same monetary basis throughout the world would be counterbalanced if we made gold that universal basis and tied all the fortunes of the nations to it.

Five years ago I joined with my friends in deprecating any attempt to establish an international agreement for the free coinage of both gold and silver as standard money. I have advanced with further experience and reflection to the belief that such an agreement is to be desired.

In 1867 Mr. Ernest Seyd, a far-sighted and clear-headed financier, in discussing this question, which was then exciting considerable interest, expressed himself very freely on the evils that would probably fall on the world in an attempt to discard silver as a full legal-tender money metal. He said that—

Throughout the world a fall in prices would take place, injurious alike to the owners of solid property and to the laboring classes, and advantageous only, and unjustifiably so, to the holders of state debts and other contracts of that kind.

All these statements but corroborate the statement made by the London Economist, Mr. Gladstone, and others. The Economist for 1883 says:

England being the chief creditor nation of the world, it is to her interest to keep the volume of money as small as possible in countries from which debts are due to her citizens.

England, Mr. President, has over one thousand millions of money loaned abroad. It is estimated that the United States pays two hundred millions to Great Britain annually, and it requires but a schoolboy to discover that it is a great advantage to England when, by raising the standard, prices are lowered in America. The war has reached the point of cold-blooded self-preservation or selfish interest. It is high time to ask whether we shall be willing to follow the dictation of England's financiers. We have already listened, to our sorrow. We stand to-day surrounded by financial panic and social unrest, with starvation threatening millions of laborers. Mr. Gladstone, a short time since in the British Parliament, said:

What is the use? What do we want with a bimetallic convention? I am afraid to undertake to state what the amount is, but a very large amount of money is due to people who live within the United Kingdom from people who live without the United Kingdom. I should estimate it at two billions of sterling—ten thousand millions of American dollars. I admire the philanthropy of gentlemen who would make a gift to our debtors of that amount, but I do not see what cause we would have to congratulate ourselves, though I may see some reason why the rest of the world should congratulate itself.

This is the encouragement, Mr. President, we get from England.

No international agreement will ever receive her consent. I think I have shown clearly the English policy and where English interests lie. And the opinions of Mr. Gladstone are shared by other English statesmen as fair-minded as he. Such confessions are cold blooded and not born of justice or charity, and are prompted by a worse spirit than self-preservation. It is that which looks upon foreign nations as so many fields for plunder. England has no love for the United States, and in her failure to coerce us in 1776 she did not yield her purpose to bring us into subjection to English will. To be conquered and made tributary in war is merciful as compared to a monetary subjection.

According to Hugh McCulloch, once Secretary of the Treasury, Europe held, in 1868, $850,000,000 of American securities which called for interest in gold. He further states, "We are even now increasing our debt to Europe at the rate of $60,000,000 to $70,000,000 in interest-bearing bonds," and "of the $1,300,000,000 of the gold and silver products of California and the Territories produced since 1848, we have exported $1,100,000,000."

Our obligations since then, Mr. President, including railroad bonds, have increased, according to Poor's Manual, to about $4,000,000,000. This at 5 per cent interest would make an annual tribute of $200,000,000. This indicates the financial dependence, if not slavery to which the people of our country are fast drifting. England has a limited territory, there being but land enough for a seat of government, but she has outlying colonies

in all parts of the globe, and is marching steadily towards possession of the islands of the seas.

But these are largely provinces for plunder. She juggles with provincial monetary standards as the Hindoo does with his sword, and all to swell the stream of gold that flows into the coffers of the mother country.

A strong speech was lately delivered in the English Parliament by Hon. Henry Chaplin which was corroborated by the Parsee member from India, showing the disaster caused to India by the closing of the mints at Bombay and Calcutta to the free coinage of silver. I quote an extract of the speech from a London dispatch of August 8:

PLUNDERED BY THE ENGLISH—STARTLING STATEMENTS ON SILVER IN THE HOUSE OF COMMONS—DONE TO HIDE A DEFICIT—MEMBER CHAPLIN CLAIMS THAT THE GOVERNMENT TAMPERED WITH THE CURRENCY OF INDIA TO PREVENT A BIG DIFFERENCE IN THE EXPENDITURES AND THE INCOME—DESCRIBED AS A FLAGRANT THEFT FROM THE NATIVES—SOCIALISTS IN SESSION—OTHER NEWS.

LONDON, *August 8.*

In the House of Commons to-day Mr. Gladstone announced that an autumn session of Parliament would be held. The prime minister's words were greeted with cheers by the members of the Government party. The home rule bill was then taken up and some discussion was indulged in, after which Mr. Chaplin made a motion that the House go into committee to discuss the financial situation in India.

He charged the Government with persistently obstructing the discussion of this question and said that the changing of the Indian currency system before allowing Parliament to express an opinion on the matter was a subject of urgent public importance. If the House had waited for the Indian budget it would have been some time in October before it would have got a chance to expose the troubles arising from the Government's indiscreet action. He could not, he added, blame the Indian government, which had found itself confronted with bankruptcy on one hand or the closing of the mints to free coinage on the other.

The latter policy was full of danger to the commercial interests of the world. This policy had been practically forced upon the Indian government by the attitude of the Imperial Government.

The government of India had escaped a deficit by tampering with the currency and artificially raising the value of the rupee. The effect of this action had been to lower the *pro tanto* value of everything else.

The government had virtually mulcted the natives of India by methods which it had hoped would not be discovered. The closing of the Indian mints to the free coinage of silver had necessarily led to a fall in the value of that metal within a month as the world had never before known. There had been a tremendous wrong done to the people of India, who held enormous quantities of uncoined metal.

By a single stroke the government had depreciated by 15 per cent the value of the silver held by the population of India. A more flagrant act of public plunder has never been perpetrated by a civilized government. The result had been a convulsed financial situation from China to Peru. If the repeal by the American Congress of the Sherman act should become inevitable it would be partly due to the error that had been committed in India. A further fall in the price of silver must follow the repeal of the Sherman act.

Frequently during his remarks Mr. Chaplin was interrupted by cries of "Hear!" "Hear!"

Mr. Chaplin, in concluding, demanded to know whether the government, before taking this action in India, had held any communication with the United States Government, and whether the government, with their eyes now opened, contemplated persisting in the great wrong.

The loss to holders of silver securities, he said, was already nigh £200,000,000, for which the government must be held responsible. Their action could not fail to appreciate gold throughout the world, while increasing commercial difficulties everywhere.

If such be England's policy towards her colonies, can we as a rival nation expect fairer treatment? Why should we voluntarily place ourselves in the condition where India is compelled to be? The United States is looked upon by Europe as a nation of inexperienced financiers who are willing to place themselves under her tutelage. She will consent to no financial compromise by which we shall be placed upon an equal footing with her in the monetary world. To be sure there is a growing sentiment in favor of bimetallism in Great Britain. All honor to men like Balfour and Freeman, Archbishop Walsh, and others. But between them and the goal of their hopes is a majority of the Commons, the House of Lords, and the crowned heads of England and Europe. These stand as an insurmountable barrier in the way, and it is useless to fritter away time and money in sending commissions abroad. We might as well face the question of

INDEPENDENT ACTION,

and trim our commercial sails accordingly. We are powerful enough. Let us lead the nations of the earth in the struggle for bimetallism, which must be the future policy of Europe as well as America.

What though our gold is demanded by and should go to Europe? What is there to be feared in a silver basis? We can get on without gold, and our people will be perfectly willing to transact their business with silver.

But some one complains about the difficulty in settling trade balances and interest obligations with Europe. In this, Mr. President, there will not be the slightest difficulty. There has never yet been a trade balance settled with money. Gold and silver may leave our shores as money, but it lands on the other side as a commodity. It is weighed in the scales, as are our cereals.

We are rich, not only in gold and silver, but in corn and cotton and wheat, and cattle on a thousand hills. In settling our balances we are prepared to give whatever England calls for, and are prepared in turn to demand from her whatever we ask. Let us not be frightened by the bugaboo of international trade. England has traded and trades now with nations using all kinds of money. It will not frighten her to come in contact with us as a silver nation. It is for our people to say what shall be our measuring unit, as our labor and our interests are in jeopardy. We should not destroy a large section of our country at the behest of English financiers; and, if necessary for self-protection, we can proclaim the Monroe doctrine, "America for Americans." Our interests lie southward, not eastward; not in courting English favor, but in

A PAN-AMERICAN ALLIANCE.

The United States, Mr. President, in returning to bimetallism, which marked the day of her prosperity, will not recede, as Senators have said, to the level of silver-standard countries. The condition of India, China, and certain South American nations can be satisfactorily explained on other grounds than monetary standards. To the south of us are possibilities of empires. Mexico has 11,000,0000, Central America 3,000,000, and South America 35,000,000 people, all transacting business upon a silver standard, and their commerce with us is done largely by way of England. By coalition with the United States, mutual prosperity would follow in all commercial lines, and the two sister continents, standing together, would rival and surpass the Old World in the progress of civilization.

Let me give from Mulhall's Statistics some facts as to the amount of import and export trade of Central and South American States. These are based on the reports for 1889:

Countries.	Imports.	Exports.	Total.
Brazil	$19,700,000	$21,200,000	$40,900,000
Argentine	14,300,000	12,500,000	26,800,000
Chile	6,600,000	7,700,000	14,300,000
Uruguay	6,300,000	6,200,000	12,500,000
Venezuela	2,500,000	3,300,000	5,800,000
Colombia	2,800,000	1,600,000	4,400,000
Ecuador	2,200,000	2,000,000	4,200,000
Peru	1,800,000	1,300,000	3,100,000
Bolivia	900,000	1,500,000	2,400,000
Paraguay	300,000	200,000	500,000
Total	57,200,000	57,300,000	114,500,000
Mexico	8,100,000	12,500,000	20,600,000
Central America	3,000,000	3,500,000	6,500,000

The production of gold and silver in these States for 1889, 1890, and 1891 was as follows:

	1889.		1890.		1891.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
Brazil	$445,300		$445,300		$438,000	
Argentine	82,000	$620,000	82,000	$610,000	82,000	$620,000
Chile	1,436,000	5,140,800	1,436,000	5,140,800	1,436,000	3,000,000
Uruguay	70,000		93,500		93,500	
Venezuela	1,838,000		1,670,000		1,000,000	
Colombia	3,430,000	612,000	3,600,000	630,000	3,472,000	1,238,000
Peru	93,000	2,851,000	69,000	2,734,200	75,000	3,112,000
Bolivia	59,800	10,951,300	67,000	12,514,200	67,000	15,488,000
Mexico	700,000	47,544,000	767,000	50,356,000	1,000,000	53,000,000
Central America	150,000	2,000,000	150,000	2,000,000	150,000	2,000,000

Our commerce with these countries is growing now, and with proper encouragement the volume of business done could be largely increased. The business done by the United States in 1892 with these Republics is shown, by the Government Statistical Abstract for 1892, to be as follows:

Countries.	Exports to United States.	Imports from United States.
Brazil	$14,240,009	$118,633,604
Argentine	2,927,488	5,343,749
Chile	3,544,709	3,487,159
Uruguay	999,030	2,480,596
Venezuela	4,049,155	10,325,338
Colombia	3,134,152	4,110,888
Ecuador	810,070	809,831
Peru	1,007,035	891,300
Bolivia	17,036	
Mexico	14,293,909	28,167,535
Central America	2,762,531	6,409,015

Let me quote here, Mr. President, as touching this subject, an

interview with Señor Don Alvarez, a merchant of the City of Mexico, and published in the Denver Road:

[From Our Republic, Oakland, Cal.]

CITIZENS READ THIS—WHAT A PROMINENT MEXICAN SAYS OF OUR TRADE POSSIBILITIES UNDER A FREE-SILVER POLICY—VAST COMMERCIAL RELATIONS WITH MEXICO AND SOUTH AMERICA—BRAZIL, BOLIVIA, ARGENTINE REPUBLIC, CHILE, URUGUAY, AND PARAGUAY WOULD ALL TRADE WITH THIS COUNTRY INSTEAD OF GOING TO GREAT BRITAIN.

In order to reach all the business men of Oakland and San Francisco we reprint the following article:

[Denver (Colo.) Road.]

Señor Don Alvarez, a gentleman doing business in the City of Mexico, called on us this week.

He conducts a large mercantile business in that city and is visiting America for the first time.

"You have a grand country," said he. "I have been in New York, Boston, and other cities and visited the World's Fair at Chicago. I never dreamed your country contained such a progressive, inventive, and pushing people. I wish I could do business with your people but I can not. I buy your cotton goods through London and Liverpool brokers and pay them in silver bullion which they carry to India to coin into rupees that pass in India trade at par with gold. By this means they do by my country as they are doing by this beautiful nation of yours, namely, ruining our farming industries. By the way, I cut this article out of one of your Denver papers this morning, and I wish you would read it."

After looking over the numerous other newspaper clippings, he at last found what he wanted us to read. It read as follows:

"NEW YORK, *July 20.*

"The Evening Post says: 'The effect of the proposed closing of the large Amoskeag cotton plant in Manchester, N. H., during the month of August, it is asserted, has been generally overestimated. This, at all events, is the view of many of the leading cotton merchants here. It is regarded as probable that many other mills in New England, such as the Manchester mills, the Pembroke, Webster, and China mills, and the York Manufacturing Company of Saco, will shut down, but, nevertheless, the situation is not considered an alarming one by the New York merchants.

"'The closing of the Amoskeag mills will undoubtedly be followed by the closing of other large manufacturing concerns in New England and perhaps in New York. It will be done as a precautionary measure to prevent a large accumulation of goods during the autumn. There is already a large accumulation of gingnams, which will be forced down in price if the production continues at the present rate. A large proportion of these are goods for the spring trade. In view of the present financial disasters, it is hardly to be expected that the country will have recovered from the drain by spring, so that trade will then probably be anything but brisk. In view of a smaller demand, therefore, it is but natural that the mills should diminish their output accordingly. This is best done by stopping work altogether and thus saving the heavy expense of keeping up the power, besides a whole month's wages. A month's wages for the Amoskeag operatives, I understand, amounts to as much as $225,000. This is the best time of the year for such a measure, for most of the operatives wish to take a vacation during the summer or can at least in winter when their living expenses are so much higher. If the mills had not decided to close now, they would probably have had to do so in December, when it would have been a very serious matter for the operatives.'"

After we had read it we handed it to him and remarked: "It's sad, isn't it?"

"Yes," said he, "but it is sadder still when one contemplates how utterly foolish it is to permit such a condition."

"How would you remedy it?" we asked.

"Easy enough!" he exclaimed, as he lit a cigarette and settled himself down in our big armchair. "Now listen. I buy thousands of yards of Amoskeag cotton in Europe every year, as all Mexican merchants do. Now, suppose your manufacturers would come to our Mexican merchants and say: 'Here,' we have passed a free-coinage bill and can now allow you $1 29 per ounce for our silver against 70 cents per ounce allowed you by England.' How long would your Amoskeag mills be without orders under such a condition? Why, in no time they would be submerged with orders, and we would use Amoskeag and other American made cotton instead of that grown in India and manufactured in England. In fact, America would capture our entire trade, not only in cotton goods but in every other line of manufactured goods. Our people would exchange all their spare silver for American manufactured goods, if your people would declare free coinage for the metal it so abundantly produces, that would enable you to allow us $1.29 for our silver. Not a dollar of our silver would go to England at 70 cents an ounce, or any other price under $1.29 per ounce. Such a rise in silver Mexico yearns for. Our agricultural industries would immediately take a step forward and thus relieve the distress that now exists among our peon system. Speaking of peons, your country will have plenty of them in another ten years if during Cleveland's extraordinary session gold is made the sole basis of American prices and values. I can't conceive what your people are thinking about. To the south of my country lies a whole continent of silver nations eager to break away from the slavery of the Rothschilds-Bank of England combine. Your nation could capture the entire trade of Brazil, Bolivia, Argentine Republic, Chile, Uraguay, Paraguay, Peru, Equador, Colombia, Nicaragua, and the Lord only knows where you could reach—why, you could reach into China, India, and Australia by allowing $1 29 for silver."

"Yes," we interrupted, "but that would bring a flood of silver to this country, and we would become the dumping ground for all the silver of the world."

"Ha! ha!! ha!!!" laughed the señor, "suppose you should become the dumping ground for silver, wouldn't it be a blessing compared with the present condition that now faces you? If we dump our silver upon you we would not do so just for the fun of the thing; we would buy your manufactured goods, and when buying them we would stimulate your manufacturing interests until the time would come when you couldn't find people enough to work in your mills. Would that be a sad condition?"

"No, but England would withdraw her gold, and——"

"Oh, bosh!" interrupted the quick-witted Mexican. "Suppose she did; what figure would that cut?"

"Our bonded debts," we ventured.

"Were made payable in coin," the señor added, "and silver was coin when the debts were made, besides by that time England would allow $1.29 per ounce for silver just as quickly as Americans, for she would be fighting for her life to retain her commercial supremacy, and the only way she could hold her trade would be to either allow $1.29 per ounce for silver, the same as America, or order gunboats out and destroy the United States. Should she try the latter scheme, she would find the entire western hemisphere helping the United States, besides the nations like France and Russia and the entire Latin Union would be glad to dip into the row and help to make it hot for the Rothschild family of gold owners. I tell you, my friend, the United States has it in her hands to obliterate the gold corner, and nothing can defeat you but the treachery of your President and the Shylock-owned tools of Wall street, who are backing him. I glory in your spunk when you hoist your black flag and yell "Free coinage or a free fight. Keep it up, and if the New England States succeed in killing the great cotton States of the South and your wheat-growing States of the Northwest and Pacific slope, and your mining States, let them do it. Then it will become your duty to boycott the Amoskeag mill and all other mills—usury mills and all, and begin to throw your trade elsewhere—among your own kind of people. By and by the grand Pan-American idea of your late lamented Blaine will begin to become clear to you, and when that day comes you silver men will find plenty of friends below the Rio Grande River willing to ride bridle deep in blood with the devil, your Government, or anybody else, in order to destroy the condition of human slavery the Jew gold-metal owners have built up through their control of the monetary system."

Mr. PALMER. I did not hear the name of that gentleman.

Mr. KYLE. Senor Alvarez, a merchant of Mexico. I have read a published interview with him.

Mr. PALMER. He invites us to a Mexican entertainment.

Mr. KYLE. No; a Pan-American entertainment. This, Mr. President, is the extended hand of the South. Let us grasp it and together let us help lift the burdens from the backs of our farmers and laboring men. This class in the United States, in Mexico, in Central America, and in South America are all prostrate.

In the Arena of recent date were two excellent papers written by two of our brightest Americans upon the subject, Are We a Prosperous People?

I commend these to the consideration of all unbelievers. It is a timely and pertinent question to be discussed. In my speech last year I dwelt at some length on the centralization of wealth and the slavery of the poor. I wish I might be able to impress upon this body that the struggle now going on is not between a few silver States and the rest of mankind.

AGRICULTURAL STATES ARE ALSO INTERESTED.

It is not the silver States alone that are opposing this measure for the repeal of the Sherman law. I live in an agricultural State at the western border of the Mississippi Valley. We produce a little silver, to be sure, but not enough to entitle us to recognition as a silver State. I shall cast my vote against repeal because honestly convinced that the depression of agricultural interests for twenty years has been caused by the crime or blunder of demonetization of silver in 1873, and that the repeal of the present silver-purchase clause of the Sherman law will further enhance the value of the gold dollar and cheapen all commodities measured thereby.

It is the plain, honest people of our Government, Mr. President, whose clamor is now heard against repeal. The press never omit to say that "The people demand repeal." As a gentleman of my acquaintance used to say, "That depends upon whether it is true or not." All depends, Mr. President, upon who are the people. If they mean the financial 400 in all the cities of the Union, then it is true. If they mean the great mass of the people who are shut out of this æsthetic organization then it is not true. I am fully convinced that more than three-fourths of the people are opposed to the repeal of this law. They are the men, Mr. President, whose sweat and life blood have built the Republic, and whose sacrifice now sustains it. They are the class who built Rome. That empire fell when they were crushed. We to-day are following in her footsteps, and fast becoming a nation of millionaires and paupers.

Ward McAllister, the society leader of the 400 in New York, says in his book, Society as I Have Found It, page 349:

Up to this time for one to be worth a million of dollars was to be rated as a man of fortune, but now bygones must be bygones. New York's ideas as to values, when fortunes were named, leaped up boldly to ten millions, fifty millions, one hundred millions, and the necessities and luxuries followed suit.

From Mr. Powderly, of the Knights of Labor, I learn that nearly a million workmen in the United States are out of employment, with many of them tramping for work and begging for bread. This does not include the families of these men or the large number of workmen who do not report to labor organizations.

In New York could be heard at the same time the gaiety and laughter of guests at the board of the multi-millionaires; and without upon the streets the groans and cries and threats and curses of thousands engaged in bread riots. While fashion's leaders are engaged in days of shopping, selecting garments of purple and fine linen, worth thousands and tens of thousands of dollars, in the streets can be seen multitudes begging for castaway garments or rags to cover their gaunt forms.

But these, Mr. President, are city laborers. I may turn with you to the farmers of the far West. I have visited them at their homes. These are abiding places, not homes, unless in the sense that they shelter those whom they love. They are board shanties, dugouts, or sod shacks, with dirt floors, dirt or board walls, and no ceilings.

These cheerless structures stand in the midst of treeless, bar-

ren tracts of land, but often house a family who have known comfort and culture, but who now find themselves amongst those struggling to gain a livelihood in the West. They labor from early morn until late at night, and are rewarded by a small crop of wheat worth 35 to 45 cents in the market. To make ends meet farming utensils, stock, and often the place, is mortgaged—the interest being exorbitant. They live on the plainest food and often are not able to obtain sufficient clothing. Life to them is a dark picture, and the future is not full of promise.

Toward this same condition the farmers of the country as a class are drifting, until in some districts already they are not far removed from the condition of the tenant farmer of Ireland. Are these laboring men of our cities and these farmers people, Mr. President, or are they not counted because they are poor and in the aggregate represent but little wealth? A large body of noble-hearted, manly Colorado miners came to the Mississippi Valley the past summer to hunt work in the harvest fields. They were frequently arrested in our cities and thrown into prison, or compelled to wear a ball and chain on the public streets because, forsooth, they could not satisfy the "vagrant law" by showing some money in their pockets. Will one hundred of these manly but unfortunate fellows weigh in the balance with one hundred bankers of New York worth $100,000,000? Or are the poor to be lumped off by the bunch?

Mr. Ward McAllister, of New York fame, probably would not deign to count the men of whom I speak. In his book, page 50, he thus speaks of his humble though well-to-do fellow-citizens who have money enough to travel abroad:

> Though carrying letters to our American minister, then resident at Rome, I gave his legation a wide berth, as I had heard that our distinguished representative was in the habit of inviting Italians to meet Italians and Americans to meet only Americans at his house. When asked his reason for this, he replied: "I have the greatest admiration for my countrymen; they are enterprising, money-getting, in fact, a wonderful nation, but there is not a gentleman among them."

Ward McAllister, Mr. President, and his class want the Sherman law repealed. The poor of whom I speak do not wish silver destroyed and an additional burden placed upon their backs. They can not come here and urge their rights as do the bankers, for they have not the funds. They can not purchase prominent daily papers all over the continent to urge their wishes. They can only petition, in their modest way, their representatives to be true to their trust.

WHY FARMERS WISH BIMETALLISM.

These men of whom I speak, together with our more well-to-do business men of small capital, represent the debtor class of our nation who pay tribute to New York and Europe. The sum total of their indebtedness is the story told by our last census report, and represents the total of the contracts which will be affected by a change of the monetary standard.

Many a mortgage representing $1,000, or 1,000 days of toil, by a change of standard and the appreciation of gold will have to be settled by 1,500 days of toil, an equivalent to $1,500 in money. This is the question that has confronted them since 1873, when silver was destroyed. The honest economists of monometallism admit this, but say that for the good of the country they must stand it.

The public debt, according to the Government Statistical Abstract for 1892, is $841,526,463.60, which is large enough, but still does not include our private indebtedness, which is astounding. From the statement of Mr. Frederic Waite, printed as Miscellaneous Document No. 25, Fifty-third Congress, I quote the following:

> The most astonishing increase of all, however, is in the real-estate mortgage indebtedness, as disclosed by the investigations of the Eleventh Census. Let us remember that this is largely the debt of the hardest working and the poorest paid of all our American citizens, namely, the farmers and the laborers who are trying to obtain a home of their own by honest toil. In the twenty-one States for which the mortgage indebtedness has been tabulated the aggregate amount in force at the close of 1889 was $4,547,000,000, with the great States of Ohio, Texas, and California and whole groups of lesser States yet ot be heard from.
>
> The grand aggregate will be no less than 6,300,000,000. The aggregate in 1880 was only about 2,500,000,000. Last year, after turning the scale at 8,000,000,000 the mortgage indebtedness continued its upward flight, not being contented with an increase of 220 per cent, or nearly four times the increase in the true value of real estate.
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> In a word, the total net private indebtedness of the American people equaled, in 1880, but $6,750,000,000. Last September it amounted to $19,700,000,000, an increase of $13,000,000,000 in the short period of twelve year.
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> These mute figures tell the tale.

It well becomes the Senate to proceed slowly, Mr. President, for the question of debt cuts the largest figure in this discussion. I can not forbear to quote a few lines found on page 168, volume 2, of Doubleday's Life of Sir Robert Peel, showing the justice of Portugal in the contraction of her currency. It is a lesson in morals to progressive America:

> It is not easy to believe that the bill of 1819 was brought in and passed in utter ignorance of its real consequences. The Portuguese Government has never been deemed a very enlightened one, and yet a measure of the same kind was about this time adopted by it and carried through on equitable principles, and without material difficulty. The minister found it prudent by withdrawing a portion of paper money to enhance the value of Portugal currency 20 per cent. He did so; but at the same time, knowing what he did, he made a commensurate reduction upon all debts, public and private, so as to adjust the payments to a higher standard; and the fairness of this was so manifest, and prices so rapidly adjusted themselves under the enhanced currency that few murmured under the measure, and no one was appreciably injured by it. The Portuguese, luckily for themselves, had no Ricardo in power or it might have been otherwise.

Mr. President, I will agree to vote to contract our currency, as in the bill before us, provided the public and private debts and taxes of our people are scaled in like proportion.

The question before us is whether the tribute to the money centers of the United States and to England shall be increased. According to Mulhall's Statistics, the public debt of the world was over $30,800,000,000, or by a private statistician it is given by countries as follows:

The national debts of the world in 1889 were as follows:

Austria-Hungary	$2,643,021,000
Belgium	512,000,000
Denmark	50,467,000
France	4,982,810,000
Germany (entire)	2,695,235,000
England (and dependencies)	5,695,657,000
Greece	132,625,000
Italy	2,250,000,000
Montenegro	1,000,000
Netherlands	545,000,000
Portugal	593,670,000
Roumania	176,000,000
Russia (all)	4,869,708,000
Servia	50,655,000
Spain	1,986,650,000
Sweden	58,000,000
Norway	20,800,000
Switzerland	65,000,000
Turkey	878,590,000
Argentine	148,000,000
Bolivia	19,000,000
Brazil	600,560,000
Canada	273,000,000
Chile	92,860,000
Colombia	15,000,000
Mexico	112,000,000
Peru	342,624,000
United States	1,462,800,000
Uruguay	79,108,000
Venezuela	63,780,000
Egypt	732,000,000
All other countries (about)	3,500,000,000
Total	35,654,779,000

This is loaned by the great money powers of Europe, which have made the world subservient to their will. The gold and silver of the world is estimated by report of the Treasury Department of August 16, 1893, to be: Gold $3,582,605,000, silver $4,042,700,000, or a total of $7,625,305,000. By the striking down of silver has not our burden nearly doubled during the past 20 years?

The civilized nations are now hopelessly in debt. Continued exactions by the money power will end in revolution.

The mortgage indebtedness of our own agricultural States helps to swell this vast sum. Shall we of these States by our votes add longer hours and years to the labors of our constituents? The mortgage debts of these States is: Nebraska, $132,902,322; Minnesota, $197,745,989; Illinois, $384,299,150; Iowa, $199,774,171; Kansas, $243,146,826; Indiana, $116,730,643; Missouri, $214,609,772.

This debt represents more labor now than 20 years ago, and will represent still more if gold continues to appreciate. The Statistical Abstract for 1892 gives the wheat raised in the several States as follows:

States.	Bushels.	Worth.	States.	Bushels.	Worth.
Nebraska	15,670,000	$7,834,775	Indiana	39,885,000	$25,526,651
Minnesota	41,210,000	25,138,382	Missouri	24,834,000	14,403,474
Illinois	28,370,000	17,873,247	Both Dakotas	66,765,000	34,403,311
Iowa	7,257,000	4,354,335			
Kansas	70,831,000	36,831,911	Total		166,363,086

This table tells the tale of hardship in the Mississippi Valley. From the figures given the market price for wheat was but little over 50 cents per bushel. The crop of 1893 will be sold at 15 to 20 cents less per bushel.

This, Mr. President, is in consequence of the demonetization of silver upon the part of the United States and the increased advantages given to the British colonies or to India in the Liverpool market.

A year ago, in my speech on the silver question, I enlarged upon the results to the price of wheat in the Liverpool market and the advantage given to the Indian product by the demonetization of silver in 1873. In closing, I gave the following syllogism:

1. Our prices for cotton and wheat are regulated largely by the European market.

2. East India and the United States are competitors for that market.
3. Considering quality of grain and price of freight, other things being equal, the market is ours.
4. If Asiatic bills of exchange, however, fall below par, the East Indian has the advantage of us.
5. Demonetization of silver in the United States has furnished cheap silver bullion and hence lowered Asiatic exchange.
6. Free coinage of silver would bring it to a par with gold, and also raise Asiatic exchange to par.
7. Therefore, free coinage of silver restores to our farmers the European market, with no unjust competition from Asiatic silver nations.

I see no reason now to change a word of the argument, and the distressing effects to the American farmer are felt more this year than last. I can readily understand, Mr. President, how representatives from Massachusetts or New York can vote for repeal. Their product is coupons. But how can the Senators from Nebraska, or Minnesota, or Illinois, or Indiana, or Texas vote to further appreciate gold and lower the price of their home commodities and saddle additional burdens upon their constituents?

Some of the best thinkers in England to-day, Mr. President, are waking up to the enormity of this evil. The cruelty of landlords is not the only trouble with the English and Irish farmer. Let me quote the words of Mr. Robert Giffen, of London, from his essay, Recent Changes in Prices and Incomes Compared.

It is obvious—

He says—

beyond all question, that these effects may be important. * * * The weight of all permanent burdens is increased as compared with what would have been the case if there had been no appreciation.

People in paying annuities, or old debts, have to give sovereigns which each represent a greater quantity of commodities, a greater quantity of the results of human energy, than it would have represented if there had been no appreciation. * * *

This man, remember, Mr. President, is a gold monometallist.

The debtors pay more than they would otherwise pay, and the creditors receive more. * * * Appreciation—

That is, in other words, an increase in the value, or purchasing power of the standard coin—

is a most serious matter to those who have debts to pay. I am—

He said—

bound to say that all the evidence seems to me to point to a continuance of the appreciation. * * * It is impossible to suppose that the movement (for the adoption of a gold standard of currency) will not extend to other countries. * * * All these facts point to a continued pressure on gold. * * * The better probability seems to be that the increase of the purchasing power of gold will continue from the present time.

Archbishop Walsh, of Dublin, Ireland, says in his pamphlet, Bimetallism and Monometallism, what they are and how they bear upon the Irish land question:

1. Gold, the one standard of value in the monetary system of Great Britain and Ireland, has of recent years "appreciated;" that is to say, become enhanced in value.
2. The "appreciation," or increase in value of gold, has already progressed to a notable degree, and is still in progress, at probably an ever-increasing rate.
3. Every increase of the value of gold—so long as gold remains, as at present, our single standard of value, free from check or control in its fluctuations in value—makes heavier the burden that has to be borne by everyone who is subject to any annual charge, the amount of which, in pounds, shillings, and pence, is a "fixed" amount.
4. Whilst from all this it results that all tenants with rents so "fixed" are in reality subject to a burden that is growing heavier from year to year, there is, in the case of our Irish tenants, the further point, that, in their case the state—in other words, the public authority of the country—has felt itself bound to assume the responsibility of regulating the amount of rent, or of rent charge, which Irish tenants should be called upon to pay, and has, in regulating it, tied them down for long terms of years, to the payment of amounts "fixed" in pounds, shillings, and pence, no regard being had to the fact that, as things now stand, an amount so "fixed" represents in reality, an ever-increasing burden.
5. As appears from the last published report of the Irish land commission, the number of cases in which rents have been fixed by the various methods within the scope of the commission is now 288,054, with an aggregate "fixed" rental of £4,733,262—the rental in each of the 288,054 cases being fixed for a term of fifteen years.
6. Furthermore, there are considerably more than 20,000 tenant purchasers, with annual charges payable to government—charges "fixed" in amount for forty-nine years, and amounting in the aggregate to little less than half a million sterling, the result of the purchase of their holdings by tenant farmers, under the provisions of the land-purchase acts of 1885 and 1891.
7. The gravity of the effect of the recent and continuous "appreciation" of gold in all such cases of "fixed" annual charges is now openly acknowledged by statesmen whose testimony in the matter is certainly not open to suspicion. Money, says Mr. Balfour, the late chief secretary for Ireland, has to serve not only as a medium of exchange, but also as a "fair and permanent record of obligations extending over long periods of time." In this requirement, he goes on to say, "Our existing currency totally and lamentably fails." The increase of value in our present standard of value he describes as progressing "steadily, continuously, indefinitely." All this, he truly says, "Throws a burden upon every man of enterprise, upon every man who desires to promote the agricultural or the industrial resources of the country, and benefits no human being whatever but the owner of fixed debts, such, for instance, as rents." And as he elsewhere puts it, explicitly in reference to rents and all such annual charges, "with every rise in the value of gold, the weight of this burden upon the industry of the country increases."

Will the Senators from these agricultural States deny the soundness of the statements of such monometallists as Mr. Giffen? Will they be able to convince their constituents that a blow at silver does not enhance the value of gold, and that the appreciation of gold does not reduce the price of their products? I am afraid they can not. This is the economic principle so well established as to have become an axiom, and this axiom the people now understand and accept as needless of demonstration. Shall we turn a deaf ear to their appeals or add another blow to the already prostrate form of an industry the dearest to the prosperity of a nation. I appeal to Senators from the South and from the West to stand for the protection of their own States, for our prosperity is linked with silver and the silver States. Let us make this defense in a manly and courageous manner; not in the spirit of sectionalism or class legislation; not with a spirit of hostility to the eastern interests of our country, but in the spirit of "equal rights to all and special privileges to none." Endeavor to preserve the landmarks of our fathers and bring justice and righteousness to a harmonious and free people.

In concluding, Mr. President, let me say that I have tried to show:

1. The importance to the people of our country of the question now under debate in this body.
2. That the Sherman silver law of 1890 is in no way responsible for the present disturbance in our business interests, but rather that the money power of America and Europe are crowding the gold standard for the purpose of enhancing the value of their holdings.
3. The danger to our American liberties of yielding to the advice and demands of the money power as represented by banking institutions.
4. That the record of the Democratic party has been on the side of the people in this fight, and that it means the wrecking of the party to change front.
5. That the money of the future will be relieved of intrinsic value, and will be better than either gold or silver, being based upon the wealth of the nation.
6. That we of to-day must deal with gold and silver. This being the case, we should as a people broaden the base of our money system by opening our mints to the free coinage of silver.
7. That as between gold and silver the latter is the more stable measure of our commodities. But all history and testimony and experience prove that gold is the dishonest dollar, because it has appreciat d in value until it is now worth $1.50.
8. That it is folly to fritter away time and money with an international conference on the question of bimetallism, and that we must prepare for independent action.
9. That our hope is in looking southwards towards a Pan-American alliance, and toward a people eager to coöperate with us.
10. That the present contest is not between a few silver States and the welfare of our country, but rather the contest of a people burdened with debt and fast sinking to the condition of the European laborer, against the aggressions of moneyed corporations.

Election Laws.

SPEECH

OF

HON. HENRY U. JOHNSON,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, September 28, 1893.

The House having under consideration the bill (H. R. 2331) to repeal all statutes relating to supervisors of elections and special deputy marshals, and for other purposes—

Mr. JOHNSON of Indiana said:

Mr. SPEAKER: It is laid down, I believe, in all the standard works upon parliamentary law—notably in the Manual of Mr. Jefferson—that words may with perfect propriety be used in the characterization of a measure which would be in plain violation of the amenities of debate if employed with respect to its authors or supporters. Keeping this distinction well in mind (for, while I intend to speak with great frankness here to-day, I shall certainly endeavor to express myself in decorous language), I hesitate not at the very outset of my remarks, and with all the earnestness and energy of which I am capable, to stigmatize the pending bill as the climax of all that is audacious and vicious in legislation. Indeed, sir, I do not now recall anything in the history of legislation in this country for many years that begins to compare with it in point of iniquity. It unblushingly assails that which is nearest and dearest to every patriotic American heart. It angrily menaces the very existence of the nation. It is the wretched child of a miserable conspiracy, and is conceived in a

total misapprehension of the fundamental principles on which the Federal Government is constructed.

Mr. Speaker, this Government of ours is neither a despotism, a monarchy, nor an aristocracy. In our peculiar system we know no such things as tsars or kings or emperors; but we have here a mighty Republic, builded upon the sublime propositions that all men are created free and equal, and that all governments derive their just powers from the consent of the governed; a Republic in which the people are sovereign, and are the source of all political power; a Republic in which the people govern themselves under a system of free representation which they have devised, and under the provisions of a written Constitution which is the product of their own hands.

Mr. Lincoln, with great terseness and accuracy, described this system of ours when, in the course of that memorable address which he delivered at the dedication of the soldiers' monument on the field of Gettysburg, he characterized it as a government "of the people, for the people, and by the people." It is a cardinal proposition, sir, in this Government that there is absolute equality among electors, and that the majority shall rule. With us it is fundamental and organic that each elector has as much power before the law as any other elector—no more and no less—and that the minority, when it has been accorded a fair opportunity to be heard, must submit, and must seek its remedy, if it cares to press its matter further, not by fraud and violence, but through constitutional and lawful channels by an appeal to the people at one of those oft-recurring elections for which our laws so amply provide.

This elementary idea, Mr. Speaker, is asserted throughout our entire elective system, whether it be in the election laws enacted by the General Government or in those passed by the various States which compose it. I regret, however, that I am compelled to observe—but I do it without fear of successful contradiction—that in our practice as a people we have departed very far from these fundamental principles; for there never was a period in the history of this country when violations of the elective franchise were more widespread or universal than they are to day. In the fierce fight of factions, in the mad and never-ending struggle for party supremacy, the sanctity of the ballot is too often disregarded, and those barriers which the wisdom of legislation have thrown around it are relentlessly assailed and unscrupulously trampled under foot.

The violator of the election laws is everywhere defiant and aggressive. He is not the product of one political party only; for while he is stronger in some parties than in others, he has an abiding place in them all. His depredations are not confined to any particular section of the country; for they are perpetrated to a greater or less extent in every section under the shadow of the American flag. The public conscience, Mr. Speaker, is shocked by these crimes; but it is too frequently the case that justice is wholly impotent to drag the offender to its bar and there inflict upon him the punishment which his conduct so richly deserves.

In a crisis like the present, when the people of the country naturally turn to this, the highest legislative body in the land, as the one best calculated to afford them relief, what is the plain and imperative duty of the hour? That Congress shall step forward and upward and that our election laws shall be maintained and upheld; that some system, if possible, shall be devised whereby these laws may be more rigidly and effectively enforced. The failure to discharge this duty is of itself a sin of omission which will justify the most severe criticism which the American people can possibly bestow upon us.

But what, sir, is the proposition with which we are now confronted? Not that we shall strengthen these laws, but that we shall absolutely sweep out of existence these, the only laws on the Federal statute book which are designed to preserve the purity of the ballot and the rights of the electors. Let me restate the proposition succinctly, sir, to the end that every patriotic man in this Chamber, regardless of party affiliations, may grasp its enormity. It is not proposed here to enact new legislation in support of these laws, but it is proposed to repeal all legislation now on the statute books with reference to the subject of the Federal control of Congressional elections.

Mr. Speaker, let no man be deceived as to the nature of the issue here presented. There is no reason why any individual's mind should be bedogged with respect to it. Stripped of all the verbiage with which it is invested, dissociated from all the false pretenses with which it is being urged, the pending measure is neither more nor less than a bold proposition to repeal all laws which make the infraction of the national election laws a crime. I hope when gentlemen who have this measure in charge have succeeded in passing it through the House that they will not forget to preserve their consistency, that they will have some regard for the analogies of the situation, and that they will follow the principle involved to its logical conclusion by introducing and pressing to passage bills for the repeal of all the Federal statutes against counterfeiting the public coin, rifling the United States mails, and defrauding the Government in the collection of its customs and its revenues.

What, Mr. Speaker, is the pending measure but a cowardly hoisting of the white flag, the running up of a signal of distress, and an humble supplication for terms to the lawless element which has defied and infracted these election laws, and which is to be the principal beneficiary of their repeal? What is it but an ignominious retreat from their presence? What is it but a disgraceful capitulation to their insolent demands? What is it but a premium offered for their misconduct and an open-armed and hospitable invitation to them to continue their unlawful practices, with the authoritative declaration that, at least so far as the Federal Government is concerned, there shall be no one to molest them or to make them afraid?

Just think, sir, of the exhibition which is presented here to-day. It is a fact which can not be successfully denied, that there are but few of the States of the American Union which are able to enforce their election laws. This is made manifest by a comparison of the small number of convictions with the great number of violations of these laws. And yet, sir, with this condition of affairs existing and confronting the States, it is here gravely proposed to reject the powerful aid of the General Government in support of these laws so far as they relate to the election of Representatives. Ay, not only this but to reject it as though it were a wrongful and unwarrantable intrusion. What a spectacle is here displayed to the civilized world, when a nation of 65,000,000 of people, which claims to have achieved more for constitutional liberty than any other nation upon the face of the globe, and to have spurned with giant stride the highway of human progress, furls its banner and shamefully confesses that it has neither the disposition nor the constitutional nor physical power to maintain the integrity of its laws, or to protect its citizens in the exercise of their civil and political rights.

Why, what are these laws that are here assailed and that are to be thus ruthlessly stricken from the statute book? Simply provisions that United States supervisors and United States marshals shall be appointed by Federal authority to oversee and supervise elections for members of Congress, officials whose duty it is, not to inflict wrong upon any American citizen, but to suppress crime; who are to go to the registry lists and purge them of fraudulent registrations; who are to be present at the holding of elections and challenge the men who seek to vote in violation of law; who are to witness the count and see that it is fair and just; who are to preserve the peace and protect the voter at the polls, and who are to take care that all the proceedings of the election are lawfully conducted; whose mission it is to hold up everything to the bright light of day, to the end that the people may understand that their elections are honestly carried on and thus acquiesce with cheerfulness in the result. These laws also make violations of the election law criminal offenses and inflict punishment upon those who commit them.

The laws are not aimed at one section of the country only, as was erroneously stated by the distinguished gentleman from Illinois [Mr. BLACK] who preceded me. They were designed to be and are general in their application. They were called into existence largely by reason of those outrageous frauds which were committed in registration and election in the great city of New York at the Presidential election in 1868, whereby the electoral vote of the Empire State was wrongfully given to Horatio Seymour as against Ulysses S. Grant. They apply, I repeat, to all sections of the country. The people in any locality may by their simple petition avail themselves of their advantages. The United States supervisors, too, are selected from men of opposite politics, and the supervisors and marshals are not aliens to the community where they discharge their functions, but they are men selected from the citizens and voters of the very vicinage where their duties are to be performed.

Nor were these laws designed in any manner, shape, or form to interfere—nor in their practical operations do they interfere, sir—with the local elections of the people. They do not relate to elections for State, county, township, or municipal offices. They are applicable only to Federal elections, to the election of officers of the General Government.

I know it is customary to speak of the Representative as representing a Congressional district. Some gentlemen, with a little broader vision, speak of him as representing a State; but I submit to this body that the functions of a Congressman are more comprehensive and far-reaching than either of these. He is a representative of the people of the United States. This is the National Legislature. The legislation here enacted is for all the people of this vast country and is obligatory upon them all. If the laws here passed are wise, all the people get the benefit of them; if they are unwise, there is no section of the country which is exempt from the evils which flow from them. Hence

the manifest propriety of the Federal Government regulating the elections of Representatives under the power conferred upon it by the Constitution.

But, Mr. Speaker, it is urged here that these laws are unconstitutional, and this is assigned as a reason why they should be repealed. Unconstitutional! What a wealth of melody floods the Democratic soul at the bare mention of this magic word. How its euphony lifts him into perfect ecstacy when the grandest compositions of Handel and Beethoven fall upon his dull and listless ears wholly unheeded and unappreciated. What a word it is for Democratic conjury! Yes, and what a word for Democratic jugglery too, for that matter. Unconstitutional! How many a poor Democrat, blindly plodding along behind the black banner of his party, like the miserable automaton that he is, and accepting without reasoning and without question its exploded dogmas, is suddenly startled into a thing of life and animation, if not of beauty, by the bare whispering into his ear of this potent word, concerning whose signification he has about as much conception as he has of the meaning of the hieroglyphics on the base of an Egyptian monument. [Laughter on the Republican side.]

Unconstitutional! Why, sir, when all appeals to a Democrat intended to incite him to opposition to a measure have failed, when an appeal has been made in vain to his intelligence, which is little; to his personal vanity, which is great; to his self-interest, which he seldom neglects; to his honor, his friends, and his home, and, in short, to everything which men usually hold near and dear, just give him to understand that the measure in question is unconstitutional, and immediately he works himself into a perfect frenzy of opposition, and is "agin it from the word go," and with all his might. [Laughter on the Republican side.]

Why, Mr. Speaker, this peculiarity of disposition and temperament, this dread and hatred of everything which is unconstitutional, is not confined to the Democratic multitude. It pervades the rank as well as the file of the party organization. It seems to have affected some distinguished gentlemen upon this floor—some gentlemen here who make pretense to legal knowledge and still more pretense to statesmanship. Why, there, for instance, is our quiet, modest, and unassuming friend, the distinguished ex-member of the Committee on Rules, the gentleman from Tennessee [Mr. MCMILLIN], who arose timidly in his place on this floor the other day, and, blushing like a country school girl, proceeded without thumping his desk with his fist, without brandishing his arms wildly in the air like a Comanche Indian, and without charging down the aisle like the light brigade at Balaklava, to give utterance in a voice so inaudible that it could scarcely be heard in this Chamber, except to those sitting in his immediate vicinity, to some sentimens from which I think it can clearly be inferred that he thinks these laws have no constitutional sanction. [Laughter.]

And then there is our excellent friend from Texas [Mr. BAILEY], with a head like the Olympian Jupiter, and the symmetry of whose form puts to shame the best product of the Corcoran Gallery of Art—the gentleman who has taken up the expounding of the Federal Constitution at the precise point where Daniel Webster left off many years ago, and who has been fishing around among the waste-paper baskets of this body ever since he came to Congress, picking up the broken fragments of the Constitution which have been there consigned by ruthless Republican hands, and has been putting them together so harmoniously that the venerable instrument is now actually beginning to take on something of its old-time identity. I doubt not that, at the opportune time, this gentleman will rise with solemn grandeur from his seat, and placing his hand impressively upon his heart will roll his eyes sanctimoniously towards the ceiling and in sepulchral tones inform the House that these laws are clearly unconstitutional. [Laughter.]

I must not, sir, in my enumeration of the Democratic statesmen in this Chamber who have the Constitution of the country in their peculiar keeping omit to name the author of this bill, the pleasant gentleman from Virginia [Mr. TUCKER], whom I am told is the son of a very great lawyer. He seems to have devoted a large proportion of his report on this bill and a large proportion of his remarks on this floor to demonstrating that there is no constitutional authority for these election laws. I fear, Mr. Speaker, that the gentleman is altogether ignoring the fact that the Supreme Court of the United States, constituted for the express purpose of passing upon the constitutionality of laws, has on at least two memorable occasions decided the point he makes squarely against him. I fear that he is somewhat lacking in that profound regard for sound precedent which is so frequently found among members of the legal profession. I fear that in that vast fund of legal information which he has imbibed from books and from frequent contact with great lawyers as he has gone along in life, he has entirely overlooked that branch of the law which is quite well known to his brother lawyers as the doctrine of estoppel and *res adjudicata*.

But, Mr. Speaker, this trio of eminent Democratic statesmen to whom I have referred ought really not to be blamed. They are to be regarded more in sorrow than in anger. They are certainly very fit subjects upon which to exercise the most charitable judgment.

I believe, sir, it is a principle of natural philosophy that water can never rise higher than its own level; and I submit that it is probably exacting too much of individual Democratic intelligence and too much of individual Democratic independence to expect that any of these gentlemen can possibly break away from this analogy to natural law by rising to anything higher or better than the dead level of his party organization.

Each one of our distinguished friends necessarily takes on the complexion of the party to which he belongs, a party which Almighty God, for some inscrutible purpose of His own, has permitted to live but has never yet permitted to learn. [Laughter.]

Why, Mr. Speaker, even my very good friend from Kansas [Mr. SIMPSON], a State so largely given over to the production of Populists and grasshoppers [Laughter]—the gentleman who has been designated upon this floor as the sage of Medicine Lodge—even he, with all his talent for retrocession, will not subscribe to any such doctrine as this trio of Democratic statesmen have announced. I know he insists that the highest attainable point of progress and civilization in this country was reached with the invention and establishment of the stake-and-rider fence. I know he claims that the Government of the United States ought to convert itself into a great printing establishment and turn out annually large amounts of paper money which is never to be redeemed, and then, in turn, convert itself into a vast pawn-broker's shop and lend out this money to Tom, Dick, and Harry, according to their several necessities and at a minimum rate of interest, and take from them notes which are never to be paid and mortgages which are never to be foreclosed.

But with all this lack of progressiveness upon his part, I do not believe that the sage of Medicine Lodge thinks these election laws are unconstitutional, nor will I concede that he does until he rises in his place in this Chamber and demonstrates how greatly I have overrated his intelligence by casting his lot with this brilliant trio of Democratic statesmen, to whom I have referred. [Laughter.]

These laws without constitutional authority, Mr. Speaker! Why, the very fact that this bill is here pending for their repeal is a standing refutation of this mendacious assertion—a veritable confession of their constitutionality. If they are dead and without legality, why have gentlemen gone to the trouble to formulate this bill, and introduced it into this body, and pressed it to a report here over the week's opposition which it has encountered? Why have they provided for this long debate, now in its inception?

Ah, Mr. Speaker, the reason is plain. It is because these laws are constitutional, and have been so authoritatively declared, and therefore these gentlemen are driven to this legislative method of getting rid of them. How does it happen, Mr. Speaker, that this mighty Republic never yet forged forward in its career, or attained anything for the benefit of the people, or which excited the plaudits of the world, that the Democratic party did not oppose the movement upon the ground of unconstitutionality?

Why, sir, when it was proposed to enter at the public expense upon that great system of internal improvements which has so developed the material and commercial prosperity of the country, and without which this nation would be a shameful laggard instead of an *avant courier* upon the highway of human progress, the Democratic party declared that it was unconstitutional to do so. When it was proposed by a prominent Democrat in this country to confer upon the people of the Territories the right to say for themselves whether they would or would not accept a system which had arrayed against it alike the teachings of Almighty God and the best impulses of the human heart, there were gentlemen in this country belonging to the Democratic party who said that to do this was unconstitutional.

When, in 1832, nullification raised its hideous head in a State in this Union and threatened the autonomy of the nation simply because it disapproved of a law which had been passed in conformity to the Constitution of the land, there were Democrats who believed that the action of Andrew Jackson in threatening that State with the penalty of its misconduct was in clear violation of this instrument. When, in 1861, a brave and valorous but mistaken portion of our countrymen went out upon the battlefield and there menaced the existence of this splendid Government, of which I trust they are now loyal citizens, there was a class of Democrats in the North who lacked the courage of their Southern brethren, but who, nevertheless, like them, could see no constitutional power in the Federal Government to "coerce a sovereign State."

When Abraham Lincoln, during the progress of the rebellion, penned those sublime lines which struck the shackles from the limbs of millions of human beings, lifted them from the shambles into the dignity of man and woman hood and put upon their shoulders the habiliments of American citizenship, there were Democratic gentlemen who thought that no authority for that act could be found in the organic law. Again, when the greenback was issued in time of war and furnished the nucleus of that great financial power which backed up the armies in the field and made it possible to furnish them with food and raiment and munitions of war, the Democratic party sought to brand it with the mark of Cain and everywhere assailed its constitutional validity.

When the national-bank system was established, a system which has given our people a safer and more uniform currency by all odds than the "miserable makeshift" which it succeeded, and which the Democratic party now threatens to resurrect from the dishonored grave in which it has slept for thirty years and send out through the country upon a new mission of robbery and devastation, there were gentlemen in the Democratic party who proclaimed it to be against the Constitution. The protective tariff, framed in the interest of American manufacturers and American industries of every kind, designed to elevate the standard of living, to give the laborer a just compensation for his services, and to give to the nation an industrial independence among the nations of the earth, was proclaimed by these gentlemen to be unconstitutional.

Why, sir, even when the reciprocity clause of the McKinley bill which was the handmaid of protection, but which the stupidity of Democrats always led them to regard as its natural enemy, was proposed and passed, there were gentlemen on the Democratic side who were sure that there was no possible warrant for it in the Constitution.

And so it was, sir, with respect to what constituted a quorum in this House. According to the Democratic idea, the fundamental law gave to the Speaker no right to attain it by counting Representatives present and not voting, even though a majority of members when both present and voting ratified his conduct. It was also denied that this House had the constitutional power to enact formal rules empowering its Speaker to take such action.

But, Mr. Speaker, the decisions of the courts before whom these questions were many of them brought, have, in nearly every instance, established their constitutionality, and the progressive intelligence of the country has almost invariably indorsed the propriety and rightfulness of every one of them. These laws not constitutional! Listen for a moment to the language of the Constitution, which confers the power on the Federal Government to enact them. Section 4 of Article I of the Constitution provides as follows:

> The times, places, and manner of holding elections for Senators and Representatives shall be prescribed in each State by the Legislature thereof; but the Congress may at any time, by law, make or alter such regulations, except as to the places of choosing Senators.

Why, sir, can human language be plainer or more explicit than this? What have we here but a clear declaration that, in the first instance, the power to regulate the elections for members of Congress is vested in the States, but that, at any time, and under any circumstances which may seem to it meet and proper, Congress may exercise its paramount power, either to establish its own elections for Representatives or to change and adopt the election laws of the States, and in this way discharge the high function which is devolved upon it.

Mr. Speaker, the mere fact that this power was not exercised by the General Government until twenty one or two years ago is no evidence that it was lost. It was simply sleeping, not dead; always standing in abeyance, ready to be employed the moment that Congress saw fit to exercise it. And, sir, Congress did see fit long ago in the history of this country to exercise this power in part, for many years ago it passed an act that there should be uniformity of time throughout the various States at which members of Congress should be elected, and fixed the first Tuesday after the first Monday of November, 1876, and the same day every two years thereafter, as the time for holding Congressional elections. Nobody ever complained that this was an arbitrary or unconstitutional exercise of Congressional power, but the law was everywhere obeyed.

On another occasion Congress provided that the two houses of the various State Legislatures should assemble in joint convention on a certain day and vote for a Senator of the United States, and should continue to do this on each succeeding day until a choice was finally effected. What man in this country ever made any objection to that law on constitutional grounds, or claimed that it was an unwarrantable invasion of the rights of the State? On another occasion, in order to establish uniformity in the manner of electing Representatives, an act was passed by Congress providing that instead of Representatives being voted for by all the electors of the States, they should be voted for by Congressional districts, which should be composed of contiguous territory; and who ever claimed that this law was unconstitutional? Nobody, sir. But every State in this Union which had been voting upon a different plan at once changed its laws to conform to the paramount authority of the Federal Government. Sir, the laws now sought to be repealed are as constitutional as any of these to which I have referred.

But, Mr. Speaker, we are told by the gentleman from Virginia that there is conferred in the Constitution a primary and a secondary power with respect to regulating the times, places, and manner of electing members of Congress; that this power is conferred upon the States in the first instance, and that it is conferred upon the General Government only in the second instance; and that there is no authority in the organic law for the exercise of this secondary power by Congress except in the event that the States are unwilling or unable to discharge their function. Sir, this is nothing more nor less than a Democratic interpolation to the Constitution; and, like all interpolations, it is of course misleading, and tends to the derogation of the instrument. If there is any one thing, sir, that is plainer than any other thing in section 4, Article I, of the Constitution, from which I have quoted, it is that the power to regulate the election of Representatives is vested in Congress on any contingency that it may think sufficient to justify its exercise.

The power is absolute. No limitations whatever are imposed upon it. No conditions or qualifications are attached to it. Everything, as I say, is left to the discretion of Congress, which may exercise its authority for a reason which is weighty, or for one which is trivial—may exercise it for a good purpose or for a bad purpose. And when this Congressional discretion is once exercised, then, under principles of law, with which every lawyer on this floor is familiar, there is no power either in the executive or the judicial department of this Government to review it; there is no power anywhere under the Constitution or laws to review it except the power of Congress itself.

Realizing that there is nothing, either in the letter or spirit of the Constitution, to warrant his construction, the gentleman from Virginia is compelled to resort both in his printed report and in the argument which he submitted in support of the pending bill, to what he is pleased to term "contemporaneous construction." He pretends to have found somewhere in the writings of Hamilton, or in the speeches of Madison, or in the utterances of Jay, or, possibly, in the commentaries of Mr. Story something that gives color to his construction. Mr. Speaker, I have searched with painstaking care everything that I could find that was spoken or written by these distinguished persons on this subject; and I hesitate not to affirm that, taking expressions in their entirety, nothing can be found which sustains this lame and impotent conclusion of the gentleman from Virginia.

I grant you that they may have declared that the power given to Congress to regulate the times, places, and manner of holding elections for Representatives was one which was necessary to be conferred upon this body in order to prevent its destruction, necessary for its safety in case the States should fail or refuse to act. But this was far short of declaring that the Constitution gave Congress no right to regulate the election of Representatives for any less important purpose.

I concede that in the writings of these great men there may also be found statements that Congress would probably not undertake to exercise this power except for weighty reasons; but this, sir, is simply an expression of opinion as to what Congress would do, and not an effort to define the limits and extent of the Congressional power as embodied in the Constitution.

When you undertake, Mr. Speaker, to draw inferences from the language of these distinguished publicists you should remember the circumstances under which their declarations were uttered. That unwillingness to trust a strong Federal Government, that blind and stupid antagonism to centralization of power which had given to the struggling colonies their impotent Articles of Confederation still existed among certain classes when the Federal Constitution was submitted to the people of the States for their ratification. These elements were trying to prevail upon the American people to reject the Constitution with all the blessings which it promised to confer.

Hamilton, Madison, and Jay, with all the earnestness and ability of their great minds, were trying to induce the people to accept its provisions. Knowing something of the delicate character of the ground on which they were treading, aware of the senseless and obstinate jealousy of granting power to the Federal Government which many of the people entertained, is it at all to be wondered that while none of them indulged in the slightest misrepresentation, yet that the language employed by them was sufficiently diplomatic to avoid presenting the authority of the General Government in its strongest aspect.

But if gentlemen are searching for contemporaneous light on this subject, I ask them to go with me upon the floor of the Federal convention of 1787 while it was engaged in the work of framing the Constitution. I ask them to observe that when a measure more liberal to the power of Congress in this matter than the section from which I have quoted was pending, Mr. Pinckney and Mr. Rutledge rose in their places and moved to strike it out. I ask gentlemen to read the debate which occurred with respect to this motion. They will find that Mr. Madison spoke of the words "times, places and manner of holding elections for Senators and Representatives" as being "words of great latitude." They will find that Mr. King, in the course of the debate, said:

If this power be not given to the National Legislature their right of judging of the returns of their members may be frustrated. No probability has been suggested of its being abused by them. Although this scheme of erecting the General Government on the authority of the State legislatures has been fatal to the Federal establishment, it would seem as if many gentlemen still foster the dangerous idea.

They will find that the motion of Messrs. Pinckney and Rutledge was voted down without even the formality of a division, and that subsequently there was put into the Constitution the section which I have quoted. I read, Mr. Speaker, what Mr. Madison said pending the debate on this subject, as his language appears in Debates on the Constitution, Madison's Papers, at page 401 of 5th Elliott:

The necessity of a general government supposes that the State Legislatures will sometimes fail or refuse to consult the common interest at the expense of their local conveniences or prejudices. The policy of referring the appointment of the House of Representatives to the people and not to the Legislatures of the States supposes that the result will be somewhat influenced by the mode. This view of the question seems to decide that the Legislatures of the States ought not to have the uncontrolled right of regulating the times, places, and manner of holding elections. *These were words of great latitude.* It was impossible to foresee all the abuses that might be made of the discretionary power. Whether the electors should vote by ballot or *viva voce;* should assemble at this place or that place; should be divided into districts or all meet at one place; should all vote for all the Representatives or all in a district vote for a number allotted to the district—these and many other points would depend on the Legislatures, and might materially affect the appointments.

Whenever the State Legislatures had a favorite measure to carry they would take care so to mold their regulations as to favor the candidates they wished to succeed. Besides, the inequality of the representation in the Legislatures of particular States would produce a like inequality in their representation in the National Legislature, as it was presumable that the counties having the power in the former case would secure it to themselves in the latter. What danger could there be in giving a controlling power to the National Legislature? Of whom was it to consist? First, of a Senate to be chosen by the State Legislatures. If the latter, therefore, could be trusted, their Representatives could not be dangerous.

Secondly. Of Representatives elected by the same people who elect the State Legislatures. Surely, then, if confidence is due to the latter it must be due to the former. It seemed as improper in principle, though it might be less inconvenient in practice, to give to the State Legislatures this great authority over the election of the Representatives of the people in the General Legislature as it would be to give to the latter a like power over the election of their Representatives in the State Legislature.

Mr. Speaker, something further on this subject of contemporaneous understanding. When the Constitution was submitted to the people in their various State conventions to determine whether or not they would adopt it, many of the members of these conventions saw very distinctly that this power conferred upon the Federal Government as to the regulation of the times, places, and manner of choosing Representatives in Congress was absolute, was without limitation or restriction; and for this very reason they propounded to Congress, along with their ratification, propositions which they asked that Congress, when the Constitution should be adopted, should submit to the various States as amendments to the Constitution. In these propositions they sought to limit the Federal power precisely to the extent that the gentleman from Virginia contends it is now limited by the provisions of the Constitution—to confine its exercise to instances where the States failed or refused to provide for the election of Representatives.

Numerous amendments on other subjects were by these various conventions proposed to Congress for submission. Many of these, as is well known, were submitted to the States by Congress, were ratified, became incorporated in the instrument, and are now a part of it; but these particular amendments to which I refer were never submitted by Congress to the States for ratification; were never voted upon by any of the States; and the Constitution comes down to us with this section giving unlimited power to the Federal Government to regulate elections for Representatives which I have quoted unimpaired and in all of its original vigor.

And yet, sir, the gentleman from Virginia, with what I am almost inclined to style a singular fatuity, actually cited in his report these limiting amendments which were thus proposed and rejected as an evidence of the fact that the people who propounded them believed the power of the Federal Government to regulate the election of Representatives under the section of the Constitution as it then was and now is was restricted to instances where the States failed to act. In other words, he insists that the people in these conventions were guilty of the absurdity of recommending that the Constitution be amended by inserting therein certain limitations which they knew and believed were already a part of that instrument. The gentleman has thus demonstrated the perfect propriety of the high though perhaps wholly unnecessary encomium pronounced upon him the other day by my distinguished colleague from Pennsylvania [Mr. BROSIUS] when he characterized him as the worthy son of a very distinguished sire. Mr. Speaker, I now read, as a sample of the entire lot, two of these proposed amendments—the first being the one proposed by the people of South Carolina and the second the one proposed by the people of the gentleman's own State, Virginia:

And whereas it is essential to the preservation of the rights reserved to the several States, and the freedom of the people, under the operations of a General Government that the right of prescribing the manner, time, and places of holding the elections to the Federal Legislature, should be forever inseparably annexed to the sovereignty of the several States: This convention doth declare that the same ought to remain to all posterity a perpetual and fundamental right in the local, exclusive of the interference of the General Government, except in cases where the Legislatures of the States shall refuse or neglect to perform and fulfill the same according to the tenor of the said Constitution.

That Congress shall not alter, modify, or interfere in the times, places, and manner of holding elections for Senators and Representatives, or either of them, except when the Legislature of any State shall neglect, refuse, or be disabled by invasion or rebellion to prescribe the same.

But, Mr. Speaker, this very question has been settled on two memorable occasions by the Supreme Court of the United States. The case *ex parte* Seibold in 100 United States Supreme Court Report, was a petition for a writ of habeas corpus by certain residents of the city of Baltimore, in the State of Maryland, who had been convicted under these laws in the United States court of that district for stuffing ballot boxes and interfering with Federal officers at an election for a member of Congress there held, and at which they had been State election officers. They asked for their discharge on the ground that these Federal election laws were unconstitutional. It is noticeable that the distinguished lawyer for the petitioners, Mr. Bradley Johnson, conceded in his argument before the court that the Federal Government possessed the power to regulate elections for members of Congress when it undertook to do so through its own elections, and predicated his whole contention that these laws were unconstitutional upon the ground that the Federal Government had no authority to adopt the election laws of the State. The opinion of the court was rendered by Justice Bradley, and commends itself for its reasoning as well as for its authority.

The SPEAKER *pro tempore* (Mr. BROOKSHIRE in the chair). The time of the gentleman has expired.

Mr. BURROWS. I ask unanimous consent that the gentleman from Indiana may be permitted to conclude his remarks.

There was no objection.

Mr. JOHNSON of Indiana. The court passed upon this very question.

Mr. BRECKINRIDGE of Kentucky. Will the gentleman allow me to interrupt him? How long does the gentleman expect to continue his remarks? I desire to know, as I am to follow the gentleman.

Mr. JOHNSON of Indiana. I am unable to state, but I will get through as soon as I can.

The court passed upon the very question of the constitutionality of the law. Justice Bradley, whom the gentleman from Virginia [Mr. TUCKER] flippantly speaks of as going by a hop, step, and jump to his decisions, held, in an opinion which is luminous and unanswerable, that these laws were constitutional.

Again, this very question came before the Supreme Court in *ex parte* Yarbrough, reported in 110 Reports of the Supreme Court of the United States. This was also a petition for a writ of habeas corpus by certain gentlemen from Georgia, who had been indicted and convicted in the United States district court of that district on the charge of intimidating a colored man from casting his vote at an election at which a member of Congress was to be chosen. This time the opinion was rendered by Justice Miller, in behalf of a unanimous court, and the constitutionality of these laws was distinctly affirmed.

In the Siebold case, the court, speaking of the construction to be placed on section 4, of Article I of the Constitution, said: "It seems to us that the natural sense of the words is the contrary of that assumed by the counsel of the petitioners. After first authorizing the States to prescribe the regulations, it is added: 'The Congress may at any time, by law, make or alter such regulations.'" "Make or alter." What is the plain meaning of these words? If not under the prepossession of some abstract theory of the relation between the States and National Government, we should not have any difficulty in understanding them. There is no declaration that the regulations shall be made either wholly by the State Legislatures or wholly by Congress.

If Congress does not interfere, of course they may be made

wholly by the State; but if it chooses to interfere there is nothing in the words to prevent it doing so, either wholly or partially. On the contrary, their necessary implication is that it may do either. It may either make the regulations, or it may alter them. If it only alters, leaving, as manifest convenience requires, the general organization of the polls to the State, there results a necessary coöperation of the two governments in regulating the subject. But no repugnance in the system of regulation can arise thence, for the power of Congress over the subject is paramount. *It may be exercised as and when Congress sees fit to exercise it.* When exercised, the action of Congress, so far as it extends and conflicts with the regulations of the State, necessarily supercedes them. This is implied in the power to "make or alter."

In the Yarborough case, Mr. Speaker, Justice Miller made use of the following language:

That a government whose essential character is republican, whose executive head and legislative body are both elective, whose most numerous and powerful branch of the Legislature is elected by the people directly, has no power by appropriate laws to secure this election from the influence of violence, of corruption, and of fraud, is a proposition so startling as to arrest attention and demand the gravest consideration.

If this Government is anything more than a mere aggregation of delegated agents of other States and governments, each of which is superior to the General Government, it must have the power to protect the elections on which its existence depends from violence and corruption.

If it has not this power it is left helpless before the two great natural and historical enemies of all republics, open violence and insidious corruption.

Mr. Speaker, I was surprised the other day at the declaration of the gentleman from Virginia that no matter what the Supreme Court of this country decided, he would reserve to himself as a legislator the right to determine the constitutionality of laws. The gentleman spoke as if he was a member of the British Parliament, which is omnipotent. He forgot that he was a member of the American House of Representatives and was addressing that body. Of course, sir, the executive and legislative departments must each decide for itself upon the constitutionality of laws prior to their being passed upon by the judiciary. This arises from the very necessity of the case. But this is not what the gentleman had in mind. He was referring to instances where the Supreme Court had actually determined the matter. Such a doctrine, sir, is wholly pernicious. It would inevitably lead to consequences of a very dangerous character.

I know it has been claimed that to make the judiciary the final arbiter of the constitutionality of laws is to put the legislative branch of the Government at its mercy. Such, however, has never been its practical effect. Besides, to permit the Legislature to determine the constitutionality of laws for itself would lead to results infinitely more disastrous. If, after the Supreme Court has once passed upon the constitutionality of a law, Congress can differ with it and ignore its decision, what is to prevent the States from doing the same thing? The court may hold an act constitutional, Congress may hold that the act is unconstitutional. Part of the States may side with the court and the other part with Congress—and here you have an entire absence of that uniformity in the construction and operation of laws which is essential to the well-being of the Republic.

Power, sir, to pass upon the constitutionality of laws had to be reposed in some place, and the founders of the Government lodged it with the judicial department. It was their theory that there should be a separation of powers in our system, and that each department should, by being supreme in its sphere, act as a restraint upon the others. They gave to us that system of checks and balances which has been the admiration of almost every publicist who ever examined it. The legislative department makes laws; the judicial department determines their constitutionality, and the executive department executes them. Thus each department has its own peculiar function, which neither of the others is at liberty to invade. It was deemed unwise to permit the executive power to make or to determine the constitutionality of laws, or to allow the judicial power to make or to enforce statutes.

Likewise it was thought inadvisable to confer upon the legislative power the authority either to pass on the constitutionality of laws or to enforce their execution, but the legislative branch of this Government was intrusted only with such powers as are purely legislative; and when the Supreme Court has once decided upon the constitutionality of a law, its decision should be respected and obeyed by the other branches of the Government and by the various States and the people. I am aware, sir, that Andrew Jackson, in the heat of his controversy with the United States Bank, once declared a contrary doctrine, and that Mr. Jefferson did the same; but the overwhelming weight of authority, sir, is the other way. Mr. Story has discussed this whole subject with great ability in his Commentaries on the Constitution, and declares the doctrine in these words:

As the Constitution is the supreme law of the land, in a conflict between that and the laws, either of Congress or of the States, it becomes the duty of the judiciary to follow that only which is of paramount obligation. This results from the very theory of a republican constitution of government, for otherwise the acts of the legislative and executive would in effect become supreme and uncontrollable, notwithstanding any prohibitions or limitations contained in the Constitution, and usurpations of the most unequivocal and dangerous character might be assumed without any remedy within the reach of the citizens.

The people would then be at the mercy of their rulers in the State and national governments; and an omnipotence would practically exist, like that claimed for the British Parliament. The universal sense of America has decided that in the last resort the judiciary must decide on the constitutionality of the acts and laws of the general and State governments, so far as they are capable of being made the subject of judicial controversy. It follows that when they are subject to the cognizance of the judiciary, its judgment must be conclusive: for otherwise they may be disregarded, and the acts of the legislative and executive enjoy a secure and irresistible triumph. To the people at large, therefore, such an institution is peculiarly valuable; and it ought to be eminently cherished by them.

Mr. Speaker, I was still more surprised at the declaration of the gentleman from Georgia [Mr. LAWSON] on yesterday, when he declared on this floor that the people of the United States had been heard from at the ballot box on the question of the constitutionality of these laws, and that they had reversed the decision of the Supreme Court. Sir, I never heard a more dangerous doctrine than this declared in any legislative body. It is beyond the power of the people, sir, to pass upon the constitutionality of laws at the polls. The people, when they enacted this Constitution, surrendered up a certain portion of their rights, to the end that they might enjoy the blessings of free government. They put limitations upon themselves, as well as upon the various branches of this Government. They pointed out in the Constitution itself the appropriate medium and the channel through which they would govern themselves and through which they would determine as to the constitutionality of laws, and they constituted the judicial branch of this Government that medium.

Why, sir, if the doctrine stated by the gentleman is true, how soon we would be swept from our moorings and all be involved in chaos. The people, if they disapprove of the decisions of the tribunal which they have created, holding that certain legislation by Congress violates the Constitution, have their remedy by amending that instrument, so as to give to Congress the power to pass such legislation. In no other way can you assail the determination of the Supreme Court. The people may pass upon the propriety of measures and on the repeal of measures at the polls. No man questions or doubts this; but this is quite a different thing from passing on the constitutionality of a law.

But I utterly deny the claim of the gentleman from Illinois [Mr. BLACK] that at the last election the American people did pass on the question of the repeal of these laws, so that we can ascertain their opinion on the subject. Why, I have been informed by gentlemen that the question involved in the campaign was the tariff. I have been told upon this floor time and again that it was the question of finance. I have, moreover, been led to believe that the attention of the people was distracted by local issues, questions of prohibition in some States, and school questions in others. I utterly deny that this proposition has been submitted in such a form as to get a complete understanding of what the people think about it.

And I assert further that the people can never be said to have determined this or any other proposition so long as we have an election system which makes it absolutely impossible, in one section of this country, for a large majority of American citizens to express their opinions at the polls at all.

Mr. LOUD. I would like to suggest to the gentleman that it was stated on the floor a few days ago that it was the gentleman from Maine [Mr. REED] who was the issue.

Mr. JOHNSON of Indiana. Oh, yes, Mr. Speaker, the Democratic gentlemen here always inject into the last campaign, as its sole ingredient, the person or measure upon which they desire to predicate a present attack.

Mr. Speaker, we heard something, too, from the gentleman from Virginia [Mr. TUCKER] upon the question as to the impropriety and impossibility of the Federal Government undertaking to supervise what he was pleased to term "the election laws of the States." He told us upon this floor that the Federal Government had nothing whatever to do with the granting of the elective franchise, that it was conferred solely and entirely by the States of this Union.

That proposition, sir, is true only in part, and not to the extent which the gentleman insisted. The Constitution provides for a legislative power. One branch of that power is this body. It apportions Representatives among the States according to population, and provides for the taking of a census in order to ascertain the number of Congressmen to which each State is entitled. It fixes the qualifications of the Representative, and the time for which he shall be elected. But it does more than all this. It provides by the fifteenth amendment that there shall be no discrimination against any citizen in conferring the right of the ballot on account of race, color, or previous condition of

servitude. To this extent it certainly has something to do in determining who shall have the right of suffrage.

More than this, the Constitution provides that the elector for Representative in Congress shall have the qualifications requisite for electors of the most numerous branch of the State Legislature. To this extent, also, the General Government coöperates with the State in determining who shall be electors.

When the States adopted the Constitution it contained this provision, and when the States subsequently defined what should be the qualifications of the elector for the most numerous branch of their State Legislatures that very minute this provision of the Constitution extended forward and attached itself to the act of the State.

I concede that, subject to the constitutional limitation and the laws of the United States, passed subject thereto, it is relegated to the State to say what shall be the qualifications of the elector. The State may determine that there shall be a property qualification or an educational qualification, but it does this, mark you, subject to these restrictions to which I have referred. Why, the gentleman seems to think that it is absolutely impossible for the General Government to exercise the right of supervision over the election of Representatives to Congress without invading and destroying the rights of the State. He seems to assert that the supervision of itself exterminates the thing to be supervised, a doctrine which is refuted in the everyday transactions of business life; a doctrine which is also refuted by the fact that in my own and various other States of the Federal Union time and again the Federal and State authorities have administered the elections at which members of Congress were being chosen without any jarring or friction whatever.

Why, Mr. Speaker, we have some Democratic authority upon this subject. In 1877 a select committee was appointed in this House to investigate alleged frauds in registration and voting at the Presidential election of 1876 in the city of New York. Samuel S. Cox, a distinguished Democrat, was its chairman. That committee made a careful investigation of these matters. Two reports were made to this House, a minority and a majority report. The minority report declared that the fraud had been committed at the election, but that it had been greatly mitigated by the presence of United States supervisors and marshals.

The majority report, signed by this distinguished Democrat, was nothing more nor less than a fulsome eulogy upon the life and public services of John I. Davenport, a man who, for obvious reasons, is hated more by the Democracy of this country than any other man who ever lived in it. Mr. Cox not only spoke well of John I. Davenport in this report, but he eulogized the United States marshals and supervisors, and spoke of the perfect harmony with which the State and the national systems operated at this election. He informed the House and the country that the two kinds of machinery ran without any collision or friction whatever. I read, sir, the following extracts from this report:

> The committee take pleasure in commending the action of the United States officers, especially the supervisors of election in these cities; and the more especially because the Federal election law has not heretofore been administered with much satisfaction in these cities. The Federal officers seem, however, this year to have worked harmoniously, not only with the local organisms, but with each other. Whatever may be said about the United States law as to elections or their supervision by United States authority; whatever may be said as to the right of a State to regulate in all ways such elections, this must be said, that the administration of the law by Commissioners Davenport, Muirhead, and Allen, the United States functionaries and their subordinates, was eminently just and wise and conducive to a fair public expression in a Presidential year of unusual excitement and great temptation. The testimony of Mr. Davenport, the United States commissioner for the southern district of New York, is a remarkable statement, which the committee would adopt as the basis of their report as to the three cities.

Further on in the report, sir, the following language is used:

> The committee would commend to other portions of the country and to other cities this remarkable system, developed through the agency of both local and Federal authorities acting in harmony for an honest purpose. In no portion of the world and in no era of time, when there has been an expression of the popular will through the forms of law, has there ever been a more complete and thorough illustration of republican institutions. Whatever may have been the previous habit or conduct of elections in those cities, or howsoever they may conduct themselves in the future, this election of 1876 will stand as a monument of what good faith, honest endeavor, legal forms, and just authority may do for the protection of the electoral franchise. From the moment the supervisors are appointed, from the moment that the lists are purged, from the moment that the applications are examined, to the very last return of the popular expression, this election shows the calm mastery of prudence. For this due credit should be given to men of both parties, and especially to the corporation counsel, Mr. Whitney, and United States supervisors.

Mr. Speaker, the gentleman from Virginia talks about the absurdity and impossibility of the Federal Government controlling State officers and enforcing and inflicting punishment for the violations of State laws at an election at which Representatives to Congress are voted for. Sir, it is conceded that this power can not be exercised by the General Government at such an election with respect to the candidates for State offices there to be elected. With these it has nothing whatever to do. But so far as these laws bear upon the election of Representatives and the election officers have to do therewith, the Federal interests are involved. The Government may, therefore, adopt the State laws to this extent, and require of the State election officers duties in this connection and provide penalties for violations. When this is done, the laws become Federal laws and the election officers owe duties to the Federal Government as respects the election of Representatives, and thus the jurisdiction of the General Government is clear.

The gentleman seems to think that there are two sovereignties present at such an election, but as to the election of Representatives to Congress, sir, there is but one. The power of the Federal Government is paramount, and when there is a clash between it and that of the State, the latter must of course succumb. I believe, sir, in the just sovereignty of the States. I have read the pages of De Tocqueville with pride, and subscribe most cordially to what he says with respect to the right of local self-government being one of the greatest safeguards of our free institutions. The Constitution itself declares that there is reserved to the States all rights which are not therein conferred upon the Federal Government. I recognize quite clearly that the power and independence of the States within their proper sphere is as indispensable to our happiness and freedom as a people as is the authority of this great nation within its sphere. But the gentlemen are pushing the sovereignty of the States too far in this matter, and are invading in their name the field in which, by the very terms of the Constitution, the Federal Government is supreme.

But, sir, suppose that the contention of the gentleman from Virginia [Mr. TUCKER] is true—that before Congress can pass a law for the regulation of the elections of its members a great emergency must exist for such action. Who will deny the existence of such an emergency? I challenge the recollection of this House as to the condition of affairs which existed when these laws were originated, conditions which have continued to exist down to the present time. I insist that they fully justified the framing of these laws and fully justify the retention of them.

Why, sir, when they were framed one vast section of this country, by methods so nefarious that the civilized world observed and treasured them against us, was refusing to allow American citizens to vote for Representatives in Congress; refusing citizens, mark you, who were electors not only by the Constitution and laws of the United States, but also by the constitutions and laws of the States themselves. One section of this country was solid in the interest of a particular party, not by the free expression of its citizens, but because a large portion of its citizens were not permitted to express their views at all. No man, sir, shall claim that I am making an attack upon the South alone. The same condition existed in certain localities in the North.

In 1868 the voice of the people of the State of New York was stifled by the glaring frauds that were committed in the great city bearing that name; frauds, sir, which have made the names of McCunn and Barnard synonyms for wrong and corruption on the bench wherever the English language is spoken; frauds which have made Tammany Hall a thorn not simply in the side of the Republican party, as observed by an eloquent representative [Mr. FELLOWS] upon this floor the other day, but a thorn in the side of the great Republic. [Applause on the Republican side.] In all the great cities there was stuffing of ballot boxes and repeating by organized gangs of repeaters. And over all was the slimy trail of the serpent of the gerrymander, slowly but surely strangling the right of suffrage to death. Who dares to say that there was no justification for these laws, when the voice of the people was thus everywhere stifled, and when the minority, in place of the majority, was in the saddle?

But, Mr. Speaker, it is said that these laws are a failure in their practical operation, and that therefore they ought to be stricken from the statutes. Sir, I deny that they are a total failure. I concede that there are certain sections of this country where they fail of enforcement, but this is simply because they are antagonized and violated there by the lawless element; and I never will consent, so far as I am concerned, to repeal them at the dictate of such persons as these.

They may not be perfect flood-gates against the torrents that are turned upon them, but they are infinitely better than no flood-gates at all. Our laws against felonies and the election laws of the States are often violated with impunity, but this does not make them such failures as to warrant their repeal.

The truth of the matter is, Mr. Speaker, that these election statutes have been approved in many sections of this country by honest men of all parties, and that in many instances the people have availed themselves of them, and have thereby been enabled to hold fair elections. Mr. Cleveland seemed to think in 1886 that these laws possessed some power and efficacy, for just before the Congressional elections of that year he addressed to Mr. Garland, his Attorney-General, an order instructing him to see that

they were executed so far as they were under Executive control, an order which I now hold in my hand and which I propose to read to the House:

EXECUTIVE MANSION, *Washington, October 5, 1886.*

DEAR SIR: You are hereby requested to take general charge and direction of the execution of the statutes of the United States touching the appointment of supervisors of election and special deputy marshals, and the performance of their duties and their compensation, so far as these subjects are by the Constitution and laws under the supervision and control of the executive branch of the Government.

Yours truly,

GROVER CLEVELAND.

Hon. A. H. GARLAND,
Attorney-General.

Mr. BLAIR. If the gentleman will permit me to interrupt him, I desire to make a statement bearing upon that point. I wish to say that in an investigation made in 1881 the fact was developed that the Democratic party in the city of Boston, in the State of Massachusetts, and the Democratic party in the city of Philadelphia, in the State of Pennsylvania, also availed themselves of the operation of these laws.

Mr. JOHNSON of Indiana. Mr. Speaker, I was about to say when the gentleman from New Hampshire interrupted me in order to make that observation, for which I thank him, that the distinguished Democratic election officers in the city of Baltimore who were punished for stuffing ballot boxes, and for interfering with United States marshals and supervisors of election in the discharge of their duties, and who sought to be discharged from prison by a writ of habeas corpus, as appears from the Seibold case, which I have referred to, probably did not think that these laws were altogether a failure. I suggest also that the equally distinguished Democratic gentleman from Georgia who, in the case *ex parte* Yarborough, sought to be discharged from prison, where they had been sent for violating these laws, would doubtless be willing to attest their efficacy.

Let me give this House an instance where these laws did not fail, but where they rid a community for a time of criminals whom the State authorities were powerless to punish. In my own State, Indiana, in 1886 Simeon Coy, Samuel E. Perkins, William H. Bernheimer, and other prominent Democratic politicians, conspired together at Indianapolis to reverse the result of the election at the polls. They assembled in that city when the inspectors of election for the county in which it is situated came up on the Thursday after the election to act as a board of canvassers to canvass the vote and certify the result.

These conspirators succeeded in getting possession by fraud of some of the tally sheets and poll books there present, and then took them into a private place and, by the use of acids and erasers, decreased the record of votes which the people had given for certain Republican candidates and transferred those votes to Democratic candidates. They organized that board of canvassers in the interest of the conspiracy over the protests of the honest men upon it. They canvassed the votes according to the changes they had made, and certified the result in this way, in spite of the remonstrance that was made, and thereby two Democratic candidates were declared to have been elected who had in fact been defeated. One of these, if I mistake not, ascended the bench and actually undertook to pass upon the property rights of his fellow-citizens until the force of public sentiment drove him into retirement.

The people of Indianapolis, regardless of party, arose in their might and organized a nonpartisan committee of one hundred to enforce the law against these wrongdoers. They went to the grand jury room of the State court and knocked there, but were denied admission, for the same power which had perpetrated this crime had also gained control of that grand jury room. They then went to the Federal grand jury room and were admitted.

An indictment was found against the wrongdoers, and they were put on trial in the Federal court. The first jury failed to agree, but on a second trial the ringleader was convicted. Subsequently another one of them was tried in the court and convicted, and both were sent to the penitentiary to expiate the crimes which they had committed. One of them, Simeon Coy, appealed to the Supreme Court of the United States, and that high tribunal affirmed the judgment of the lower court.

Sir, there has scarcely been an election in the State of Indiana for national officers for years that the people of both parties, Republicans and Democrats, have not to some extent invoked the aid of these laws. Federal supervisors and marshals have been present at the polls, and the machinery of the Federal and of the State governments has worked harmoniously and without friction. Sometimes, after these elections, there have been prosecutions in the United States courts at Indianapolis of men who violated the election laws, in which convictions were secured. This was the case in the election of 1888, and, I think, also in 1884. An examination, sir, of the records of the Federal courts elsewhere will doubtless disclose many convictions for similar offenses.

But, Mr. Speaker, the efficiency of a law is not to be determined solely by the number of convictions for its violation. Its deterrent qualities are also to be considered. Judged by this standard the Federal election laws are valuable in many of the States. It is highly probable that in numberless instances men have been prevented from invading the right of suffrage for fear of arrest and prosecution under the United States statutes. Indeed, sir, Mr. Cox, in his report, to which I have heretofore referred, states this to have been the case in the city of New York at the Presidential election of 1876, and attributes it to the activity and efficiency of the United States marshals and supervisors.

But it is said, Mr. Speaker, that these laws are expensive, and that for this reason they ought to be repealed. Why, sir, it costs every individual in this country for the necessities, the comforts, or the luxuries of life, and the same thing may be said with respect to government, which is, after all, nothing more nor less than an aggregation of individuals banded together for the common good. This vast machinery of the State can not, of course, be run unless it is oiled and lubricated. It costs money, sir, to enforce the various United States statutes against crimes and felonies. Would you repeal them on this account? It costs heavily to administer the Australian election system, the most expensive election system that the country has ever seen; but is this a valid reason why it should be destroyed?

Mr. Speaker, I beg the gentlemen on the other side of this Chamber to remember, that if these laws are expensive to the people in whose interests they were framed, they are also expensive to the scoundrels who are sometimes convicted for their violation. To the first class these enactments are full of compensation; to the second class they are loaded with penalties and retributions. Repeal, sir, is therefore, to say the least, a two-edged sword which requires to be handled with discretion and dexterity. Let gentlemen beware, then, lest in their impatient zeal to lift necessary burdens from the shoulders of their honest and law-abiding countrymen, they do not, in fact, lift burdens which are justly imposed from the backs of the element which is wholly given over to the perpetration of crime. These laws, sir, are worth all they cost if they but throw around the ballot box the slightest measure of protection. The people will not complain of the expense; nor do I envy, sir, the miserly and sordid soul which would put these salutary enactments up for auction at a stock exchange or seek to measure their worth by the paltry standard of dollars and cents.

If these laws are expensive, why do not gentlemen amend them so as to reduce the cost to the lowest possible point consistent with their faithful administration? Mr. Speaker, the answer is plain. It is not amendment, but repeal which is sought. Expense is but a pretext. Destruction is the purpose.

Again, we are informed that these laws are grounded in force; that they bear oppressively upon the citizen, and that they deprive him of his liberty. Mr. Speaker, there is a distinction between that force which is wielded by lawless hands for wrongful purposes, and the force which is marshalled under the white banner of authority and is exerted for the public good. It is this distinction, sir, this adaptation of force to the benefit of the people, which robs it of its asperity and makes it a city of refuge to which they can resort for protection.

There is no force behind these laws except in the same sense and upon the same principle that force is behind every law upon the Federal statute books, from the highest and most important down to the lowest and most trivial. Why, sir, to what end did the Constitution confer upon Congress the right to regulate the election of Representatives if it did not of necessity carry with it the power to frame election laws and to enforce their execution by the strong hand of authority in case they were violated? Is this Government a myth or is it a reality? Is it a shadow or is it a substance? Has it the power to maintain its existence, to preseve the integrity of its laws, to shield its citizen in the enjoyment of his constitutional rights? Is it optional with the citizen whether he will obey the law? May the statutes be violated with impunity and with a consciousness that no penalty will be inflicted for the wrongdoing? If your answer, gentlemen, to these questions be aye, will you be kind enough to furnish me, along with that answer, your definition of what constitutes anarchy?

It was held under the fugitive-slave law, Mr. Speaker, that if the United States officers were obstructed in their efforts to arrest the fleeing slaves and return them to bondage, they might call in the posse comitatus to aid them. I do not remember that any of the gentlemen who are now protesting so vigorously against these enactments because they admit of the employment of force in case of necessity, ever felt outraged by this holding. They were willing to employ the power of the Government to reclaim the bondmen, but they are opposed to its use for the preservation of fair elections. I had the curiosity the other day, sir, to go over the debate which occurred in this House at the time these election laws were passed, as I found it in the Congres-

sional Globe of that period. The members on the Democratic side who opposed their passage fairly stood by the bier of liberty and in a paroxysm of grief bade it farewell forever. They made this Hall ring with their dire predictions. It was said that the Treasury would be impoverished, the sovereignty of the States absolutely destroyed, the citizens driven from the polls at the point of the bayonet, and the civil authority everywhere subordinated to the military. Mr. Speaker, how far have these prophecies been fulfilled?

There may have been cases of individual hardship here and there. Citizens may have been wrongfully arrested in some instances, although the record will show that in every such instance they were speedily discharged; but I undertake to assert that in their general effect and operation, wherever they have been permitted to go into operation, these laws have not oppressed the honest citizen, but have been in the interest of a free ballot and a fair count. If I am wrong as to this, furnish me a bill of particulars. Do not simply cite a partisan report which merely shows that in this particular instance or in that isolated case these laws have been abused. This is incident to all laws. The same may be said of every State law on the subject of elections in every State in the American Union. But show me where, under the general scope and operation of these laws, they have ever prevented citizens from exercising their constitutional rights. Mr. Speaker, these laws have interfered with only one class of persons—the violators of law. Honest men have been benefited by them.

Let me call attention to another fact in this connection which speaks volumes. No Republican ever claimed that these laws were oppressive or that they invaded the individual liberty of the citizen or at all deterred him in the exercise of his rights. It is the Democrat alone who has constantly made these assertions. How light, Mr. Speaker, must have been the oppression of laws which, having been on the statute books for twenty years, have nevertheless wholly failed to prevent the Democratic party from asserting its power?

Why, sir, these enactments were passed in 1870 and 1871. Since that time there is one section of this Union which has been solid for the Democratic party, whose electoral vote has been cast for it, whose Senators have been of that political faith, whose Members elected to this House have with but few exceptions been Democrats. For the greatest portion of the time since the period named the Democratic party has had the majority of the Members elected to this very body. Time and again it has carried doubtful States. Twice it has elected a President. And to-day it is in absolute control of the entire lawmaking branch of this Government. Yes, light, indeed, must have been the repressive power of these laws under which the party claiming to have been oppressed by them has been able to triumph so signally. This fact is far more significant, sir, than any sporadic cases of the abuse of law which can be cited; it speaks volumes against this charge that these statutes have ever interfered with the rights of the citizen.

The Democratic party has no constructive genius, Mr. Speaker. It has neither performed nor proposed anything within the last forty years which was worthy of adoption. Its tendencies are all destructive—destructive of that which is good. It can never hope to commend itself to the people by the character of its legislation. Already it has broken some of its promises, and there are others which it is alike fatal for it either to keep or to break. Its tenure of authority will be brief indeed if it submits its claim for retention to electors who are free to express their choice at the polls. The Democratic managers above all others are profoundly conscious of this. Hence the pending measure. Its very title, sir, is a misnomer. It reveals only half the truth, and is therefore a falsehood. It should be entitled "A bill to repeal all national laws making violations of the right of suffrage a crime, and to thereby permanently intrench the Democratic party in power." This is its real object. These election laws are in the way of continued Democratic supremacy; they are the only remaining barriers against fraud. While they exist they make it difficult for the repeaters of New York to empty themselves into the voting precincts of New Jersey on the morning of election day, and for the repeaters of Jersey City, in a spirit of broad comity, to take possession of the election booths of New York in the afternoon of that day. For these reasons they must go.

Mr. Speaker, the statements that these laws are unconstitutional, that they have failed in their practical operation, that they are expensive, and that they oppress the people are mere false pretenses. The real ground of many gentlemen's objection to them is to be sought for and discovered in quite another direction. It is predicated on that pernicious dogma of "States rights" of which Mr. Calhoun was probably the ablest exponent—in that constant assumption for the "sovereign State" of powers which are beyond its proper and legitimate domain—in that jealousy of the Federal Government which seeks to strip it of its rightful authority, and to rob it of its clear prerogatives.

Sir, I have in my heart nothing but sincere pity, nothing but the most profound compassion for that political astigmatism, that unpatriotic shortsightedness of vision which can see with perfect clearness the full proportions of a sovereign State rising in the foreground, but which can only see in blurred and indistinct outlines that still grander structure, the Federal Government, which, rising in the distance, towers to the skies, inspiring respect and admiration from abroad and insuring union, tranquillity, and prosperity at home—that edifice upon which are riveted the glistening eyes of hope and expectation from the downtrodden and oppressed in every clime under the burning sun—that edifice which if we are true to ourselves will be the realization in this age and upon this continent of the wildest dream of the idealist in his longings for a perfect system of self-government among men.

I have nothing in common, sir, with that narrow and contracted sentiment which singles out for its homage a particular star from the bright galaxy of stars which beautify and adorn my country's flag. I protest, Mr. Speaker, against the unwise and dangerous policy which constantly seeks to augment the centrifugal force in this nation; a policy which, carried to its legitimate consequences, will break the Republic into fragments and scatter them to the four winds of heaven; and which slights and ignores the centripetal force in the State, which can alone cement into a harmonious whole commonwealths which never ought to become discordant.

Sir, I denounce on this floor—I shall continue to denounce it here so long as the constituency which has already honored me far beyond my merits sees fit to return me to this body—any effort, by whomsoever exerted, and from whatsoever quarter directed, to strip the Federal Government of those powers with which it was clothed by the fathers, or to deprive my countrymen of a single one of those blessings which in the unrestrained exercise of its lawful authority it is so amply able to bestow upon them. I wage war, unceasing and relentless war, upon the idea here advanced, and which I have heard advanced time and again in this Chamber since I became a member of this body, that the Federal Government is something wholly apart from ourselves; something entirely outside of the civil polity under which we have our existence as a people, which not only brands it as an alien, but even denounces it as a public enemy, to be feared and dreaded, or else to be grappled, overthrown, and destroyed.

Sir, the Federal Government is not to be despised or hated, but rather to be loved and revered. It is not the author of the calamities which afflict us, but is rather the beneficent source of many of the blessings which are ours. It is not to be grudgingly maintained, or denied our confidence, or banished as though it were a contagion; but is rather to be trusted implicitly, for in trusting it we only trust ourselves, only testify to the faith which we have in ourselves; for, Mr. Speaker, be it known and understood, this Federal Government was not created by the States, but it was created by the people of the States. "We, the people of the United States, in order to form a more perfect union," is the language of the preamble of the Constitution, and not "we, the people of the States." The people created it with their own hands; they fashioned it after their own liking, and they are as veritably present in these halls to-day in the person of their Representatives, as they are in the halls of any of the General Assemblies of the States. There is no more genuine or sublime instance of self-government by the people, sir, to be found any place upon the globe, than that which is exhibited in the operations of this mighty General Government of ours when our election laws are observed.

Mr. Speaker, I do not subscribe to the doctrine that the Constitution is a mere compact entered into by high contracting parties which reserves to each party the liberty to judge of its infractions and the mode and manner of redress, which accords to either the right to withdraw from it at pleasure, as was taught by the resolution of 1798, the nullification of 1832, and the wrongful rebellion of 1861. But I insist, sir, that this is an indissoluble Union, having accorded to it at the time of its creation powers adequate for its protection and sufficient to enable it to carry out the holy mission for which it was designed. I insist that the Federal Government operates directly upon the people, and not indirectly and through the medium of the States, and that the time has not yet come when the mere caprice of a petty State is the constitutional limit of its life, or even the constitutional limit of its authority.

Mr. Speaker, I fear that there are some gentlemen in this Hall, particularly on the other side of the Chamber, who entertain very erroneous ideas concerning the functions of the Federal Government, and who are not specially enlightened as to the extent of its powers.

I fear that they have read with such avidity the teachings of

Mr. Jefferson that they have failed to notice the limitations which he imposed to his doctrines, and that they have even failed to observe that such a man as Alexander Hamilton once lived on this continent. I suspect that they have been so absorbed in studying the peculiar tenets of Calhoun that they have not had leisure to read the patriotic and statesmanlike utterances of rugged old Andrew Jackson, when nullification menaced the existence of this Republic.

I trust, therefore, that I may not be deemed too presumptuous, if I suggest to these gentlemen the propriety of their entering at once upon a reëxamination of this whole subject, and that the reëxamination be conducted in a more impartial and catholic spirit than characterized their original inquiry, and with a view, if possible, of arriving at a just conception of the National Government and of the extent and magnitude of its powers. It may not be amiss for gentlemen to learn something of that theory of government in which George Washington believed, and which he asserted in every act of his great life: which is taught in every page of the Federalist, and which John Marshall, an illustrious son of Virginia, comprehended so well and expounded with such vigor and ability from the bench in the days when the Republic was in its infancy; that theory which Daniel Webster made luminous by his great mind, through the medium of his eloquent tongue; for which Ulysses Grant and the patriotic men who followed his leadership faced danger and death upon the sanguinary fields which intervened the boom of Sumter's guns and the crowning glory of Appomattox, and which Abraham Lincoln loved and cherished up to the very hour of his tragic death.

But if gentlemen can acquire nothing from books, if the force of individual example is wholly lost upon them, let them turn to nature and find there an object lesson which may enable them to grasp the central truth for which I am contending here to-day. Let them come out of the mildew and mold of the ancient tomb, where they alone have been mourning over the dead dogmas from which the best thought and the noblest impulses of the country have long ago parted company. Let them cease their piteous tears and wild lamentations, and forego their senseless efforts to resurrect this ghastly corpse. Let them raise their eyes hopefully from the dull and uninspiring sod of their immediate surroundings, and, looking beyond the narrow limits of their States, see stretched out before them a vast extent of territory whose eastern and western limits are the boundaries of a continent, and which, starting from the great fresh-water lakes upon the north, stops only at the restless waters of the Gulf of Mexico.

Let them behold its hills and its valleys, its mountains and its plains, its noble rivers and its great lakes, its diversified soil and climate. Let them note that the vast mineral wealth which abides in the bosom of the earth and ministers so freely to the wants of sixty-five millions of homogeneous people overruns the lines of the various States and knows nothing whatever of segregation. Let them observe those splendid rivers which bear on their bosoms the commerce of this prosperous people, fret on their winding course to the open seas, not the mere shore of a single State, but the territory of a great Republic. Let them behold the lofty mountains that fringe and adorn our seaboards, and see them spurning with impatient disdain the restraints of a single Commonwealth and demanding for their ramification the freedom of a mighty empire.

Mr. Speaker, let the gentlemen contemplate all of these, and they will find reflected and reasserted in nature's law the full extent of that paramount Federal authority which stands out in bold relief in every line of the Federal Constitution, from the first word in its preamble to the last word in that sublime amendment which constitutes its fitting termination.

Sir, conceding that my own party has been guilty of violations of the right of suffrage, not being mean enough to insist that all the wrongs committed against a free ballot have been perpetrated by any one party, I, nevertheless, avow that the Democratic party has done more to violate the sanctity of the ballot, more to destroy the equality of representation, more to corrupt the public conscience, and more to defy the public will than any other party or than all the other parties that have ever existed from the time of the formation of the Government down to the present hour. [Applause on the Republican side.]

For years the Democratic party enjoyed on this floor an advantage in representation equal to three-fifths of the slave population over the other sections of this country, a representation based upon men who were not permitted to vote, a representation based upon property in one section of the country and denied to property in every other section. It has been the gainer by revolution, the gainer by the emancipation and enfranchisement of the slave. It now enumerates five-fifths, instead of three-fifths, as a basis for its representation, and yet still deprives those who constitute this basis of the right to express their opinions at the ballot box.

It was the Democratic party that in 1850 broke faith with this nation and repealed the Missouri compromise, which had stood for thirty years as a solemn pledge that in no Territory within the Louisiana purchase north of 36° 30′ should slavery ever be permitted. It was the Democratic party that overran Kansas with border ruffianism and sought to force upon her unwilling people a system against which they rose in earnest protest, and which, failing in this, next sought to bribe her into the acceptance of that system through the medium of the English bill by the promise of extravagant grants of the public land. It was the Democratic party that denied the right of popular sovereignty as advocated for the people of the Territories by Stephen A. Douglas and which hounded that distinguished Democrat to his political grave.

It was the Democratic party which in 1861, when a Republican President had been elected under the sanction of the Constitution and the laws, appealed from the ballot box to the cartridge box and menaced the existence of the Government with a valor that was heroic, because it was American, upon the blood-red battlefields of the Republic. It was the Democratic party which after the war was ended inflicted those unspeakable barbarities upon the newly enfranchised but helpless citizens which met with the condemnation of honest men everywhere; barbarities from the memory of which we can never escape, and which impartial history will assuredly charge against us when she comes to record the story of those times. It was the Democratic party which in 1868 committed in the great city of New York the unblushing frauds which no man will have the temerity to deny. It was the Democratic party which perpetrated in the State of the gentleman from Illinois [Mr. BLACK] the election frauds, to screen the perpetrators of which Mackin committed perjury, for which crime he was convicted and sent to the penitentiary though ably defended by the most distinguished lawyers which the State could produce.

It was the Democratic party which forged the Morey letter and sent it out to California on the very eve of a Presidential election to deceive the people there and secure the electoral vote of that State for the Presidency. It was the Democratic party which raised a figure 2 to a figure 5, and a figure 7 to a figure 9, at Fourth ward, precinct A, in the city of Cincinnati, Ohio, when Foraker was a candidate for governor against Hoadley, in order to compass the defeat of the Republican candidate, and to which villainy George Hoadley, to his honor be it said, hesitated not to administer a stinging and merited rebuke.

It was the Democratic party in the State of Indiana which committed the frauds at the election of 1886 which resulted in the conviction of Simeon Coy and his coconspirator, which frauds I have already described. It was the Democratic party which excluded from the office of lieutenant-governor in that State the legally elected Republican candidate and put a usurper in the place, and maintained him there by violence and intimidation after a Democratic attorney-general had rendered his opinion to a Democratic governor that a vacancy existed in the office, to be filled by the people at the polls, and after the Democratic candidate had been defeated at the election.

It was the Democratic party which passed the infamous legislative and Congressional gerrymander of 1885 in this Hoosier State—a State, sir, in which the two great political parties were about equal in point of membership; a State which had been a hotly contested battle ground between them for many years, carried first by one party and then by the other, and always, except in the rarest instances, by a very narrow plurality. Yet by that gerrymander the Democratic party made the State Legislature so assuredly its own that nothing short of an absolute revolution can ever dislodge it, and took unto itself ten out of the thirteen Congressional districts. When the supreme court held this unjust apportionment to be unconstitutional, a Democratic Legislature, which had been elected under it, assembled and practically reënacted it. And yet gentlemen stand here and talk about the disposition of the Democratic party to give us free and fair elections.

It was the Democratic party, sir, that contrived and passed the legislative gerrymander in Michigan, and also the legislative gerrymander in the State of Wisconsin, which the supreme court of that State decided was unconstitutional; immediately afterwards the General Assembly of the State, which was Democratic, met in special session and enacted a new apportionment which was as illegal as the first one, and the supreme court also declared it to be unconstitutional. It was the Democratic party which gerrymandered the State of South Carolina, putting all the black Republicans into a district known as the "black Seventh;" which defied all the laws of proportion, cutting in twain counties and townships, in order to do it; which, in order to save all the remaining Congressional districts to itself, gave

to this one a population of 40,000 more than the average of the other Congressional districts of the State; which gave it five or six colored Republicans to one white Democrat. Yet scarcely had this been done until the Democratic party proceeded to take this district away from the majority by the most unblushing frauds which have ever come to the knowledge of this House. If this is denied, I have here proof that it was done when Robert Smalls was kept out of his seat in this body, in the admissions of the Greenville Daily News, a leading Democratic newspaper in the State of South Carolina, which, in its issue of November 20, 1886, immediately following the Congressional election referred to, said:

We hoped South Carolina was to have political peace, and that the advertising she will have in the future would be favorable and for her good; but the hope is destroyed by the unnecessary victory won for us in the Seventh or "black" district.

We doubt if there has ever been a more unwise or absurd proceeding than the fight against Smalls and the methods used in making it. The Democratic party of the country has gained one member of the House of Representatives to assist at the organization. He is part of a small majority, but his vote is not needed to make a majority, and can not make a two-thirds vote. He is a gentleman of good sense and unstained character, but nobody claims for him that he has such remarkable ability that his presence on the floor of the House will add more than his own unnecessary vote to the strength of his party. The State did not need a Democratic Representative from the black district. Six of her seven Representatives and both her Senators are Democrats.

Against the lack of useful results in the defeat of Smalls there is an endless train of bad results. The Republican newspapers and politicians are given a strong case, and they will make the most of it. They will charge that we carved the State into districts on curious lines, and by dividing counties to throw the colored vote into one district, and, not contented with that, have gone into that district and stolen the one Representative. They will not only charge it, but they will prove it. Our side may, and doubtless will, prove that the county boards acted within the law in throwing out many boxes and hundreds of votes for irregularities. But the fact will stand out bald and unquestioned that Smalls had been defeated by the official negligence of Democratic officials, appointed by Democratic authority. The inference that the negligence was a prearranged plot to deprive the majority of its weight will be too plain and clear for resistance. The State will be put before the country as being party to a plain, deliberate, and wanton fraud.

We do not believe the Democratic party of the country will accept the responsibility for this election, and we know it ought not to do it. The facts and figures will be brought out and put before the world, and if the Democrats in Congress give Col. Elliott the seat they will be held before the world as aiding and abetting a crime and receiving its results. From what has been printed in Democratic newspapers regarding the election in the Seventh district the Democrats could not afford to sustain the result as declared if Col. Elliott's vote made their majority in the House. The chances are nine to one that South Carolina will not only be abused and denounced by the Republicans, but that this piece of work will be repudiated by our party in the country, and we will have the stigma fixed on us by the combined voice of foes and friends.

The harm is not only in the future. This election destroys the work of years. We have claimed persistently that all the doubtful methods we have used in elections were justifiable as being necessary for self-preservation, to defend our families and property from barbarism and corruption. That claim is just and true, and on it we have won toleration and sympathy. Now our enemies—and we have plenty of them—will point to this election as evidence that we have been lying, and will cite its wantonness to prove that we have been inspired only by greed for power and the determination to deprive the negro of political rights.

The effect on the material prosperity of the State in repelling immigrants and capital must be bad. The effect on the people of the State must be bad. It is useless to preach honesty and integrity while the leading and most trusted men of the State publicly use and sanction such methods as have been used to count out Smalls.

"It's an ill bird that fouls its own nest." Our nest has been fouled without reason or excuse. We wish to avoid our share of the fouling as far as possible by proclaiming as publicly as we can that we condemn the proceedings in the black district, and hold no sympathy with them or those connected with them. They are two much like Republican methods to be agreeable to us.

There is no more complete rascal than Robert Smalls. There are few better gentlemen than Col. William Elliott. But the use of flagrant unfairness to defeat the choice of the colored Republicans in the one Congressional district allotted to them is contrary to the honorable traditions and principles of our people and party, a miserable political blunder, and a moral wrong.

Mr. Speaker, the great wrong done to Thomas E. Miller, the Republican candidate for Congress in this district at the election of 1890, his persistent efforts to obtain his right to a seat in this House through a contest, and the shameful failure to even give him a hearing in this body are facts too fresh in our recollection to require any extended notice on this occasion.

In the election which took place only a year ago between the Populists and the Democrats in the State of Alabama, the implements which had been previously used by them both so unsparingly against the Republicans were employed against each other. These two parties there grappled each other madly by the throat and struggled for the ascendency with a bitterness and dishonesty almost unparalleled by anything in American politics. Let me read the language of a prominent Democratic newspaper upon this very subject. I read from the Birmingham Age-Herald, published in Alabama, which shortly after this election used the following language:

It may with truth be said that in half the counties of the State, the only question as to who or what party will count the other out is one of opportunity and opportunity only. Conscience has fled, nay, more, it is almost to the point that in the primaries inside the party, the manipulator is in as high demand as in the elections at law. This condition of things is utterly demoralizing. We go on, year after year, persuading and encouraging our young men to do a thing we know will inevitably destroy their character, their credit, and their repute.

Sir, is there a man on this floor who doubts that the Populist candidate for governor in Alabama was overwhelmingly elected at this election? And yet everyone knows that he was cheated and defrauded out of the office by the methods referred to in this article.

Mr. Speaker, let me read you another statement as to the condition of affairs which has existed down there in Alabama. I refer to the condition existing in what is known as the Fourth Congressional district of that State—the "black fourth" as it has always been called. In the Democratic apportionment of the State which was enacted in 1874, in order to enable them to appropriate to themselves all the other Congressional districts this district was created by the Democratic Legislature and turned over to the "black Republicans," conceded to them because of their great majority of about 4 to 1. Yet, notwithstanding all this, the Democratic party, year after year, systematically deprived these black electors, by fraud and chicanery, of their Representative. Why, sir, in one instance even a Democratic House, on the unanimous report of its Committee on Elections, unseated the Democratic beneficiary of this illegality and seated his Republican competitor.

Not very long ago, perhaps a year ago, the Democratic party entirely deprived the voters of this district of the right to elect their Representative by regerrymandering the State. When this unjust apportionment was pending before the Legislature, and being discussed in the public press, the Age-Herald, from which I have already quoted, in its issue of February 10, 1891, used the following language with respect to the Democratic electors of this district, and the way in which they had borne this great colored majority:

And they have borne it; worn it as became men, though their broad shoulders have been stooped by the load and the sweet air been poisoned by its exhalations. They have been the byword of their enemies in the nation, and the tides of progress and wealth passed by them on the other side because of the evil name these enemies made for them. They have been patient and long-suffering; they have felt the cruel necessity of corrupting the sacred ballot box and seen the awful tendency of this hard thing to inoculate the public confidence and the private principle, to wither and blast the pure motives and fair ambitions of the youth. Worst of all, perhaps, they saw the pestilence spreading beyond their gates, and the things shrunk from and practiced through necessity, taken up where the need was not, and made the indefensible instrument of political gain.

Mr. Speaker, I submit also in this connection an extract from the Evening Journal, another prominent Democratic newspaper published in Alabama, which, in discussing this proposed gerrymander, declared in its issue of February 10, 1891, as follows:

There is not a Democratic member of the General Assembly of Alabama who would, unless compelled to do so by some legal or moral force, act as an inspector or manager of an election in the Fourth Congressional district, nor would he desire his son to do so, nor anyone else for whom he had any respect or reverence. He knows what it means. He knows what he would risk, or his boy would risk. He knows that, while this is true, the white people of that district will never consent to be controlled or dominated by the negroes. Knowing all these things, the Alabama Legislature should give the district the relief asked for, and no longer expect them to bear burdens they themselves would not bear, and burdens for which the people everywhere are beginning to have less and less sympathy and toleration. The Journal speaks plainly, but truly. Relief is not only asked for the black Fourth, but demanded.

Mr. Speaker, it was the Democratic party which, in 1876, by intimidation and violence, drove the Republican voters from the polls in Louisiana, a State in which the blacks greatly outnumbered the whites, and by this method sought to secure its electoral vote for President; which denounced the returning board for throwing out the precincts where this wrong had been perpetrated, although such action was authorized by the law and was taken upon evidence duly furnished; which counted these unjust returns in the Legislature against the Republican candidate for governor and thereby defeated him. This intimidation was admitted, sir, in 1883 by Governor McEnery and Senator Eustis upon the stump in Louisiana. It was sandwiched between the Democratic majority of 47,000 for Seymour in the State in 1868 and the stupendous and fraudulent majority over Warmouth for governor that was given only a few years ago—a majority greater than the total vote for Mr. Cleveland at the preceding Presidential election.

It was the Democratic party which was the author of the cipher dispatches, and which sought to purchase electoral votes in Florida for Mr. Tilden, through the Marbles and Woolleys and Coyles, whom it sent down there for that purpose; which attempted the same thing in South Carolina through its emissary, Smith Weed, who also proposed to throw her Presidential electors into separate prisons to prevent them from casting their votes as such for President. It was the Democratic party which also attempted bribery of an electoral vote in Oregon, and sought to prevent that State from casting one of her three votes for the Republican Presidental candidate, although all three of the Republican Presidential electors had been overwhelmingly elected at the polls. It was the Democratic party which established

the Electoral Commission to settle the controversies which grew out of this Presidential election in 1876—established it against the votes of two-thirds of the Republican Senators and Representatives in Congress, but which, when that august tribunal rightfully decided against it, assailed some of its members with malignant fury, and has ever since, with unblushing impudence and mendacity, claimed that it was cheated out of the Presidency.

Why, sir, my desk here is covered with extracts from Southern and other newspapers, running back through the last twenty years, in which it is conceded that the right of suffrage is utterly disregarded in many localities.

Mr. Speaker, let me say, in conclusion, that it is meet and proper, that it is entirely in accordance with the eternal fitness of things, that the party which has perpetrated these innumerable wrongs against suffrage should be the one to introduce into this Chamber and press to passage on this floor the iniquitous measure now under consideration. This measure, sir, is the climax to a long career of Democratic crime. It is the cap-stone to the lofty tower of Democratic infamy. Let the gentlemen enjoy their victory to their hearts' content. Let them revel in the pleasures which it affords, with nothing either of mental or of moral reservation. Let them gloat over this, the first victim of their newly acquired but misdirected power. It has always been their custom to turn a deaf ear to the indignant protests of justice and to the cry of the downtrodden and oppressed in matters like this. Certainly, Mr. Speaker, there is no reason why such light and trifling things should disturb their orgies now.

Nor is there here present any power which is adequate to their restraint or capable of setting bounds to their excesses. Let them not, however, fondly imagine from this that their lease of authority is either to be illimitable or omnipotent. The hour of retribution will come. It may come tardily, but when it arrives it will do its work perfectly and well, for—

> Though the mills of God grind slowly, yet they grind exceeding small;
> Though with patience He stands waiting, with exactness grinds He all.

No doubt gentlemen will smile at this prediction. I have no doubt that the prophecy seems to them utterly impossible of fulfillment. I know what a difficult thing it is, sir, to stand in the very presence of victory, to taste the joys which it brings, and to feel the exaltation and strength which it inspires, and yet to realize that defeat is rapidly approaching, or, indeed, that defeat can ever come at all.

But, Mr. Speaker, a great wrong is being here inflicted, a blow as cruel as it is unnecessary is here being struck at the integrity of the ballot and the right of free and equal representation. The issue involved is one which is destined to take a deep and abiding hold upon the convictions and moral nature of men, a hold far deeper and more abiding than any mere question of finance or of economics can possibly obtain. The great majority of the American people, sir, love and are devoted to the Republic. They will not be content to stand idly by and see its laws violated, its foundations crumbled, and its very existence imperiled. Sooner or later the public mind will pass from the shadow of its eclipse. Sooner or later the public conscience will be quickened. Sooner or later the wrath and indignation of the American people will be aroused When that supreme and inevitable hour comes the true sovereignty of this country will not fail, sir, to assert itself; assert itself, I trust and believe, in a peaceful manner and through constitutional and legal channels, but assert itself, nevertheless, with a power like unto the eruption of a volcano or the force of a mighty whirlwind. It will lay its hands upon this ignoble party which has so basely prostituted the opportunity with which it was intrusted for the public good, and will hurl it headlong from power, and, summoning back from the wilderness of its temporary exile that grand party of achievements, that party which gentlemen affect to despise, but whose *morale* is unimpaired by defeat, and whose laurels are undimmed by adversity, it will put into its hands a new commission, and, under the providence of Almighty God, will make it the happy and efficient instrument to restore these stricken laws, and to reassert and reëstablish throughout our entire system those splendid principles of political equality which are dear to every patriotic American heart, and without which this great nation can not and ought not to exist for a single minute. [Prolonged applause on the Republican side.]

Mr. Speaker, I now yield my place on the floor to the venerable gentleman from Kentucky [Mr. BRECKINRIDGE], whose chief delight seems to have been to interrupt me during the progress of my remarks by boisterous conduct upon his side of the Chamber, and I assure him in advance that I will not imitate the bad example he has set me, but will endeavor to listen with respect to every utterance he may make, even though his remarks may not commend themselves to my judgment. [Applause on the Republican side.]

Issue of One Hundred and Twenty-five Million Dollars of Treasury Notes.

STATEMENT

OF

HON. J. L. McLAURIN,

OF SOUTH CAROLINA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, October 4, 1893.

On joint resolution (H. Res. 15) authorizing the issuing of $125,000,000 of Treasury notes under the acts of 1862 and 1863, as follows:

"Whereas failures, bankruptcy, and business distress are witnessed throughout every section of the United States in consequence of an inadequate volume of currency to maintain equitable prices and make necessary exchanges; and

"Whereas under present statute laws the Secretary of the Treasury has ample authority to issue United States notes in sufficient quantity to relieve the present financial stringency: Therefore,

"*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled*, That $25,000,000 of United States notes issued under the several acts of 1862 and 1863 be, and the same are hereby, declared lost or destroyed, and the Secretary of the Treasury is directed to credit the redemption account with said amount.

"That the Secretary of the Treasury at once cause to be prepared, signed, and delivered to the Treasurer of the United States $125,000,000 of United States notes as authorized by the acts of 1862 and 1863, the same to be credited to the general fund and to pay current expenses: *Provided*, That the amount so issued shall not exceed $450,000,000, the amount authorized to be issued under the several acts of 1862 and 1863."

Mr. McLAURIN said:

Mr. SPEAKER: I avail myself of the indulgence of the House, and submit a recent argument made before the Committee on Banking and Currency:

Mr. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: It is with a good deal of diffidence that I appear before the Banking and Currency Committee to submit any resolution upon the financial question, as I appreciate my own inexperience and ignorance upon many questions which go to make up our financial system. All the more so, Mr. Chairman and gentlemen, because I feel that this committee is not likely to look with favor upon the proposition which I have submitted. At the same time I appreciate the spirit of fairness and courtesy which prompted you to set aside a portion of your valuable time in which to give me a hearing, and I shall not impose upon your good nature. I feel that no gentleman upon this committee expects or needs enlightenment from me upon what is the purpose, effect, and scope of this resolution.

I listened with a great deal of interest to the able argument of Mr. OATES yesterday, and I am convinced that if some scheme of the kind which was proposed by him could be put into operation that, as a permanent thing, it would be greatly to the advantage of our Southern people, but in proposing this resolution I had an eye to something which would be immediate. The need, however, for legislative action of this character is not so great now as it was a few weeks ago when the resolution was introduced, because there has been a revival in business conditions in the South and elsewhere.

We were called together by the President in an extra session to devise a speedy means of relief for the great stringency which existed in the money market, and we were told that the cause of the panic was the operation of the Sherman act, but contrary to what was expected and predicted the business conditions have improved each day as it becomes more and more apparent that the Senate will not consent to the unconditional repeal of the Sherman act. In some way the lost confidence of the business world, about which we heard so much, seems to have been in a measure restored by the nonaction of the Senate.

My purpose at the time in the introduction of this resolution was to try and suggest some means to enable our people to market their crops. There was witnessed every day in nearly all the towns of the cotton belt, the sight of wagons, loaded with cotton being brought into the market and then driven back home, not because there was no demand for that cotton, but because there was no money with which to buy. In many sections of the country, owing to the money famine, the banks associated themselves together and issued clearing-house certificates. These began to circulate as money, and our people soon began to feel the good effects of even a crude currency of that kind. Business interests of all kinds began to brighten, and there was a feeling of hopefulness everywhere.

After I received your invitation the other day to appear before your committee and speak upon this resolution, I wired Governor Tillman to send me one of the clearing-house certificates, which some of your committee have already seen. It is not necessary for me to take the trouble to read it, but I will in-

troduce it in evidence, so that any one can see it. It is as follows:

No 1197. 5

COLUMBIA CLEARING HOUSE ASSOCIATION.

CERTIFICATE.

COLUMBIA, S. C., *August 19, 1893.*

This certifies that the banks composing the "Columbia Clearing House Association" have deposited with the undersigned trustees of said Clearing House Association securities of the approved value of seven ⅞ dollars to secure to the bearer hereof the sum of

FIVE DOLLARS,

lawful money of the United States, payable on or before the first day of January, 1894.

This certificate is issued in accordance with the proceedings of the "Columbia Clearing House Association," at a meeting thereof held on the 19th day of August, 1893; and is receivable for any and all dues to the banks which are members of said association, and is also receivable on deposit in any of said banks, and also in settlement of all balances due from one of said banks to another.

R. S. DESPORTES,
JOHN A. CRAWFORD, } *Trustees.*
W. J. MURRAY,

Countersigned:
C. M. TEW,
Secretary.

(Indorsed on back:) Payment of the within certificate is guaranteed by the following banks composing the "Columbia Clearing House Association," viz: Carolina National Bank, Central National Bank, Loan and Exchange Bank of South Carolina, Bank of Columbia, Canal Dime Savings Bank, Farmers and Mechanics' Bank.

The CHAIRMAN. That circulates as money?

Mr. McLAURIN. That circulates as money. Let me just in that connection say that here is a private letter which I received inclosing the certificate, and I do not think that there will be any objection to my reading it:

STATE OF SOUTH CAROLINA, EXECUTIVE CHAMBER,
Columbia, September 26, 1893.

DEAR SIR: In response to your telegram Governor Tillman sends you the inclosed certificate. He says you talk about them like they were nothing, but they are worth 100 cents on the dollar, and it takes that much gold, silver, or greenbacks to get them, as they are about all the money we have here.

Very respectfully,

D. H. TOMPKINS,
Private Secretary.

Hon. JOHN L. MCLAURIN,
Washington, D. C.

The grain-elevator men in the West, I see by the papers, associated themselves together in a similar way.

The CHAIRMAN. How many dollar's worth of those notes have been put in circulation?

Mr. McLAURIN. Seven and a half dollars——

The CHAIRMAN. No, you misunderstand me. How much is the aggregate volume of that currency?

Mr. McLAURIN. I could not answer that question; but I could get you the information. These are secured by farmers' notes. For instance, they go to each other and get indorsements, and——

Mr. HALL of Missouri (examining note). You mean there is $7.50 security deposited for every $5 of this money?

Mr. McLAURIN. I mean that for every $5 of that issue there is $7.50 of securities deposited, which have to be approved by these trustees, who are men in whom we have every confidence. For instance, here is a man who wants to borrow money, and there are a number of men who own plantations worth $8,000, $10,000, or $15,000, and he gets them to go on his note. We know these men are good for the money, unless everything should disappear and all values go. That paper is used as collateral upon which to issue these clearing-house certificates.

The CHAIRMAN. And these notes of private individuals are placed with these trustees as security for the final payment of these clearing-house certificates?

Mr. McLAURIN. Yes, sir. I suggested the indorsed notes as one form of security; they have other forms—bonds, or anything which is good security.

Now, the grain-elevator men in the West associated themselves together and issued elevator certificates, and they have gone into circulation as money, and these certificates in the West and the South were enabled to perform every function of money, they did perform every function of money, and they will continue to do so just so long as people have confidence in the organization by which they were issued.

Mr. WARNER. Let me interrupt you just a moment. As I understand it, these certificates are issued upon securities to the extent of 50 per cent above the face of the certificate?

Mr. McLAURIN. Yes, sir.

Mr. WARNER. Generally speaking, upon that kind of commercial paper those who deposit their notes properly indorsed receive from the banks these certificates?

Mr. McLAURIN. Yes, sir. They use that, and they also use mortgages, bonds, and anything of the kind that is good security.

Mr. WARNER. But in the main it is commercial paper which is approved?

Mr. McLAURIN. Yes, sir.

Mr. JOHNSON of Indiana. For how many years back has this been done?

Mr. McLAURIN. Not until this panic; not until we were absolutely "stumped" by a want of currency, we saw loads of cotton and other produce come to market and fail to find purchasers.

Mr. JOHNSON of Indiana. It is a recent invention down there?

Mr. McLAURIN. Yes, sir. It got so bad during September in South Carolina that it was impossible to get meat in some localities, and I have a letter from my own town, a wealthy town for the South, a very prosperous town, where it is stated there has not been a pound of meat in the town for a week; we had to do something. It was a question of necessity.

The CHAIRMAN. Will you obtain from the trustees whose names are upon that certificate a statement of the aggregate volume of those notes which have been issued and furnish it to the committee to be published with your remarks?

Mr. McLAURIN. Yes, sir; I will do that with pleasure. I will ask the stenographer to make a note of it.

Mr. SPERRY. And the time and limit within which they circulate?

Mr. McLAURIN. If you will have the clerk submit any question you would like to have answered I will have it done promptly.

Mr. HALL of Missouri. These trustees might regard that as a business secret?

Mr. McLAURIN. No, sir; I do not think so. I think they will be glad to furnish the committee with any information they possibly can. These certificates have furnished the people with a means of exchanging their products and paying their debts and have served to relieve us from the stagnation in business affairs which existed. If left to themselves, Mr. Chairman, and had Congress never been called together, the good business sense and tact of our people, I believe, would long ago have ended the panic.

In that connection I will read here an item from the Washington Post of the date of September 25, which is as follows:

ISSUED IN LIEU OF MONEY—ELEVATOR SCRIPT HELD TO BE LIABLE TO A TAX OF 10 PER CENT.

ST. PAUL, MINN., *September 25.*

The elevator owners of Minnesota and South Dakota are agitated over the probability that they will in the next few weeks have to pay 10 per cent on certified checks, drafts, and due bills, furnished as a circulating medium in payment for grain.

It is learned that Special Agent Collins, of Chicago, has been here for several days. He has interviewed the officials of two Government depositories and other banks in St. Paul, and learned that they had accepted this class of paper for collection, receiving them in due course of business from country correspondents.

In Minneapolis, representatives of Charles A. Pillsbury and of the St. Anthony and Dakota Elevator Company, Brooks, Griffith & Co., and F. H. Peavey & Co. admitted they had issued these memoranda on account of their inability to obtain currency. These, they acknowledged, had been used instead of United States notes or legal tenders. They claimed, however, they had been legally advised that they would not be conflicting with the United States laws. Their action, however, is a clear violation of section 3413, internal-revenue laws.

Collector Johnson has located about $25,000 worth of these checks, on which the tax would be $2,500. But few returns have been received from country points, and until they are received it can not be determined what amount has actually been placed in circulation. Collector Johnson and A. G. Collins are both of the opinion that the companies are amenable to the law and will have to pay an assessment of 10 per cent, but before this is levied a full report of the amount of the checks issued and all the facts in the case will be sent to Washington.

Now, the Treasury Department came forward after our people had adopted an expedient of this character which affects nobody but ourselves; if these certificates are not good there will be nobody hurt but the South Carolina people and the Western people, and nobody is obliged to take them, it is nobody's business; it is a private business transaction, yet the Treasury Department rules that all of our certified checks, even due bills and certificates of clearing-house associations are liable to the 10 per cent tax.

Mr. JOHNSON of Indiana. Do you mean the Treasury Department did that?

Mr. HALL of Missouri. You refer to the First Comptroller?

Mr. McLAURIN. I do not know who did it; but even the threat tends to unsettle business transactions based upon these certificates.

Mr. JOHNSON of Indiana. Was it not Mr. Miller, of the Internal Revenue?

Mr. HALL of Missouri. I did not understand that the ruling applied to this more than to the New York clearing-house.

Mr. McLAURIN. That article in the Post so states it.

Mr. WARNER. I sincerely hope they will attack both New York and South Carolina, and that the 10 per cent tax will not be in existence three months from now.

Mr. McLAURIN. Now, Mr. Chairman and gentlemen, without any special knowledge on the financial question, but looking

at it simply as a lawyer and a man who claims to have a little common sense, it seems to me that this is the very strongest argument which could be adduced in favor of a resolution like the one that I have proposed. It is the practical operation of the *vis medicatrix naturæ*, being an effort of the financial body to throw off diseased conditions by the natural laws of trade and finance.

When the Government refuses to allow us to adopt an expedient of this character—in other words, refuses to allow us to help ourselves—she should come in, and give to the sick man the kind of medicine that his symptoms demonstrate is necessary. When she prohibits to everybody else, individuals and States, the power to issue due bills or any bills of credit, and arrogates to herself the full power to do that, it becomes her sacred duty to exercise that power wisely and to exercise it as fully as the business needs of the country indicate is necessary.

Mr. HALL of Missouri. And promptly.

Mr. McLAURIN. And by all means, promptly. Now, Mr. Chairman and gentlemen, in the introduction of this resolution I take the position that the Government without the enactment of another statute, under the laws already existing, has ample authority to give immediate and permanent relief. She can do just what the banks and grain elevators have attempted to do, except that she can do it much more thoroughly and effectually than they can, because she can issue the full legal-tender currency, which will be good for all debts, both private and public, at merely the cost of printing, and thus give to the country relief from the troubles which are now existing. The authority for this—and I have not been able to find any law which modifies or changes it—is epitomized in this book: "National Loans of the United States," page 156, which reads as follows:

The act of February 25, 1862 (12 Stat., 345), authorized the issue of $150,000,000 United States notes, not bearing interest, payable to bearer, at the Treasury of the United States, and of such denominations, not less than $5, as the Secretary of the Treasury might deem expedient, $60,000,000 to be applied to the redemption of demand notes authorized by the act of July 17, 1861; these notes to be a legal tender in payment of all debts, public and private, within the United States, except duties on imports and interest on the public debt, and to be exchangeable for 6 per cent United States bonds. The act of July 11, 1862 (12 Stat., 532), authorized an additional issue of $150,000,000 of such denominations as the Secretary of the Treasury might deem expedient, but no such notes should be for a fractional part of a dollar, and not more than $35,000,000 of a lower denomination that $5; these notes to be a legal tender as before authorized.

The act of March 3, 1863 (12 Stat., 710), authorized an additional issue of $150,000,000 of such denominations not less than one dollar as the Secretary of the Treasury might prescribe, which notes were made a legal tender, as before authorized. The same act limited the time in which Treasury notes might be exchanged for United States bonds to July 1, 1863. The amount of notes authorized by this act was to be in lieu of $100,000,000 authorized by the resolution of January 17, 1863. (12 Stat., 822.)

The length of loan indefinite; the amount authorized, $450,000,000; amount issued, including reissues, $1,640,559,947; the highest amount outstanding June 30, 1864, $449,338,902, sold at par. Interest none; outstanding June 30, 1893, $346,681,016.

Now, this statement reveals the fact that the Secretary of the Treasury could at any time issue greenbacks to the full amount of $345,000,000. It requires no act of Congress and even this resolution is unnecessary so far as the enabling power is concerned. He has the right to issue these notes at any time; and, in fact, I believe other Secretaries of the Treasury have exercised the right.

Mr. HALL of Missouri. Let me ask you right there. You say you have not found since 1863 an act which limits the amount of greenbacks in circulation?

Mr. McLAURIN. No, sir; I do not think the Voorhees act does it, and I have not been able to find anything which does.

Mr. HAUGEN. Did not the resumption act provide that greenbacks should be redeemed, and later was it not by a further act declared that they should be redeemed only down to a certain point—$346,000,000?

Mr. McLAURIN. In regard to fractional currency, I found, under the act of July 21, 1875——

Mr. HALL of Missouri. But is there not a provision in an additional act that the circulation of greenbacks shall not be redeemed to a less amount than $340,000,000?

Mr. McLAURIN. I say that there is, but it does not interfere with the $450,000,000, which is the maximum limit, beyond which they can not go. I have not been able to find any act that interferes with the $450,000,000 maximum limit to which they can issue the Treasury notes provided for in the acts of 1862 and 1863.

Mr. HALL of Missouri. The resumption act provided that the greenbacks should be redeemed in coin, and later when they had redeemed down to a point where there was $346,000,000 in 1878, it was declared that they should not be withdrawn from circulation below that point, but as they returned to the Treasury new notes should be given.

Mr. McLAURIN. The way I understand it is that they could not go below $346,000,000, and not over $450,000,000, and when brought in they shall be immediately paid out; they can not under the law be hoarded in the Treasury.

As I said, other Secretaries of the Treasury have taken authority to increase the amount in circulation, and my authority for this allegation is found in the Statistical Abstract, where, on the twenty-ninth page, you will find in 1873 that there was $356,000,000 in circulation, and that in 1874 there was $382,000,000 in circulation. Now, this shows an increase of $26,000,000. If they could increase it $26,000,000 in the emergency of the panic of 1873, why, in the emergency of the panic in 1893, could they not increase it $125,000,000, provided they do not exceed the $450,000,000 limit?

Mr. WARNER. I think the gentleman will find that the resumption act—I have not it by my side—but by inference from its permission, and the construction, I think, has been concurred in ever since, authorizing as it did the issue of bonds for certain purposes practically limited the power thereafter of the Secretary to that covered by the permission, and that the resumption act is at a latter date than the circumstances to which you allude.

Mr. McLAURIN. I understand that.

Mr. WARNER. And the act of 1878 modified in no particular whatever, and did not purport to modify in any particular whatever, the resumption act, but simply provided as to United States notes which might thereafter be redeemed: that they should not be canceled, but should be paid out and kept in circulation, thus leaving the greenback currency at the amount of $346,000,000, and upon the uniform ruling of the Secretary of the Treasury, which I think he is justified by the plain terms of the act of 1875, leaving no permission to issue further bonds after 1875 except under that act, as to which there has always been a doubt raised whether the act of 1878 did not cancel that as well.

Mr. McLAURIN. It is a question of construction; I understand that, but I was adverting to the act of 1873 and 1874 more in the nature of an argument than to cite it as a precedent.

Mr. HAUGEN. You have not made any inquiry of the present Secretary of the Treasury as to whether he regards himself in possession of this power to issue further currency?

Mr. McLAURIN. No, sir; I did not, because I thought if this resolution went through it would be a legislative construction act, and he would be spared the necessity of construing it himself.

Mr. HALL of Missouri. The report of September 1, 1893, of the Secretary of the Treasury shows that he is above the issue by $681,000. How does he explain that?

Mr. DAVIS. I want to make this point. When it was limited to $346,000,000, was there not an implied obligation it should be kept as much as that? I have here an argument made in 1888 by Senator Plumb showing at least——

Mr. WARNER. This is covered by the forepart of Mr. McLAURIN'S joint resolution.

Mr. McLAURIN. Yes, sir; I think it is.

Mr. HAUGEN. Mr. HALL states that the present Secretary of the Treasury has made a report, and it shows $346,366,000——

Mr. HALL of Missouri. I have no confidence in that report; I made that statement a good many times.

Mr. DAVIS. I will state this, further: I have here a second reply. I reply to his report in April, 1892, and he replied to me, and I replied again in October, 1892, and I show that he counts various moneys that are not in existence here at all. There is absolutely $50,000,000 more than there was in existence; and Senator Plumb showed how it was in regard to the gold.

The CHAIRMAN. The reduction to which you refer is accounted for, probably, by the act of Congress approved May 31, 1878. At that time Congress passed an act to prohibit the further retirement of United States legal-tender notes, and if you will pardon me I will have the text of that act put in the RECORD, so we will have it before us:

That on and after the passage of this act it shall not be lawful for the Secretary of the Treasury or other officer under him to cancel or retire any more of the United States legal-tender notes, and when any of said notes may be redeemed or be received into the Treasury under any law from any source whatever and shall belong to the United States, they shall not be retired, canceled, or destroyed, but they shall be reissued and paid out again and kept in circulation: *Provided*, That nothing herein shall prohibit the cancellation and destruction of mutilated notes and the issue of other notes of like denominations in their stead as now provided by law.

After the law passed the Secretary fixed the amount to be kept in existence at $346,000,000, and between the passage of the resumption act and the passage of this act there were retired greenbacks under the resumption law to the amount which has been stated. After that there has been no retirement, except poisibly the destruction, and while new ones were issued instead——

Mr. HAUGEN. You have before you the banking laws, and I would like to have you refer to the resumption act and see what it states in regard to the maximum. What is said in the earlier laws in regard to the maximum to be issued?

The CHAIRMAN. It is as follows:

And on and after the 1st day of January, anno Domini 1879, the Secretary of the Treasury shall redeem, in coin, the United States legal-tender notes then outstanding, on their presentation for redemption at the office of the assistant treasurer of the United States in the city of New York, in sums of not less than $50.

That was the authority to redeem them and there was no authority to reissue, and when they were presented for redemption they were canceled.

Mr. McLAURIN. I will take up the discussion of that section in which I provide that $25,000,000 be declared lost or destroyed. The reason I introduced a section of that kind was because I feared some trouble along the line indicated by Mr. HALL.

Mr. HALL of Missouri (to chairman, referring to book). That section was in this law; you inadvertently overlooked it; you went down too low.

Mr. HAUGEN. I wanted to find out what the maximum was.

The CHAIRMAN. I presume Mr. HAUGEN'S question refers to this part of the law:

And whenever and so often as circulating notes shall be issued to any such banking association, so increasing its capital or circulating notes, or so newly organized as aforesaid, it shall be the duty of the Secretary of the Treasury to redeem the legal-tender United States notes in excess only of $300,000,000.

This is the resumption act of January 14, 1875.

Mr. HAUGEN. Then the maximum of this act was changed afterwards from $300,000,000 to $346,000,000, that being the amount outstanding at the date of the later act.

Mr. McLAURIN. To resume the thread of my argument, I find a precedent for declaring $25,000,000 lost and destroyed and authorizing the Secretary of the Treasury to credit the redemption fund with that amount in the act of June 21, 1879. In that act you will see between $8,000,000 and $9,000,000 have been declared lost or destroyed, and again the Secretary of the Treasury, in his report of 1884, admits that $1,000,000 of Treasury notes were burned up in the Chicago fire. There are no means, however, of determining the exact amount, but some idea of the amount lost or destroyed may be formed by a comparison with the fractional currency.

The largest amount of fractional currency outstanding at any one time was $46,912,003, which was in 1874. In January, 1875, Congress passed an act providing for the retirement of fractional currency, and I suppose by this time it has all been retired and redeemed under the provisions of that act. On June 30, 1880, the amount outstanding was $15,589,888. On June 21, 1879, Congress declared that $8,375,954 had been lost or destroyed. Since then only $299,210.40 has been redeemed, and the probability is that the other $6,000,000 has been lost or destroyed. At least I can cite as high an authority as Mr. SHERMAN in support of the statement.

Now, here is proof that out of the $46,981,000 of fractional currency in circulation for a period of sixteen years, more than $15,000,000 has been lost or destroyed. Now, of these Treasury notes there is, say, an average of $400,000,000 in circulation for thirty years. Therefore the question would be, if $15,000,000 of fractional currency was lost in sixteen years out of $46,000,000, what amount would be lost out of $400,000,000 of Treasury notes in circulation for a period of thirty years?

The CHAIRMAN. I think you should take into consideration the difference between the fractional notes and the large notes. These fractional notes were very easily destroyed, being small, and they were lost very readily and were stuffed into pockets——

Mr. McLAURIN. Of course, they were not as valuable, being small amounts.

Mr. HAUGEN. Would it be fair to follow that out on the rule of three? In that case it would only be a question of time when they would all be destroyed.

Mr. McLAURIN. No, sir; but we can take into consideration, by way of comparison, the amount of fractional currency lost or destroyed, and in making my estimate I have not taken out anything like as large a per cent as that, as you will see. I have taken into consideration the difference in value, size, etc. This is the only guide, as far as anything like figures were concerned, on which you could possibly base any conclusion. Senators Plumb, STEWART, and some others have placed the amount at $50,000,000. Senator Plumb, in 1888, said:

No man can tell the volume of greenbacks outstanding. Nominally it is $346,000,000 and a fraction, but that volume has been subject to all the accidents which have occurred during the past twenty-five years whereby money has been consumed, worn out, and lost, and it is doubtful if the amount is really over $300,000,000 to-day.

The CHAIRMAN. Have you compared in this connection the amount of the old land notes which were issued by the Government and the amount of them which were subsequently returned for cancellation?

Mr. McLAURIN. No, sir; I have not made that comparison.

The CHAIRMAN. I think you will find nearly all of those got back safely. The rule you want to apply is the destruction of the national-bank notes, and that will bring you to a comparison with the greenbacks.

Mr. McLAURIN. I did not make that comparison. I adopted this other mode of argument and relied on Senators Plumb and STEWART as men who had given a great deal of attention to the subject and who ought to be authority.

The CHAIRMAN. You will find, if you compare the amount of the national-bank notes retired, that it is very small.

Mr. McLAURIN. Senator GEORGE, of Mississippi, also, in a speech of March 14, 1892, incidentally referred to this subject, when he states:

We have $100,000,000 in gold as a fund, as Senator Beck says, to guard the greenbacks. We have $346,000,000 of these greenbacks or legal-tender Treasury notes. Mr. Beck says, and he has never been successfully contradicted, that $50,000,000 is ample to guard the $346,000,000. If that be so, and he proves it, as I have read in the hearing of the Senate, it is clear that we may increase the volume of greenback currency double the $346,000,000, and it will remain a safe, sound, redeemable currency, equal to coin.

In this connection I will say, Mr. Chairman and gentlemen, I frankly confess my inexperience and ignorance upon many, perhaps too many, of the propositions which go to make up the great question of finance. Called together by the President in an extra session to devise means of relief, I began, as best I could, an honest study of the situation. The press and the people were clamoring for more money, and business failures were seen on every hand because of a declared want of money. My own people were driven to the necessity of issuing due bills and clearing-house papers, as I have shown, and, considering their welfare and finding laws upon the statute books which seemed to me ample to afford relief, I introduced this resolution.

Doubtless one objection that will be made to the resolution is that it increases the volume of paper currency, and this will be followed by the statement that the present panic was caused by a return and sale of securities which were held by foreigners, who feared that the volume of paper money would become so great that gold payment would not be maintained, and that the principal and interest or dividends of their holdings would be paid in silver or paper. I have heard that objection raised upon the floor of the House, and I have no doubt in the minds of many of the committee that this is one of the chief objections to a resolution of this character.

But, Mr. Chairman and gentlemen, if it be true that it was the return and sale of the property of the foreign security-holders in this country that caused the panic, then it is true that Congress has been called together to enact laws which will be satisfactory to foreign investors. Speaking for myself, I would say that I am too much of an American to be willing to see any such laws and thereby to have my own people suffer. It is best, perhaps, to meet that objection fairly and squarely at the beginning of my remarks. It is doubtless true that the return of these foreign securities from abroad is largely responsible for the panic.

It is well for us then to consider what kind of securities were held abroad and returned here and sold in such large quantities as to produce a panic. The bonded debt of the nation amounts to $585,000,000, of which $200,000,000 are held by national banks. A large portion of the balance is held in trust funds by estates and for investments of a similar character; but a small portion, as I am informed, of our national debt is held abroad by foreigners. This being true, it follows that the securities which were held abroad and returned here in these large quantities were either private or corporate bonds and stocks. This fact changes the entire face of the proposition, and because of that I make the broad statement, as my opinion, that at this period of our national existence we do not want to bid for foreign investments, and I will briefly undertake to give my reasons for making a statement of that character.

Foreign investments in this country are conclusive evidence of the fact that the necessities of the people here for the use of money are greater, their financial standing being considered, than elsewhere, and hence they are willing to pay a larger tribute for the use of the money. The only logical remedy for such a condition is to supply the people with a sufficient volume of domestic money, and thereby relieve them of the necessity of going abroad for their currency, and this my resolution seeks in part to accomplish. Foreign investments are dangerous to the best interests of our country, as is disclosed by the statement that the return and sale of those securities produced the present panic.

In other words, we are at the mercy of foreign security-holders who, from an unreasonable fear, or from malice, or any other cause, can at any moment produce a panic and cause our people to suffer. One of the chief objections urged against Chinese immigration is, that they never become naturalized. They come here and secure a competency, either great or small, and when it is secured they go back home. Just so it is with the foreign investor. He comes in here and reaps as much tribute as possible——

Mr. BLACK of Georgia. And he does not even come here.

Mr. McLAURIN. No, sir; he sends his money and he reaps all the tribute possible, and then at the very first token of alarm he takes his flight homeward and leaves us to work out our own destiny.

Mr. HAUGEN. Have you any statistics in regard to the amount of securities returned?

Mr. McLAURIN. No, sir; I have not. I am just making the statement on the general tenor of remarks, and——

Mr. HAUGEN. I think you are perfectly correct in that theory, while I doubt the efficacy of the remedy you propose.

Mr. McLAURIN. I thought that in the minds possibly of a part of the committee that was an objection I had to meet, and I wanted to show I was not unreasonable in making a proposition of this character, and that I had at least reasons which were to me of a satisfactory nature.

While the primary cause of the panic was a lack of domestic money which made possible this invasion of foreign capital, it is no less true that the immediate cause was the want of currency to maintain prices, and thus enable the people to continue the payment of tribute to foreign investors, as I will attempt now to explain. The stocks and bonds held abroad were principally those of railroads and other corporations. Those stocks were usually watered to the fullest extent they would stand. This watered stock is usually more or less divided in its ownership between the resident and the foreigner.

For years the people have been enabled to pay this unfair and exorbitant tribute. During this time the foreign investor received his dividend, and as long as he got his dividend he was content. In the meanwhile the stocks of the resident owner were pledged with a trust company and funds raised to start new enterprises. The stocks and bonds of these new ventures were often placed in the same way and other enterprises built upon that.

In this manner a perfect network of such deals were made, all depending upon the stability of the first. Statistics show that the railroads of the United States cost, on an average, $20,000 per mile, while they are bonded at $63,000; the patrons of the roads must pay the interest on this $43,000 of watered stock. As these corporations became more numerous and the watered stock greater, the demand for tribute upon the people also became greater, until it arrived at a point where they could no longer stand it. A fall in the price of products made a rigid economy on the part of the people who have to pay these dividends and interest a necessity. Hence there was less travel, less freight, less exchange of manufactured and other products. This economy and lessening of business brought about as an inevitable result less dividends, and the foreign investor became alarmed.

This alarm continued and increased until these investors threw their holdings upon the market. So long as the foreigner was content, the resident holders of these securities could manipulate his stocks with comparative safety, but when the foreigner began to realize upon his portion and the prices declined as a result, the resident holder and all of his interests began to suffer. It became necessary for him to keep his margins good, and in such a rapid decline as followed this became impossible, and he went down, and all the enterprises with which he was connected. In my judgment, it was a fear of the loss of permanent dividends, by reason of the poverty of the people, and not the fear of any particular kind of money used in the final liquidation, that caused the panic.

We are asked to enact laws which will protect the foreign investors in gold payments, forgetting that such laws would bring ruin and disaster upon our people. While we legislate to make the investment of the foreigner satisfactory to him, we are legislating lower prices for the productions of our own people and robbing the farmers and producers of this country of a just and equitable remuneration in return for the products of their labor. To this, so far as I am concerned, I will never consent, but I will oppose with all of the limited ability which I possess.

The fear of an increasing volume of paper money is either a cunning pretext or an absolute absurdity. The paper money outstanding is as follows: Gold certificates $80,414,049; silver certificates $326,206,336; Treasury notes (greenbacks) $346,681,016 (nominal?); Treasury notes of 1890, $149,881,958; national-bank bills (about) $175,000,000. The gold certificates are payable in gold deposited for their issue. The silver certificates are payable in the silver dollars deposited for their issue. The Treasury notes of 1890, issued in payment of the purchase of silver, are payable in silver dollars as is shown in section 3 of the Sherman act, which is as follows:

That the Secretary of the Treasury shall each month coin 2,000,000 ounces of the silver bullion purchased under the provisions of this act into standard silver dollars, until the 1st day of July, 1891, and after that time he shall coin of the silver purchased under the provisions of this act as much as may be necessary to provide for the redemption of the Treasury notes herein provided for, and any gain or seigniorage arising from such coinage shall be accounted for and paid into the Treasury.

This leaves the Treasury notes amounting to $346,681,016 and national-bank notes amounting to about $175,000,000, or a total of $521,681,016 of paper money, whose final redemption can become a matter of dispute. Upon this point I would like to submit the following, although there are volumes of such statements. This is from Mr. Pierrepont, Attorney-General of the United States, and afterwards minister to England, in a letter in the New York Times of April 18, 1884, in which he says:

There is not an outstanding bond, coupon, or greenback issued by the United States which may not lawfully be paid in silver. Not one of them on its face or back, or in the statute authorizing the issue, or in declaration, or in resolution of Congress, has any proviso that they shall be paid in gold. And the act of February 20, 1878, directing the coinage of silver dollars, declared that such dollars shall be a legal tender at a nominal value for all debts and dues, public and private, except where otherwise expressly stipulated in the contract.

In the discussion of the silver question in the House, which if referred to escaped me at the time, as I have not heard it mentioned in the debate, there was a resolution which passed the United States Senate, January 25, 1878, and the House of Representatives on January 28, 1878, by a vote of 42 to 20 in the Senate and 189 to 79 in the House. It was to this effect:

That all the bonds of the United States issued or authorized to be issued under the said acts of Congress hereinbefore recited are payable, principal and interest, at the option of the Government of the United States, in silver dollars of the coinage of the United States, containing 412½ grains each of standard silver; and that to restore to its coinage such silver coins as are a legal tender in payment of said bonds, principal and interest, is not in violation of the public faith nor in derogation of the rights of the public creditor.

The CHAIRMAN. What is the date of that act?

Mr. McLAURIN. This was a joint resolution which passed the Senate January 25, 1878, and the House January 28, 1878.

The CHAIRMAN. That was not an act, that was a concurrent resolution.

Mr. McLAURIN. I so stated. The national-bank currency can only be made a charge upon the Treasury through the Treasury notes, and the law expressly declares that such notes shall not be retired but shall be put immediately into circulation. But counting the entire volume of $521,681,016 with the amount of paper money which is provided for in my resolution, $125,000,000, we would have $646,681,016 in all.

If we deduct from this amount the amount lost or destroyed, $25,000,000, we would have in round numbers $575,000,000. This would give as a reserve 17½ per cent, which, under the circumstances, is plainly abundant, as can be briefly shown by the national bank statistics. I have a report here from the Comptroller of Currency which I will not read, but from which I can summarize the facts which I want in this way.

Mr. HALL of Missouri. What authority is there in law for the Secretary of the Treasury to issue any legal-tender greenback notes for money lost or destroyed?

Mr. McLAURIN. I hate to stop right here; I do not like to break the thread of my argument.

Mr. HALL of Missouri. Go ahead; I will come to that afterwards. I want you before you leave to make that clear.

Mr. McLAURIN. Now, to finish that point. The deposits in these national banks amounts to $1,556,761,230. I will not read all these items, but they amount to $1,754,222,429.

Mr. HAUGEN. What is the date of that?

Mr. McLAURIN. August 17. After deducting the clearing-house certificates and other items counted as currency that are unavailable for immediate use in payment there remains only $271,183,295 as actual reserve, or 15½ per cent. The situation then is as follows: The Government would be doing business with the full amount of $450,000,000 legal tender issued and the present amount of national-bank issues upon a reserve of 17½ per cent, while the banks would be conducting their business upon a margin of only 15½ per cent reserve.

I submit that it is unfair to demand of the Government more and a better reserve security than they are willing to put into practice among themselves. With this statement, based upon the facts and backed up by the business intelligence and experience of the banking interests, I submit that the fear of an increase of paper money is without any logical foundation.

Mr. HALL of Missouri. I want to read the only authority you have thus far cited. I read from the act of May 31, 1878, omitting the first part:

That from and after the passage of this act it shall not be lawful for the Secretary of the Treasury or other officer under him to cancel or retire any more of the United States legal-tender notes, and when any of said notes may be redeemed or be received into the Treasury under any law, from any source whatever, and shall belong to the United States, they shall not be retired, canceled, or destroyed, but they shall be reissued and paid out again and kept in circulation: *Provided*, That nothing herein shall prohibit the cancellation and destruction of mutilated notes and the issue of other notes of like denomination in their stead as now provided by law.

Now, I wish to know if you have any authority outside of this statute for basing your resolution, which is that the Secretary of the Treasury shall keep the amount up to $346,000,000 for lost and destroyed currency? There is nothing said in this section about lost or destroyed.

Mr. McLAURIN. If it is lost or destroyed it does not need the Secretary of the Treasury to retire it, because it has retired itself.

Mr. HALL of Missouri. You think, then, that the word "retired," as herein used, means to include money lost?

Mr. McLAURIN. I think so. I think that the money has already been retired by fire and loss of various kinds and I have placed the amount far below what might be reasonably expected, so as to prevent any question of that kind; because, as a matter of common sense, if the money is gone it will never have to be redeemed, and as a business man, if you had debts charged against you which you knew that you would never be called upon to pay, you would credit your bills payable and not have it stand as a debit when it should be a credit.

Mr. WARNER. I presume the gentleman from South Carolina, in his argument, does not intend to make a point upon the peculiar wording of his resolution. What he intends is, by the first section of the resolution proposed by him, to indicate whatever legislation the committee may find necessary, to declare a certain amount of greenbacks to have been lost and destroyed and to authorize reissue, so that although the point is perfectly proper, I do not understand the gentleman from South Carolina means to confine his argument to the very wording of his resolution.

Mr. HALL of Missouri. I will say in explanation of this, I heard this objection made, and I wish to say I am favorably inclined to the gentleman's first section; but I want to hear him on that point, knowing that he has given it some examination and I have not.

Mr. McLAURIN. I thought of that, but I did not think it necessary, for this reason: I do not pretend to be an expert financier, but in looking around got this idea, and thought I would present my views by embodying them in a resolution; then as to technicalities, that is the business of this committee. I have plainly stated our troubles in South Carolina and elsewhere, and if you can give us help of any kind, we would be very glad to get it, without regard to the particular form in which the blessing is to come.

Mr. WARNER. If the gentleman from South Carolina will permit me, in view of a somewhat extended and very forcible presentation made by him in the early part of his remarks of the actual situation in South Carolina and the very effective way in which it was made, and especially in view of his own reference to the argument made by Col. OATES yesterday, I would like to know if I understand him correctly in this statement, that the means adopted by the bankers in Columbia, S. C., provided there was no question about its legality, were such as practically to solve the problem as to the shortness of currency, and that if they are permitted to do that in a legitimate way for themselves or if some plan like that proposed by Col. OATES, if some such plan could be adopted as a permanent matter, would that in your view be a satisfactory solution? But so long as the Government does not permit Col. OATES'S plan or the plan of the bankers of South Carolina to be carried into effect, I understand that you insist that the Government provide the greenback or currency which it does not permit you to provide for yourself?

Mr. McLAURIN. Yes, sir; that is one of the branches of my argument, but I go further and say that what the banks adopted as an expedient, the Government can do more thoroughly and effectually, and she ought to come in and do what the symptoms of this financial disease show is necessary to be done. The trouble with the certificates is, they might be subject to the manipulations of speculators. Give us a good legal-tender currency instead.

Mr. WARNER. The resolution presented by the gentleman, as I understand, provides for two things: First, a rehabilitation, if you may so call it, of currency that for one reason or another has become useless for the purposes of circulation. In that I may say I regard the suggestion as a very valuable one. The second one is, the increase of the amount of currency by an estimated amount of $100,000,000.

Mr. McLAURIN. Yes, sir.

Mr. WARNER. As I understand, that increase is to take the form of notes issued by the Government and paid out by the Government for its expenses, debts, etc.

Mr. McLAURIN. Yes, sir.

Mr. WARNER. Now, in view of the suggestion of the gentleman that this was proposed in the midst of a pressing emergency, may I ask him to dwell a little longer upon the precise means by which the placing of these notes to be issued and in the possession of the Government, by which the present or any other similar emergency would be met. Say they have got them in the Treasury here or in the Printing Office, there is no trouble about that?

Mr. McLAURIN. That is the milk in the cocoanut. There is no doubt about it. It is a question of emission. How are you going to get rid of them? I have thought of two plans, and one was suggested by the speech of Mr. GEORGE, from which I read a few moments ago. There are a large number of contracts under the Government which have been suspended for want of funds. It might be used in this way, to pay current expenses of the Government, etc. This idea is from the speech of Senator GEORGE, but my original intention at the time of the introduction of the resolution was this: We were in a tight place and we needed help, and that quickly, and I realized the fact that the only relief from this panicky condition was to come from the cotton crop of the South and the wheat crop of the West; that as soon as we could get these big money crops upon the market, gold would begin to come in, and everything would lighten up.

Now, I believe during Mr. Cleveland's Administration—and if I am incorrect I know the gentleman from New York will correct me—at one time, when there was about to be a panic in New York, $60,000,000 was deposited by the Administration in the Wall street banks without interest.

Mr. WARNER. I think that is a slight mistake, but at the same time I do not find any fault, because deposits have been made to relieve stringency.

Mr. McLAURIN. This is the argument that I make: Before this time, when there was a money famine or likely to be tightness in the money market, the Administration would go to the relief of the New York bankers, and when the Government gets in a tight place it expects the New York bankers to return the favor. Sometimes it is hard to differentiate between the Government and the New York bankers, to tell where one stops and the other begins.

Now, then, realizing the importance of marketing the cotton and wheat crops, I did not see why this currency could not be taken and deposited in the country banks. Why not put some of it in the Columbia banks, and if the Treasury wanted to have a proper understanding with those bankers, it could be placed in there coupled with the condition that they would charge farmers only 6 per cent. There is no better security in the world than a bale of cotton, for if there is any money at all in the country, it will sell for something, and this was the idea I had at the time the resolution was introduced.

Mr. WARNER. As I understand, the resolution provided only that a sum should be credited to the general fund to pay current expenses. This proviso was simply to define the amount of money, and not to indicate the use to which it was to be put?

Mr. McLAURIN. Yes, sir.

Mr. WARNER. And that the use contemplated by this was the deposit of the money so issued in different parts of the country that might need it in the emergency?

Mr. McLAURIN. That was entirely with the Secretary of the Treasury; a matter within his discretion.

The CHAIRMAN. Allow me to suggest that the indications are now that there will be a deficit of probably $50,000,000 and $25,000,000 coupons, which have been extended to be paid by the Treasury of the Government, and those two items must absorb $75,000,000, and it is conceded by all persons that our finances are rather lower than they should be for the successful administration of the Treasury Department. Mr. Foster testified before the Ways and Means Committee that the Treasury ought to have $50,000,000 more than it had in order to meet its obligations.

Mr. WARNER. I do not think the gentleman misunderstood me. My question was not as to the possibility of this Government using $125,000,000. My question was, how was it to be made immediately available? Because by the wording of his resolution "the same is to be credited to the general fund and to pay current expenses," and I wanted to know how that was to be paid out immediately.

Mr. McLAURIN. Yes, sir; that is the idea; and, in addition to what the gentleman has stated, it seems to me, as a matter of business, in place of the issue of gold bonds and selling them abroad to bring money here, it would be far better for the benefit of the people if Congress should issue these notes, which would bear no interest at all, and which our people would very readily accept, than it would be to issue gold bonds, sell them abroad, and pay interest upon them.

Mr. WARNER. A prompt use of this permission is practically a further issue of greenbacks to be loaned to local banks in parts of the country where currency is most needed?

Mr. McLAURIN. That is exactly it; better than I could have said it.

The CHAIRMAN. I desire to direct the attention of the committee to the constitutional authority to issue any more legal-tender notes than $460,000,000. The Supreme Court held in the legal-tender acts that issue was a war issue and grew out of the necessities of the war, and I think there was some doubt

whether they could increase the legal-tender issue under these acts mentioned in this bill and make them legal tender. I do not want you to answer that, but I merely direct the attention of the committee to this.

Mr. JOHNSON of Indiana. You spoke in the early part of your argument about the planter having brought his cotton to town and having been obliged to take it home because there was no money. Is this the first instance that has occurred in your history down there?

Mr. McLAURIN. This is the first time I have ever known of such a thing.

Mr. JOHNSON of Indiana. During this late money stringency, has there been any run upon your banks down there?

Mr. McLAURIN. No, sir.

Mr. JOHNSON of Indiana. Was money hoarded down there—such money as the people had?

Mr. McLAURIN. No, sir; we did not have it to hoard. We have been making cotton at a steady loss for several years, and I could tell you something about the banks there, to show you our people have confidence in our banking institutions. There is a bank in the little town in which I live, and at one time it did not have over $2,000 or $3,000 in it, but our people were not uneasy. They knew it was safe, and that it was honestly administered, and therefore we had no runs in South Carolina. I do not recollect but one single b nk failure in the whole State, in spite of all the stringency in money matters, and that was a bank which resumed very speedily—only suspended by reason of the failure of a bank outside of the State.

Mr. BLACK of Georgia. Was it a national bank or a State bank?

Mr. McLAURIN. It was a State bank, at Florence, but it very speedily resumed and is now perfectly solvent.

Mr. JOHNSON of Indiana. I understood you to say you did not suffer from a scarcity of money for marketing your crops?

Mr. McLAURIN. We generally have plenty of money to market the crops. Our terrible time in the South is in the summer and spring, when everything runs on credit, and that was why I was so much impressed with Col. OATES'S argument. He evidently understands the situation in the South.

Mr. JOHNSON of Indiana. What I am driving at is this: Whether there has occurred at various times recently in the history of your people a scarcity of money other than what you cite as having occurred in the last four or five or six months, or is that simply an unusual condition?

Mr. McLAURIN. It is an unusual condition. They will send from New York all the money we want to market the crop in the fall: there has never been any trouble about that. There is no scarcity of money at some price, but sometimes there is a little scarcity of change, and always a low price.

Mr. WARNER. You are dependent upon the actual currency being forwarded from New York about three months every year?

Mr. McLAURIN. Yes, sir.

Mr. JOHNSON of Indiana. You have never had any trouble about it before?

Mr. McLAURIN. Not until now, except with low prices.

Mr. JOHNSON of Indiana. Your remedy is designed to meet this specific trouble which existed?

Mr. McLAURIN. Yes, sir.

Mr. JOHNSON of Indiana. Then it is not necessary for the general condition which has prevailed there?

Mr. McLAURIN. No, sir.

Mr. COBB of Alabama. I would state that that the farmers had to pay too much interest for this money which comes from New York.

Mr. HAUGEN. How do you expect to get this money out of the Treasury?

Mr. McLAURIN. I just answered Mr. WARNER; by the way of the deposits of which I spoke.

Mr. SPERRY. You would have it sent down by express?

Mr. McLAURIN. No, sir; the question of the gentleman from Indiana was about the scarcity of money in general, and that opens up a big question: and whenever you come to study that and reason it out you will see what caused the organization of the Farmers' Alli nce and gave birth to the subtreasury bill and every measure of that kind. It is just like the working of the laws of evolution, and it is going on now and getting worse and worse, and will continue to do so unless there are some means devised to remedy it, by giving elasticity to the circulating medium.

Mr. SPERRY. You attribute the low price of cotton to the want of money, to the want of circulating medium?

Mr. McLAURIN. I certainly do.

Mr. SPERRY. Mr. CATCHINGS in his speech attributed it to two extraordinary large crops, and said that the agricultural associations throughout the South were trying to get together in some way and curtail the output of cotton.

Mr. McLAURIN. I listened to Gen. CATCHINGS'S speech and I thought it was one of the best speeches from his standpoint that was made on the floor of the House: but he did not state the condition of the South, and the causes of our poverty correctly, and I believe that if I had the time I could answer the argument, because it was the special pleading of a trained lawyer, from the Wall street standpoint.

Mr. SPERRY. The Statistical Abstract shows that the two crops of 1889 and 1891 were two of the largest crops you had, and that the surplus in sight was so great that it caused the low price in the market.

Mr. McLAURIN. The price is dependent upon the volume of money.

Mr. SPERRY. Rather than the volume of the product in sight?

Mr. McLAURIN. Yes, sir; that is my idea.

Mr. SPERRY. That is absolutely different from anything I know.

Mr. McLAURIN. Just let me ask you a question, if you will pardon me. From the Statistical Abstract of 1892—I do not know I can give the exact figures, but I can give you the idea. In South Carolina in 1873 there was 973,158 acres in corn and there was raised thereon 9,245,000 bushels, the value thereof being $8,690,300. In 1892 South Carolina had in corn 1,691,677 acres and raised thereon 16,713,000 bushels, the value thereof being $9,526,000. Thus we have in 1873 and 1893 an increase of over 63 per cent in the number of the acres, of 80 per cent in bushels, and less than 10 per cent in value. You can not account for this if the volume of money be not taken into consideration.

Mr. SPERRY. I do not understand you; perhaps the rest of the committee do.

Mr. McLAURIN. If I could get the Abstract I could explain it to you.

Mr. COX. He means that the increased price received from the crop of 1890 was not equivalent to the smaller crop of cotton made in 1880, when money was more plentiful.

Mr. McLAURIN. I do not want to undertake to go into all that; but I got the idea—I may be incorrect—that if you take the amount of money in circulation and the amount of crop made, and take the decrease in the amount of money in circulation and the increase in the crop, and run them down each year together, a man can not avoid the conclusion that the volume of money has an effect upon the price of products.

Mr. COBB of Alabama. Anything which influences its price at Liverpool has an effect upon the Southern prices. Does it control it?

Mr. McLAURIN. I think so. That is the place where the price for cotton is fixed for the world.

Mr. SPERRY. If it is true that the Secretary reported that there was more money in circulation in 1890 than in 1880, then, on your theory, it ought to be higher?

Mr. McLAURIN. I know the Secretary of the Treasury can get up some very pretty reports, but I agree with Mr. HALL that we have learned not to have a great deal of confidence in them. I do not believe that, on the average, there is over $1.50 per capita in circulation in South Carolina the year round.

Mr. WARNER. You mean outside of the bank reserve?

Mr. McLAURIN. Yes, sir. Now, you take it in New York, where it is stated there is $272 per capita in circulation, and in South Carolina, according to the same statement, there is $12.40. Well, I have no doubt that $272 in New York is about right, but there is not even the $12.40 in circulation in South Carolina.

Mr. SPERRY. Just wait one moment right there. I do not care how much per capita is in circulation. That is a greenback idea. My suggestion was that there was more circulation in 1890 than in 1880, and the Treasury statistics as given in 1880 and 1890 are on the same basis exactly and the bank reserves remained the same, and the detailed statements of the different classes of money remained the same, and relatively it is precisely the same in 1890 as in 1880, and with this difference there is more volume in 1890 than in 1880?

Mr. McLAURIN. And more people in 1890, too.

Mr. SPERRY. So, if the Treasury statement is not correct in 1890 it was not correct in 1880, but it was made up in the same way by the Department, and the point I am trying to make, and which I wish to bring to your attention, is that in 1890 there is more money in circulation according to the Treasury statement than in 1880 according to the Treasury statement. Now, on your theory that it is the volume of money which makes prices, will you explain to the committee why, in 1890, with a larger volume of money, prices are lower than 1880 when we had a smaller volume of money?

Mr. McLAURIN. I do not admit as a matter of fact there is as much money in circulation now; as a practical fact I can not admit that.

Mr. SPERRY. Then you dispute the detailed figures of the Treasury of the United States in relation to the amount of money in circulation?

Mr. McLAURIN. In circulation among the people; I know it is not in South Carolina.

Mr. SPERRY. How do you account for the fact that the New York banks are surrendering their circulation now?

Mr. McLAURIN. I do not know unless it is for speculative purposes or to produce another panic.

Mr. SPERRY. You would not conclude that they were surrendering that circulation because they could not properly use it?

Mr. McLAURIN. Well, I would not think they would keep it outstanding if they could more properly draw it in. I am certain they would do what they thought best for their own interest.

Mr. COBB of Alabama. I do not know whether I understood you. Do you mean the volume in circulation in this country controls the price of cotton in the South?

Mr. McLAURIN. No, I mean the amount in circulation for the purpose of buying that cotton; I do not care where it is.

Mr. COBB of Alabama. You agreed to my statement just now that the price of cotton in South Carolina was based on the price at Liverpool?

Mr. McLAURIN. Yes, sir.

Mr. COBB of Alabama. If that be true, how can your other statement be true, that the amount of volume in circulation in South Carolina fixes prices?

Mr. McLAURIN. I was answering Mr. SPERRY'S question then in regard to the correctness of the figures of the Treasury Department of the amount of money in circulation.

Mr. SPERRY. You said that when the crop was harvested you had an abundance of money, which came in there from New York?

Mr. McLAURIN. We had an abundance of money, but they fixed the price of our cotton by combination between Liverpool and New York, and sent just enough money to buy it at that price.

Mr. SPERRY. Then it is your opinion that Liverpool and the New York Cotton Exchange are in a combination?

Mr. McLAURIN. You know very well, and everybody knows, there is a combination of those exchanges to hammer the price of cotton down or up for speculative purposes, without regard to the amount of cotton produced.

Mr. SPERRY. You have the opinion that a great body of fiat money issued by this Government would break up all possible combinations to control prices?

Mr. McLAURIN. I am only in favor of fiat money to a certain extent.

Mr. SPERRY. Not unlimited?

Mr. McLAURIN. No, sir.

Mr. WARNER. I understand the gentleman that his proposition is to only meet an emergency?

Mr. McLAURIN. Yes, sir. I agree with what Mr. GEORGE says in that speech, and it seems to me very sensible. He says:

> We have a hundred million dollars in gold as a fund, as Mr. Beck says, to guard the greenbacks. We have three hundred and forty-six millions of these greenbacks or legal-tender Treasury notes. Mr. Beck says, and he has never been successfully contradicted, that $50,000,000 is ample to guard the $346,000,000. If that be so, and he proves it, as I have read in the hearing of the Senate, it is clear that we may increase the volume of greenback currency double the $346,000,000, and it will remain a safe, sound, redeemable currency equal to coin.

I do not make any such statement, but I say it would be safe on a reserve fund of 17½ per cent.

Mr. SPERRY. Is it your idea that the price of cotton is fixed in Liverpool?

Mr. McLAURIN. I have always heard that and always read it was true, and have no doubt it is so. They fix it low enough, God knows. It is fixed very much without any consultation with the man who makes the cotton, and at such a price that everybody makes a profit from it except the man who raises the cotton and who has the best right, therefore, to expect a profit.

Mr. SPERRY. Now, if the cotton price is fixed in Liverpool, that is a gold price?

Mr. McLAURIN. Yes, sir.

Mr. SPERRY. Liverpool draws London exchange to pay for cotton, and that is gold. If you state that the price of cotton is fixed in Liverpool in gold, how can any quantity of paper in South Carolina help you out?

Mr. McLAURIN. I do not want to go into a discussion of the whole financial system.

Mr. SPERRY. Only a little piece of it.

Mr. McLAURIN. Yes, sir. But my idea is this, that with a proper system of finance, with something that was fair and just, that we would break up the fixing of the price of our cotton in Liverpool, and that America can fix the price of her products here. My whole argument was directed against your allowing these men in Liverpool, foreigners, to come in here and fix the price of our cotton, wheat, or anything else, which they can only do by our adopting the single gold standard.

Mr. HAUGEN. You believe in manufacturing the cotton in this country?

Mr. McLAURIN. Yes, sir.

Mr. SPERRY. If you intend to break up Liverpool prices and London exchange, do not you think you ought to have more than $125,000,000?

Mr. McLAURIN. Yes, sir; but we will take that if we can get it.

Mr. JOHNSON of Indiana. But you think they could increase that quantity?

Mr. McLAURIN. Yes, sir.

Mr. JOHNSON of Indiana. Could you upset the Liverpool and London exchange with $125,000,000?

Mr. McLAURIN. No; I do not propose to do that.

Mr. HALL of Missouri. I object very much to the gentleman from Connecticut mingling and obscuring the distinction between price and value as utterly as he does. Nobody maintains for a moment that the price of cotton is fixed in Liverpool.

Mr. SPERRY. Do you understand there is any difference between price and value?

Mr. HALL of Missouri. Yes, sir; and everyone who has studied the works of political economists understands that thoroughly, and would agree with what I say.

Mr. SPERRY. Following the suggestion of the distinguished political economist from Missouri, will you describe to this committee the precise difference between the price and value of a commodity when it is put on an auction market?

Mr. McLAURIN. I have no doubt that the gentleman from Missouri can describe that with a great deal more accuracy and ability than myself, and I will yield the floor to him. I might say, however, that value is utility, pride is debt-paying power, and while the price is artificially fixed in Liverpool, the value of cotton is determined by the number of naked backs it will clothe, and is the same whether they get our cotton at 5 cents or 10 cents per pound.

Mr. HALL of Missouri. I am very glad to take the position. I maintain, with Prof. Taussig of Harvard, that the man who does not draw a distinction, and keep it fairly in his mind, between price and value is a mere tyro. Gentlemen, I claim that the political economists—and I do not pride myself on that—and the gentleman, I suppose, sprays down his blood by speaking of me as a distinguished political economist from Missouri——

Mr. SPERRY. You spoke of other political economists agreeing with you on the subject.

Mr. HALL of Missouri. I think there is not a single writer that I have examined, and I think I cited some fourteen in the argument I made on the floor of the House on this question——

Mr. SPERRY. And a very good argument it was.

Mr. HALL of Missouri. Thank you. I know in that argument I cited the leading political economists of the different universities of this country and abroad. I quoted Adam Smith, the professor of Amherst, the professor of Williams, and Yale, John Stuart Mill, Prof. Taussig of Harvard, Prof. Sumner of others, in which they lay down the doctrine and principle that any increase whatever in the volume of the circulating medium increases prices, and any decrease in the volume decreases prices. Now I am going to quote John Stuart Mill's exact language, and refer the gentleman to volume 3, chapter 5, section 4, where he states:

> That an increase of the quantity of money raises prices, and a diminution lowers them is the most elementary proposition in the theory of currency, and without it we should have no key to any of the others.

Now I take this illustration. There is a building, say here in this city, and if the circulating volume in the United States was $25 per capita, which it is not, and the price of that building in the market will sell for $10,000, increase the volume of that currency to $50 per capita in circulation, and the price of that building will be double that amount. If this volume per capita should be lessened, the price of that building will follow the lessening of the per capita. I can explain why that is. In increasing the volume of the circulating medium, that increases the value of the crops not a dollar; it does not affect the value of the crops at all, but it does increase the price the farmers receive, and price is what they pay their debts with.

Mr. HAUGEN. Is it not true in fixing the value of this house that it must be fixed where the house is located, and it can not be fixed in Liverpool or elsewhere, and for that reason it differs from the value of a commodity that finds its way to a general market?

Mr. HALL of Missouri. I say that the value of the house is not changed by the increase of the volume of money; the value remains the same, but the price is increased, and if that man has any debts to pay he pays his debts with price and not value.

Mr. COBB of Alabama. I would like to put this question, and have you draw a distinction: What is the distinction between the effect which the Liverpool market has upon our cotton crop and the increase or decrease of volume in our own States?

Mr. HALL of Missouri. The effect of increase or decrease of

volume in our own States is the increase or decrease of the price of products.

Mr. COBB of Alabama. Without reference to Liverpool?

Mr. HALL of Missouri. I can not say without reference to Liverpool, but a correct statement of the matter would be this, that by limitations and surroundings, the supply and demand being the cause in one instance, the same it is in other instances, then the price would be affected by the volume of circulation; it is a thing like real estate that is affected by the volume of the circulating medium.

Mr. COBB of Alabama. Then, if the cotton producer gets more for the cotton he pays more for anything he consumes.

Mr. HALL of Missouri. There is no question about that. But what I want to say is a report has been handed in from the United States Treasury and read in the United States Senate not over thirty days ago, in which it was stated that the volume of the debt of the United States to-day is $31,000,000,000, and that debt has to be paid by price and not by value; and this gentleman comes forward here and argues the proposition that we increase the volume of the currency——

Mr. COBB of Alabama. Would you advocate an inflation of the currency simply in view of the debtor and creditor relations?

Mr. HALL of Missouri. Understand me in this way; when I was asked by a National Alliance, the State Alliance, and by the suballiance known as my Congressional District Alliance, if I would agree to a per capita volume of $50, I said, "No, sir; I will only pledge myself to vote one way, that you shall have the right to pay your debts in the same value of money as when the debt was contracted, but if $50 or $20 enables you to repudiate one cent of your honest debt I shall never vote in Congress in favor of that proposition, but I shall demand, as far as my ability is, that you have the right to pay your debts in the same volume of money as when the debt was contracted; and that is a doctrine that is sustained by all writers, and is a doctrine that is sustained by the plainest tenets and principles of Christianity."

Mr. SPERRY. Mr. McLAURIN and I were not talking about this house on the other side of the street, but we were talking of cotton in Liverpool. Will you describe to this committee the difference between the price and value of cotton sold in the exchange of Liverpool?

Mr. HALL of Missouri. I will say, with all due deference, that I thought I made that question clear to everybody and I thought even to yourself, but I see I have failed.

Mr. SPERRY. You have drawn an illustration of some house on the other side of the street and——

Mr. HALL of Missouri. I said an increase of the volume of money in the United States does not affect the value of the cotton in Liverpool as between value and price; supply and demand control it; but the price of cotton is determined by the volume of the circulating medium in this country.

Mr. COBB of Alabama. Did you ever know cotton to sell in America at a price higher than the value in Liverpool?

Mr. HALL of Missouri. I will answer that, gentlemen, in this way: If you mean that the value of the cotton in the United States has never exceeded the value of the cotton in Liverpool, I answer you no; but if you mean the value of the cotton in Liverpool has not been different from the price of the cotton in the United States, I answer you yes.

Mr. COBB of Alabama. I am talking about what the farmer gets in his pocket which jingles as money. Does he get for his cotton 1 cent or part of a cent per pound more than the quotations from Liverpool every day? I do not care whether you call it price or value. I am talking about the money which he gets. Is it not a principle of political economy that where a considerable portion of a production of a country is exported, that that part of it which remains at home is always governed by the export price?

Mr. HALL of Missouri. There is no difference whatever on that question. That is an old settled doctrine that the price of the surplus exported fixes the price of the home product. Of course they are using the word price here in relation to the word value and in relation to the question here——

Mr. COBB of Alabama. I say that this distinction has nothing to do with the amount of money the farmer puts in his pocket.

Mr. McLAURIN. Gentlemen, I will state that I am indebted for your patient hearing and the courtesy with which I have been heard.

APPENDIX.

Mr. HARTER of Ohio has introduced a bill providing for an increase of currency by enlarging the amount which national banks may issue upon their deposits of bonds. We both have the same objective point, to wit, an increase of the volume of currency, with this difference:

Mr. HARTER proposes to give the benefit accruing from such increase to the national banks, in order to benefit a privileged class.

Mr. McLAURIN proposes the Government to make the increase for the benefit of all the people. In this connection I submit a table showing two things:

First. The enormous profits which have already accrued to this privileged class, called national bankers.

Second. A table showing, in connection with the questions of Mr. SPERRY of Connecticut, the effect of contraction upon the price of products.

BANK PROFITS.

The following table, showing the bank profits for a series of years, is given below. It is taken from the World Almanac, and is presumably correct:

Year.	Capital.	Net earnings.
1872	$465,676,023	$58,075,430.05
1873	488,100,951	65,948,578.00
1874	589,938,284	59,689,931.00
1875	497,864,833	58,949,224.00
1876	500,472,271	43,658,152.00
1877	486,324,852	34,857,960.00
1878	470,331,890	30,600,589.00
1879	455,132,056	31,551,860.00
1880	456,315,002	51,187,034.00
1881	458,934,485	53,632,563.00
1882	476,947,715	53,321,234.00
1883	494,640,140	54,047,148.00
1884	518,605,725	52,302,783.00
1885	534,699,605	43,625,497.00
1886	532,556,921	55,165,385.00
1887	578,462,965	64,509,869.66
1888	583,538,144	65,362,386.73
1889	590,322,518	59,618,205.07
1890	625,089,645	72,055,163.52
1891	760,198,201	75,763,514.00
Total earnings		1,081,988,586.98

The following figures, taken from the United States Statistical Abstract, issued by the United States Treasury Department, shows the effect of a contraction of the currency, and falling prices on farm products:

Year.	Products.	Aggregate crop.	Home value.
1867	Wheat.....bushels..	212,441,400	$421,796,469
1892	.....do.....	515,949,000	322,111,881
1867	Corn.....bushels..	768,320,000	610,948,390
1892	.....do.....	1,628,464,000	642,146,630
1867	Potatoes...bushels..	97,783,000	89,276,830
1888	.....do.....	202,365,000	81,413,589
1867	Hay.....tons..	26,277,000	372,864,670
1888	.....do.....	46,643,094	408,499,565
1867	Tobacco....pounds..	313,724,000	41,283,431
1888	.....do.....	565,795,000	43,656,665
1870	Cotton.....bales..	3,114,592	303,600,000
1891	.....do.....	8,652,597	366,863,788

Election Laws.

SPEECH

OF

HON. EDWARD LANE,

OF ILLINOIS.

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, October 4, 1893.

The House having under consideration the bill (H. R. 2331) to repeal all statutes relating to supervisors of elections and special deputy marshals, and for other purposes—

Mr. LANE said:

Mr. SPEAKER: I had intended to say many things upon the pending question, but, having listened to the protracted debate that has taken place, I have heard much of what I intended to say stated by my colleagues and I do not care to repeat it; therefore, I will detain the House but a very few moments on this occasion in presenting a few views somewhat different, perhaps, from any that have yet been presented.

So far as this bill relates to my people and myself, it was repealed on the 7th day of last November, and I am here merely to see that the proper judgment is rendered by this House. During my term of service in Congress I have never before been so happily situated as I am now. On almost every question that may come before the House I have positive instructions from my people, and when those instructions are carried out I will regard my work for this session of Congress concluded. One of my instructions is to see that this Federal election law is repealed. Another is to see that the McKinley bill is repealed and proper legislation put in its place.

A further instruction is, for the formation of a financial sy-

tem and a repeal of the act of 1873 demonetizing silver. If these things were done, and what is called the ordinary legislation of Congress disposed of, this House would deserve well of the people of the country.

In my judgment, Mr. Speaker, this law which we are now proposing to repeal should never have been placed upon the statute book. The effect of appointing a deputy marshal under this bill, from the time of its enactment to the present was to make him a hired assassin, or a hired spy, or a hired voter.

Every man who has ever acted as a deputy marshal under this law has occupied some one of these positions, and there is nothing that the American people despise so much as political tyranny. This law was never introduced or passed for the purpose of securing fair elections. It was never passed for the good of the people. It was passed by a party that had acquired control of this Government purely by accident. In the division of the Democratic party in 1860 the Republican party came into power, and every national election that it has carried from that time to this has been carried by fraud or by force. There never has been in this country at any time since the organization of the Republican party a majority of the legal voters in favor of the Republican party.

I have heard much in this and in other Congresses about the right of the majority to rule this country, yet strange to say for thirty years in this country the American people have been controlled and their Government exercised by a minority of the voters of the country. You can take every poll, examine the whole history, and you will find the fact to be that since the organization of the Democratic party a majority of the voters of this country have been Democrats all the time, and that every election since that of 1860, when the Democratic party divided, which has been carried by the Republicans has been carried by force or by fraud.

Why, my Democratic friends, I do not want you to make this public, but the fact is that the leaders of the Republican party know nothing about governing this country. They have no capacity for it. They do not understand the Government. They do not understand its organization. They do not understand the nature of the States nor their relations to the General Government. They have no conception of it. You see evidence of that everywhere. You saw it displayed here this session. The leader of the Republican party in this House (Mr. REED of Maine) was studying for two weeks to understand the difference between cloture by the Speaker of the House and cloture by a majority of its members. I think he tried his best to understand it, but he does not understand it yet. Yet gentlemen on the other side of this Chamber assume that all the parliamentary law of this country lies within the compass of his brain. The Republican leaders have no capacity to govern this country because they do not understand anything about it. [Laughter and applause on the Democratic side.] That is the trouble with them. Ask them what they regard as the crowning glory of this country, as its sublime essence, and what will they tell you? They will refer you to our standing Army, to our great Navy, or to our seat of government here in Washington. But, Mr. Speaker, when you reflect upon the matter Russia has a greater army, and England has a much larger navy. When the leaders of the Republican party look for the glory of our Government they look at this Capitol, at its powers to enact laws, and at the power of the General Government.

When a Democrat looks for the glory of his country he looks to the homes of its people, to its happy citizens, to its prosperity, to its schools, to its churches, to its domestic tranquillity. [Applause on the Democratic side.] The Republican party want to crown their officers and leaders, but the Democrat believes in crowning the humblest citizen. That is where he believes the crown should be. A Democrat believes that in this and every other country the people are the source of all power and that this Government was created by the people for their own use; and when properly understood it is the best form of government ever devised by man. Government is indispensable to the human family. When man was created by God he had conceptions of right and wrong.

In a state of nature man understands that he must be honest; that he must harm no one and that he must render to every man his due.

We read that when man was placed in the Garden of Eden, the very first time he disobeyed the law he went off and hid himself; he was ashamed of the act he had done. In a state of nature man understands some rights. But as the human race multiplies legal government becomes necessary. We must have government; and in fact we can have no government unless we have laws.

But our Government was not the first attempt in that direction. The world had existed for six thousand years before our fathers landed on these shores and before our form of government was created. There had been not only government but free government for hundreds and thousands of years before our attempt at free government was devised; but never before in the history of the world was such a form of government as ours devised. The first idea of our present form of government was conceived by the fathers of our Republic, for which they deserve the admiration of ourselves and of generations yet unborn.

In all free governments there are two classes, those who govern and those who are governed. The people being the source of all power, they desire to form a government within certain limitations; hence a convention of the people is called, and certain written propositions are agreed upon as a basis of government, and certain officers are named to make and execute laws. This written instrument is called a constitution or charter, or it might be called a lease of power granted by the people to those who are to exercise the powers of government.

The necessity for such a thing as a constitution grows out of the fact that the persons in power, as a general rule, assume more power from year to year than is to the interest of the people, and therefore a constitution is a limitation as well as a grant of power. In this country we have now forty-four State governments, and each State has a separate constitution, providing in various cases what the State officers shall do, and how his rights are reserved to the citizen. These provisions are simply a limitation on power; that is practically what they are. We have now forty-four States, but when the Government was formed we had only thirteen. These were separate sovereign States. It was thought wise by our fathers that there should be joint operation for certain purposes among these several States; that there should be joint action, coöperation. So the people formed in the first place, by treaty relation, a combination of all the States, called at first the old Confederation. It was afterwards deemed necessary to form a "more perfect union," and this "perfect union" was formed by the adoption of our present Constitution, which was done, not by the several States, but by the people.

When you look at the provisions of the Constitution you will see there are many grants of power while there are a great many more reservations of power, the reservations being more than two to one. These reservations declare what Congress shall not do; declare that certain powers shall not be exercised by the General Government. The powers conferred upon the General Government were bestowed in order to enable it more effectually and to enable the people of the country more effectually to transact their business with foreign nations. Certain powers were given to the General Government exclusively, as the power to regulate the coinage of money and to regulate its value, and similar powers. In the construction of these powers much argument and contention has arisen.

Our Government is unique—the most complete ever devised by man; yet, strange to say, our fathers, with all their wisdom, left a certain part incomplete. When I read that Constitution as a boy I had no trouble in understanding that this Constitution was perpetual, this Government was to go on forever. Yet, when I afterward read the speeches of the great Patrick Henry and some of his compeers, I saw that they had an entirely different view. They held that this was not a perpetual union, but that the power that had granted this authority had the right to withdraw it at pleasure.

This doctrine, in my judgment, culminated in the troubles of 1861-'65. Some of our people on both sides of the House say that the colored man was at the bottom of the trouble, that he brought on the great war. My friends, that view never occurred to me at all; I have never held that view for a single moment. I think the people of this country inherited the civil war as they inherited the Constitution.

The question whether the Union formed by the adoption of the Constitution was perpetual or not was left an open question by the framers of that instrument. It had to be settled in the fullness of time, and it was settled permanently. The liberty of the colored race may have been an incident of the war, but it could not be waged for that purpose.

The cost in treasure and blood was too great a sacrifice to be made for the liberty of that race. No, sirs; the future impartial historian will write it down as a war for the preservation of the Union.

And in that wonderful struggle for the preservation of the Union we saw the sublimest spectacle ever presented to the world. Multiplied thousands on both sides bravely struggling for what they thought to be right. In that sanguinary contest the American soldiery displayed a heroism and magnanimity never equaled in the history of the world. But peace came at last, as it always must come, and the grandest pageant of the entire drama was to see 1,500,000 men coming back from the red field of battle and dispersing, as the snow would dissolve under a June sun, and

engaging in the useful occupations of life. That was the sublimest spectacle seen by this country.

It is true that the human heart still takes great pride in the glory of arms, and even among Christians the art of war is regarded as an honorable pursuit, but to the more advanced Christian thinkers the command by the Prince of Peace to Peter, "Put up again thy sword into his place; for all they that take the sword shall perish by the sword," must be regarded as a command to all Christian nations to abandon the art of war forever.

And if war itself should be forsaken how much more should the spirit of hate and ill will engendered by war be abjured, and especially so when the object of such hatred are our own countrymen, flesh of our flesh and blood of our blood.

Some seem to count with delight the number of the slain who fell in the Wilderness or at Gettysburg and other battlefields, and desire to keep the memory of those events green with story and song. On one side we hear "In Dixie's land," etc., while another takes great pleasure in singing "Marching through Georgia."

Mr. PICKLER. Don't you?

Mr. LANE. No; I do not in the sense meant here.

Mr. PICKLER. Are you sorry we "marched through Georgia"?

Mr. LANE. No. You take pleasure in singing "Marching through Georgia;" but what does that history record. It records that in a country which had lived for one hundred years in prosperity homes were made desolate, women and children were driven to starvation, and a thousand miles or more of this beautiful country of ours laid waste. You enjoy it, I have no doubt; and so does the Indian savage enjoy the work he has done when he counts the scalps upon his belt.

Mr. PICKLER. You think that march was wrong?

Mr. LANE. No; I do not.

Mr. PICKLER. Then what are you finding fault with?

Mr. LANE. I am saying that after the lapse of thirty years the spirit of proscription and hatred should be abandoned.

Mr. PICKLER. Who brought this bill into the House to stir up passion and feeling between parties?

Mr. LANE. Why, the Democratic party brought it here, and we intend to put it through; and let me say to the gentleman and his political party that their lease of political life is ended.

Mr. PICKLER. We do not care a picayune for your bill; it is a "back number." We say that this Congress should attend to the business of the country, rather than stir up partisan strife.

Mr. LANE. My friend, what I want is that thirty years after the close of the war the spirit of the war shall cease in truth and in fact. Crimination and recrimination should stop. We have had too much of it.

Mr. PICKLER. You are making the most inflammatory speech we have heard yet on the floor. No Southern soldier ever pretended to make such a speech as you are making.

Mr. LANE. The gentleman does not understand me. [Laughter.]

Mr. PICKLER. The Southern soldiers were all right as far as fighting was concerned; they were mistaken. It is generally somebody else who makes the trouble now. I do not believe there is bitterness between the Union and Confederate soldiers.

Mr. TALBERT of South Carolina. Is not that the PICKLER who introduced the subtreasury bill?

Mr. PICKLER. Yes, sir; at the request of the Farmers' Alliance of my State I did. I believe in all of my constituents being heard, whatever their party.

Mr. LANE. Mr. Speaker, I decline to yield any further.

I had hoped, sir, that in my lifetime I would see this disposition to bloodshed and destruction all passed away from the minds of my countrymen. In my judgment, the day has arrived when the glory of the soldier is gone and a greater glory is here. The music that followed the soldier in his trail was the cry of the widow and the wail of the orphan. We have a higher civilization now, a grander destiny.

Are we still to live only with the thought of putting our hands in the blood of our fellow-men; and are we never satisfied, and are we never happy until we can feel his hot blood steaming up out of his heart? No, sir; thank God that day has passed. We want a higher type of manhood and a nobler civilization. We want no force in this country but the force of reason; no arms but the arms of love. We are all the children of a common Father. We live in this land. It is our common heritage. It is our own country, yours and mine. What is for your good and for your prosperity is for my good and for my prosperity. Why should we have laws in force to make strife and struggle between us, or such laws as we saw advocated in the last Congress (the force bill), when a gentleman rushed down the aisle like a cyclone stating that he wanted to put a bullet behind every ballot? Well, the other fellow, perhaps, would want to put a bullet behind his ballot, and then what is the result? That is murder; that is war; that is hell. That is just what it means. No; what we want is peace, peace and good will to all men. Nearly thirty years ago the "great commander," said: "Let us have peace." "Peace hath her victories no less renowned than war," and in her gentle path man is in his happy and natural state, while war is his corruption and disgrace. Our souls should thrill with a nobler impulse than the memories of battles lost or won.

Must the legislation of this body be always framed with a view to what transpired thirty years ago? Will we neglect the living present and a hopeful future in contentions about the past; about matters that we could not change if we would?

It is our duty to legislate for the present and the future; for a more exalted benevolence and extended happiness for mankind. The laws proposed to be repealed should have no place on the statutes of a free people.

Mr. PICKLER. Let me ask the gentleman a question. Do you not think the war is over?

Mr. LANE. Yes; thank God, it is over. What I am complaining of is that from the remarks we hear on this floor one would suppose that it was still going on. I notice here that every man on this side who gets up to speak seems to be apologizing because he was in the war, and somebody over there on the other side, every time he speaks talks about "doughfaces" and "copperheads" and "rebels" and all that sort of thing. Gentlemen, that makes controversy. It makes disagreement, it makes unpleasantness where we should have peace and good will.

Mr. PICKLER. We are not ashamed of the war. You seem to be.

Mr. LANE. Ah, Mr. Speaker, that is just where the gentleman makes his mistake. I am not ashamed of it. What I complain of is that you never let it rest. Why not talk of the war of the Revolution. Let me ask the gentleman, what did you regard as the noblest act in the life of Washington? In what aspect of his public life did he, in your judgment, stand highest? When he was at the head of his troops?

Mr. PICKLER. I do not regard him as any nobler than Abraham Lincoln. Do you?

Mr. LANE. I will tell you when I regarded him as the noblest. Not while leading his troops in the Revolutionary War; not when he was tramping over the frozen snow with his wasted columns fighting for the liberty of this country, but I regard him as the greatest and the grandest when he refused the gift of a kingly crown. That is what made him, in my estimation, the greatest man that ever lived.

Mr. PICKLER. Now, will the gentleman allow me, in all quietness and seriousness, to ask him a question? When you get right down to the honest fact, did not the Democratic party bring in this measure to repeal the Federal election laws simply to try to carry the elections in Virginia against the Populists?

Mr. LANE. I never heard of it before.

Mr. PICKLER. Is not that true?

Mr. LANE. No, sir; the Democratic party came here to repeal these laws, and they will be repealed.

Mr. PICKLER. Why do you want them repealed? Who is hurt by them? There is not a Southern man who does not say that the law is a dead letter. The laws are not in their way.

Mr. LANE. I hope not in any person's way.

Mr. PICKLER. Then why do you want to wipe them out?

Mr. LANE. I will tell the gentleman in a moment.

Mr. SPRINGER. For one reason, in the elections in Chicago they involve a useless expenditure of the public money.

Mr. PICKLER. If you can not have a fair election in Chicago without them, let them stand.

Mr. SPRINGER. They have involved an expenditure of over $200,000 there.

Mr. PICKLER. If you can have a fair election in Chicago for $200,000, it is cheap.

Mr. SPRINGER. We do have fair elections there.

Mr. PICKLER. Well, if you can have them at that cost, it will be a godsend to the country.

Mr. SPRINGER. We have as fair elections in Chicago as anywhere else in the world.

Mr. LANE. Mr. Speaker, in resuming, again I wish to say that I regard that man as the greatest who does the greatest good for the human family.

Mr. PICKLER. That is right.

Mr. LANE. I regard that nation as greatest that does the greatest good for our race; and I regard the State government as doing 99 per cent for the government of the people in this country. Why, in my part of the country three-fourths of the people have no connection with the General Government at all, unless it is in the matter of taxation. The school, the church, and the home are supported by the State. The sheriff and the

courts are supported by the State. All our local institutions are supported by the State. Therefore, the State is to use everything; and if you were to take away the government of the States of this Union, you would have the Government of England——

Mr. PICKLER. You would have a good deal less if you were to wipe out the National Government.

Mr. LANE. No one proposes to do that. But if you took away the State government you would have the same kind of a government that they have in England to-day, where a few days ago the House of Lords refused local self-government to Ireland, whose sons are famous in story and in song, and who have fought every battle except their own. Yet the House of Lords, the imperial House of Lords, refused them local self-government.

Mr. PICKLER. The gentleman is now commending a warlike people.

Mr. LANE. I am simply repeating history. Mr. Speaker, the very essence of self-government is the right to vote, and this right is conferred by the State alone; the General Government can not grant it. The distinctive feature of our form of government from all others on the face of the earth is its dual nature, two in one—each State within its sphere absolutely sovereign, capable of passing laws for the protection of the life and happiness of her citizens, and over the forty-four States floats the national flag, in which there is a star for every State; and the government of these States and nation together forms the imperishable Republic.

But, Mr. Speaker, I took the floor only for one purpose. I do not want to take up the time of the House, but I want to emphasize one point only, and that is that I am opposed to all arms and armed forces at the polls. It is not in accordance with the spirit of a free government. You can never sustain a free government along that line. This Government rests upon the will of the citizens, voluntarily expressed. To sustain my position I wish to read to my friend from South Dakota [Mr. PICKLER] an extract from Roman history. It is well to consult history sometimes.

Mr. PICKLER. That will be as pertinent as most of the gentleman's remarks upon this bill.

Mr. LANE. I think so. Rome was at one time a perfect democracy. Her people assembled together and made all their laws, and no freeman could be put to death in that nation until the question was brought before a public meeting and there discussed. Some few years before the Christian era a question came up about homes for the people, and that question was submitted at an election. Let me read what history says about it. I read from page 25 of Jones's History of Rome.

Tiberius Gracchus was in favor of a measure to give homes to the people. When the election day came the aristocrats, with their servants and hired voters, went armed to the polls, and as soon as they saw that Tiberius was surely chosen they raised a riot. The people, being unarmed, were driven off. Tiberius and three hundred of his friends were killed and pitched into the Tiber.

That is the effect of arms at the polls! Let me go down a little further in this history.

Ten years from the date last mentioned Caius Gracchus, a brother of Tiberius, secured an election where the proposition was to bestow the elective franchise upon all the freemen of Italy. On election day riots were raised by the armed mob and Caius Gracchus and three thousand of his friends were killed. This was the effect of having arms at the election.

Mr. PICKLER. Is that according to the Mississippi plan?

Mr. MONEY. The gentleman from South Dakota [Mr. PICKLER] asks whether that was according to the Mississippi plan.

Mr. PICKLER. Yes.

Mr. MONEY. When the gentleman says that, and in his interruptions of the gentleman from Mississippi [Mr. KYLE] yesterday, in my opinion, the gentleman shows himself to be in absolute ignorance of the conditions down there.

Mr. PICKLER. The gentleman from Mississippi [Mr. KYLE], whom I much respect, expressed great regard for the Australian ballot system of the State of Mississippi. I would like to ask the gentleman a question. Does the Australian ballot law in that State permit a judge to go into the booth and assist an ignorant man, if he does not know how to make up his own ballot?

Mr. MONEY. It does.

Mr. PICKLER. It is better than the Tennessee law, then.

Mr. MONEY. The law requires that he shall do it.

Mr. PICKLER. I give you due credit for that, then, in Mississippi. In Tennessee it is not so.

Mr. LANE. The election in Rome to which I am referring was held about eighty years before the birth of Christ, and that was the last election Rome ever held. Arms and elections do not go hand in hand. In the Roman forum where Cæsar stood and ruled 140,000,000 of people, to-day there is a cattle pen; and in the ancient temples of Rome the owl and the bat make the night hideous with their hiss and groan.

Her liberty, civilization, arts, and glory are all gone, and mainly due to the use of arms at the polls. Let us not imitate her example.

I want to call your attention to a sublimer illustration. I have here an extract from the speech of Edward Everett, delivered in 1835, before Amherst College. He says:

Beneath a free government there is nothing but the intelligence of the people to keep the people's peace. Order must be preserved, not by a military police or regiments of horse guards, but by the spontaneous concert of a well-informed population, resolved that the rights which have been rescued from despotism shall not be subverted by anarchy.

It must be preserved by the people. Remember, my friends, for twenty years——

Mr. MURRAY. Mr. Speaker, will the gentleman yield to me for a question?

Mr. LANE. Yes, sir.

Mr. MURRAY. I understand the gentleman to say that the polls must be kept free from military interference?

Mr. LANE. I do.

Mr. MURRAY. What, then, would you do with an armed mob at the polls that would beat the voters away?

Mr. LANE. You have the constables, the sheriff, and behind them the posse comitatus; and the militia behind them.

Mr. MURRAY. But suppose that they overcome the constable, the sheriffs, and the officers of the county?

Mr. LANE. You are supposing an unsupposable case.

Mr. PICKLER. What does the gentleman think of the fairness of Mississippi in requiring an ignorant colored man to explain the constitution of the State before he can vote?

Mr. LANE. I think that Mississippi has the right to do that if she thinks proper, and you have no right to interfere.

Mr. PICKLER. I ask the gentleman from Mississippi?

Mr. MONEY. You are entirely mistaken.

Mr. PICKLER. Is not the object to disfranchise them?

Mr. MONEY. It is not, and it does not do it either.

Mr. PICKLER. How many colored men are there who can read and can explain the constitution?

Mr. MONEY. That is not the question at all.

Mr. PICKLER. That is the question.

Mr. MONEY. I say it is not the question. I say that every man who can read the constitution can vote; therefore it is an extension of the clause; instead of being a restriction, it is an extension of the right to vote.

Mr. PICKLER. Your claim is that men who can read the constitution can vote; is it not a fact that nine colored men out of every ten can not read a word?

Mr. MONEY. That is a matter——

The SPEAKER. The gentleman from Illinois is entitled to the floor.

Mr. PICKLER. Is not that the fact?

Mr. MONEY. Yes, sir.

Mr. PICKLER. Well——

The SPEAKER. The gentleman from Illinois is entitled to the floor.

Mr. LANE. I was trying to keep it.

Mr. PICKLER. Mr. Speaker, I thought I was proceeding with the permission of the gentleman from Illinois.

The SPEAKER. The gentleman was not addressing the gentleman from Illinois, but was addressing the gentleman from Mississippi, who was not entitled to the floor. When a gentleman desires to ask another gentleman a question he must first address the Chair.

Mr. PICKLER. I think the time of the gentleman from Illinois ought to be extended, as he has been interrupted. I ask that it be extended.

Mr. LANE. I do not want any more time. I think these laws should be repealed as a means of preserving peace at the polls. We do not need it in my part of the country, because my country has a free ballot and a fair count. That is what you want. No man has the right to go to the polls armed any more than he has a right to go to church or to the courts armed. We do not allow it. The law of my State prohibits the citizen from carrying concealed weapons, and when our elections are held our people are as peaceable as when they go to church. In twenty years I have not heard of a fraudulent vote in my country, unless it was purely accidental—in a case where some young man voted, thinking he was of age when he was not. All parties there have the liberty to go and vote their sentiments as they see proper, but where you have men armed at the polls you have coercion and intimidation.

These election laws should be repealed and the question of elections should be left with the several States, where they properly belong. There is no constitutional authority for these election laws; they are unpatriotic, un-American, and the last traces of them should be erased from the statute books.

Election Laws.

SPEECH
OF
HON. CLAUDE A. SWANSON,
OF VIRGINIA,
IN THE HOUSE OF REPRESENTATIVES,

Saturday, October 7, 1893.

The House having under consideration the bill (H. R. 2331) to repeal all statutes relating to supervisors of elections and special deputy marshals, and for other purposes—

Mr. SWANSON said:

Mr. SPEAKER: I have listened very attentively to this discussion, especially to the speech of the gentleman from Iowa [Mr. HEPBURN], who has just preceded me. Belonging to a younger generation, which did not participate in and knew nothing of the passion and strife of the late civil war and just entering public life, I was anxious to know whether the heat and enmity engendered by that fierce conflict had subsided, and whether or not sectional animosity had yielded to a broad and high patriotism. I was desirous to know whether we of the South had to confront in the future, as we have done in the past, the enmity, abuse, and misrepresentations of a large and powerful party in the North.

I had hoped to find that the Republican party, taught by its recent misfortunes, sobered by the many woes and ills with which it had inflicted the fairest portion of this country, chastised by an outraged public sentiment at both North and South, East and West, would have abandoned its mission of sectional hate and bigotry and caught some inspiration of patriotism from the fraternity with which the American heart is now throbbing. But as this discussion has progressed these hopes have been disappointed.

The speech of the genial and pleasant gentleman just preceding me, occupying a prominent position in the councils of his party, clearly evinces the disposition of his party. I find exhibited by gentlemen upon the Republican side the same malignant spirit, the same offensive assumptions of superior virtue and patriotism, the same disposition to malign, misrepresent, and distrust the South which has ever characterized them. I find that if they again had power and opportunity they would inflict upon us ignorant, corrupt negro domination with all its dire calamities and disgraces. I find that their advent to power again would be marked by a reintroduction of the infamous force bill, with all its provisions subversive of the liberty of the citizens and of the States.

I am more and more convinced than ever that the return of perfect peace and harmony, of perfect confidence and friendship between all sections of this great country is dependent upon a complete disintegration of the Republican party and a destruction of that bigoted and narrowed spirit which animates it. To a thoughtful observer it is apparent that its death is certain and that its resurrection is impossible. It must fall because it stands antagonistic to the spirit and the genius of this age. It is preaching hate while the American heart is pulsating to the music of love and fraternity. It is endeavoring to kindle anew the smoldering flames of fratricidal strife, while the American people are gathering around the altar of a common country, drawn together by mutual forgiveness and admiration. With sectional isolation and lines stands a hindrance in the pathway of commerce, material prosperity, and development.

Against the march of liberal thought, generous sentiment, high-minded patriotism, and complete reconciliation of all sections stands opposed the Republican party, slowly retreating, but finally resisting every onward step. Having confidence in the ultimate triumph of justice and right, of fairness and good will, I believe the American people will proudly and triumphantly walk over the prostrate form of the Republican party to that high destiny which awaits them. [Applause on the Democratic side.]

This Congress, which will become memorable in the annals of our country, will mark a departure from the old to the new. We can but pity the fright with which the Republican owls of darkness watch the dawn of the bright day.

Mr. Speaker, I do not rise to indulge in crimination and recrimination between the different sections of this country. That is no part of a patriot. It is only productive of ill will and distrust. It is no part of one brother, even if the other is possessed of shortcomings, to hold these up to ridicule and exaggerate and magnify his brother's faults with view of creating an unjust estimate of his own virtues and merits. Such conduct is contemptible. I desire to impress upon the gentleman from Iowa and his associates a truth so pointedly expressed by England's great poet, "That throwing mud upon other people will never make thyself clean." [Applause.]

When you discuss majority rule it would be well for you and your party to explain the most infamous gerrymander of the age, by which the Republican party elects the two Senators from Connecticut, a gerrymander in which you give eighty Republican towns, with 31,624 votes, one hundred and eleven representatives in the Legislature, and four Democratic towns, with 44,431 voters—12,807 more votes than the Republican towns—only eight representatives. This is the iniquity with which your party retains its power in that State. When you eliminate this infamous abuse and injustice we will have some confidence in your talk for justice and majority rule. When your two Republican Senators in the other Chamber resign their seats and submit to the Democratic majority in Connecticut you might possibly be in an attitude to discuss fairness and majority rule. Until then your talk is only bombast, bespeaking unparalleled effrontery. [Applause on the Democratic side.]

Mr. Speaker, I do not rise to discuss the constitutionality of these statutes proposed to be repealed. That has been amply and ably presented. If I were able to do so, that portion of this argument needs no further elucidation. Neither do I rise to discuss in detail the objectionable features of these statutes and their encroachments upon the rights and liberties of the citizens and States. This has been so ably and eloquently presented that nothing I could say would add to what has already been said by gentlemen who have preceded me. The country has stamped these infamous statutes with its condemnation, and commissioned the Democratic party to destroy these evidences of sectional animosity and unwarranted assumption of powers by the Federal Government. We will quickly and gladly discharge this obligation. I rise to enter my protest against a spirit and inclination manifested by gentlemen on the other side. They have assumed the province not only of lecturing us of the South, but also of misrepresenting and abusing us.

We of the South claim and do possess as many elements of virtue and as high a regard for truth, justice, and right, and as warm and deep devotion to this Union as that possessed by any section of our country. We are better friends of this Union, and would make more sacrifices for its preservation and prosperity than those Pharisees upon the other side who sow discord and create prejudice for the elevation of self and party. Gentlemen may by such unpatriotic methods keep a few States in the Republican ranks, and their constituency inflamed for a few years so as to return themselves to Congress; but the day is fast approaching in this great country when those who entertain and propagate such pernicious views will encounter universal scorn and condemnation.

The time will come when the constituents that you now mislead and poison will awaken to a realization of what is right and just, and then their greatest humiliation will be that they should have been represented upon this floor by men so narrow in mind and so restricted in patriotism. For slowly and surely public opinion at the North is turning towards the South with feelings of sympathy for her many woes and misfortunes, and manifesting a disposition to treat the solution of the grave and difficult problem overshadowing her with justice and with fairness. I tell you, gentlemen of the Republican party, the time has passed in American history when you can treat the South as outlying provinces, to be dominated by ignorance, controlled by corruption, and pillaged by aliens and carpetbaggers.

If there is one thing upon which all portions of the country—North and South, East and West—are united, it is that the Republican reign of riot and robbery in the South shall never again be reinaugurated. Your recent experience upon the force bill designed for this deadly purpose should have taught you this. The capital sent South by Northern investors needs the same intelligent, honest, and economical government for its protection that our homes and property require. All sections of our country are so interwoven, so intimately connected, so mutually dependent, that you can not injure one section without affecting the other. The hand of the Republican party that stretches forth to bring blight and desolation upon the South ultimately wreaks ruin and disaster upon the North. It is an universal experience that malice, hatred, ill-will, or injustice always overreaches and destroys itself.

Gentlemen of the Republican party, you have made your history South, and it is blackened and darkened. You once before interfered in our local and State affairs with frightful results.

I am astonished that the gentleman from Iowa should have had the daring to allude to that record. His boldness in this and that of his associates can only be accounted for, and is very properly designated by Macaulay. In speaking of a faction at Rome, he said, "Never was a Claudian yet brave against aught but shame." This allusion to your infamous record South evinces that the greatest bravery of your party is bravery against shame and disgrace. [Applause on Democratic side.]

The figures of your own census reveal that you are either unworthy or incompetent to control affairs at the South. Note the

wreck you brought upon a great and prosperous country. The census of 1860 disclosed the South by far the wealthiest and most prosperous portion of the Union, being a little more than a third of the Union, yet furnishing about 44 per cent of its entire wealth. These dry figures, speaking volumes, can give us some conception of the wealth, power, and magnificence of the old South, which lies in our imagination and stirs our heart like the memories of a delightful but vanished dream, in all of its chaste beauty and lovely proportions, with its almost feudal splendors, its ancestral halls and homes of princely magnificence, its beautiful and good dames, its brave, high-spirited, and chivalric men, whose achievements, commencing with the majestic Washington and ending with the matchless Lee, have made resplendent and illustrious the history of our common country. [Applause.]

May God keep the young men of the South true and loyal to the lofty traditions and high ideals of the old South, and make us worthy descendants and heirs of its surpassing beauty, patriotism, greatness, and genius.

The census of 1870 revealed the South as the poorest and most poverty-stricken section of the entire Union, having only about 21 per cent of its aggregate wealth.

These dry figures in startling pathos tell how a great, generous, and noble people were reduced from power to poverty, from wealth to penury, from boundless profusion to miserable indigence; in terrible vividness they portray how the grand and magnificent old South has been mutilated, scarred, and pillaged by the misfortunes of war and excesses of Republican misrule. In a few years after this, with a fearlessness born only of a consciousness of right, the South arose and wrested her State governments from those destroying hands.

When this was done mark the progress. The census, just completed, discloses that the $3,000,000,000 possessed by the South in 1870 has been increased to over $11,000,000,000; that in agriculture, in mining and manufacturing industries, in new enterprises of every kind and character, in the growth and development of new towns and districts, in coming prosperity in future possibilities, the South far surpasses all other sections, and that the day is not far distant when her preëminence in wealth and power will be more fully recognized and established in a broader, safer, and more enduring basis than it was in 1860. This is what honest, intelligent, economical local self-government has done for the South.

There is but one danger that threatens the South and that is a return of ignorant negro Republican domination with its carnival of crime and corruption. I believe this cloud has been dispelled never again to return. I believe this Congress will witness the last expiring efforts of sectional hate and bigotry. I can not and will not believe that the kind, generous, and magnanimous spirit of America will approve efforts to heap further humiliations and calamities upon the South.

Gentlemen of the Republican party, you are and will ever be powerless to consummate upon the South your nefarious purposes. In days by gone, when we were far less powerful and united than we are to-day, with a daring born of self-preservation, we wrested our State government from negro Republican rule and supremacy, when they were hedged around and guarded by Federal bayonets and minions and protected by the hands of a great soldier more resolute and daring than any of his party, who shall ever again hold the helm of State. We are better prepared to-day, if the occasion should arise, to reënact this commendable rescue or to prevent such shameful desecration in a more determined and fearless manner.

If there is one principle to which every loyal Southern heart beats in unison, to which everything else is subordinated, which we hold as dear as life itself and which we would not sell for price, nor surrender for fear, it is that the worth, virtue, and intelligence of the South shall govern and control its destinies; that never again shall the fair South be overshadowed by the blight and infamp of negro misrule. We consecrate ourselves to that cause and principle, however great may be the pecuniary or political losses it entails, through whatever dangers, through whatever difficulties it may lead us. It is the ark of our covenant, it is the corner stone and guaranty of our property and civilization. To us it is the most momentous of all problems, the most paramount of all questions, admitting no compromise, sustaining no other solution.

Sobered by our great responsibilities, animated by a desire to preserve all that is dear and precious to us in home and country, stirred by a desire to do what is best for all sections and all concerned, we, the young men of the South, in the language of our fathers when they resisted British invasion, pledge to the cause, to this principle, "Our lives, our fortunes, and our sacred honor." God keep us true, steadfast, and loyal to this pledge, and the future holds no uncertainties for us; it will be as brilliant and cloudless as the matchless skies which circle our fair land. [Applause on the Democratic side.]

We pledge this in no unkindness to the negro. We propose to treat him scrupulously fair and just. We shall mete out to him to the utmost farthing justice and right. We shall exhibit to him mercy, tenderness, and kindness. We shall give him employment, educate and elevate him upon a higher intellectual and moral plane, equip him to discharge the high and sacred duties of citizenship, but we propose to govern, guide, and control him, to utilize him in the upbuilding and regeneration of the South, to hold him in our strong hands, so, instead of being a menace to us and himself, he shall be a benefit to both. We shall blend his prosperity with our prosperity. With brave heart, resolute will, and strong hands we shall hold him to his suited place in the magnificent superstructure we are rearing, known as the "New South," whose splendors and glories we propose shall be the marvel of the next century.

And I state to you we propose to accomplish this in a perfectly legal and constitutional manner. We have done it, and we propose to continue to do it, without violence and fraud. We repel the insinuation of either. The Federal Constitution, that sacred compact between the States, shall be our bulwark and protection. That instrument guarantees to each State the right to fix the qualification of all its voters. We propose to exercise that right. We propose in each State, according to our different environments and different difficulties and dangers, to attach to suffrage such qualifications and restrictions as will best subserve our interest and give to that State the best and purest and most suited government. This is our right, and we shall so exercise it. The Constitution leaves that matter with us and not with you. That instrument makes it our affair and not your affair. Your criticism and interference is an impertinence which we resent. It is productive of no good. It only creates mutual animosities, crimination and recrimination, and distrust between the sections, which every patriotic man should seek to allay. [Applause on the Democratic side.]

We have at the South to settle one of the most difficult, dangerous, and far-reaching problems that ever confronted a people. Its solution affects us of the South, both white and colored, most seriously. We are interested more than all others. We ask that the two races concerned be allowed to settle it without interference, without the excitement of animosity and hatred. With mutual forgiveness and forbearance we will settle it justly and rightly.

We recognize that any settlement not founded on justice and right will not be lasting nor final. We have proven ourselves, since our accession to power in the Southern States, worthy of this trust and confidence. While the Republican party has done nothing for the colored man, except to stir his passions, delude him with promises, utilize his vote for selfish purposes, we have placed him upon the avenues of prosperous life and with our limited means sought to elevate and educate him.

I have here a report of our State auditor, which is very instructive and is a complete answer to the gross misrepresentations of the gentlemen upon the other side. In Virginia we keep the taxes paid by the white and colored people and the amounts of money disbursed to the white and colored institutions separate. This report shows that the entire taxes collected by the State in 1891 from the colored people was $103,565.54. That the same year it expended in costs to defray the expense of colored criminals $204,018.99. That the State appropriated to colored asylum to provide for lunatics, $80,000; for the support of the colored college and normal school, $15,000; and for the support of colored public free schools, $309,364.15, making the amount that this State expended in excess of what it received from the colored people, $504,817.60.

The public-school money is divided equally between the white and colored, according to the attendance of scholars. In Virginia the colored schools are taught nearly entirely by colored teachers. These teachers have been prepared at a colored college sustained and supplied by the State. I wish it to be noted further, that this school system, giving its benefits and enlightenment to the colored people, was not created during Republican rule in Virginia, but was inaugurated after the Democracy acquired possession of the government.

This is but an illustration by one State of the efforts and sacrifices the entire South is making for the elevation and amelioration of the colored race.

The Republican party has no use for him except to possess his vote. The interest of this party is opposed to his education. When he becomes educated and intelligent he can no longer be misled and deluded by Republican politicians, no longer held solidly in the Republican ranks by appeals to his passion and an abuse of the white race of the South, who are his best and truest friends. Nothing has more distinctly proven to us the extent of the Republicans' interest in the colored man than this discussion. They have made no complaint of his maltreatment in business, of his failure to receive complete justice and fairness, nor of the provisions made for his education and enlightenment.

The only complaint has been that in the South, in pursuance of law and constitutional rights, we have thrown around suffrage qualifications which disfranchises the ignorant and corrupt and thus prevent them perverting and destroying government. They stand here in the pitiable attitude of advocating that ignorance, corruption, and illiteracy should dominate and control the affairs of the States and nation.

Mr. Speaker, in claiming this right to settle this grave and serious question we here profess an equal willingness when other sections are threatened with dangers of a like character to extend to them the same right, and with our sympathy and support we will aid them to prevent there disaster and ruin. We are willing to listen to the voice of complaint and fear arising from our brethern of the Pacific Slope and to assist them to a solution of their dangers and to aid them in preventing their fair and lovely country from being blighted by the inroads of a corrupting and destroying race.

Whenever immigration at the North (which does not exist to any extent in the South) becomes dangerous and threatening, by emptying there a class of people ruinous and pernicious, we are willing to unite with you of the North and stem the torrent and preserve your prosperity and civilization. And mark my words, the time will soon come when many of you will be asking the sympathy you now refuse, claiming the rights and protection you now deny.

When this time arrives, speaking for the South, I can say that her conduct will be in marked contrast to that of many gentlemen here upon the Republican side.

Where you have been partisan, she will be patriotic; where you have been abusive, she will be kind and sympathetic; where you have sought to intensify the difficulties, she will seek to allay them; where you have magnified little disturbances, with which all unsettled and newly changed societies are afflicted, into riots and conspiracies of her best citizens against the weak, she will be found deploring with you the existence of such conditions and evils in your section. You will find none of her Representatives on this floor playing the despicable rôle of demagogue and vilifier for partisan advantage.

She will be as patriotic, as broad, and as much disposed as she has always been to make concessions and sacrifices for the benefit of the Union and advantage of her brothers. We stand in no estrangement to this Union; our highest aspirations, our warmest impulses are those which link our future and that of our common country, and make us share in the development of its measureless possibilities. [Applause.]

Mr. Speaker, imagination is powerless to prophesy the future and coming glories of our country if we will only eliminate sectionalism and have just and beneficent laws, and return to the great elementary principles of government upon which our fathers started us. The greatest foe that we will have to encounter and overcome is the Republican doctrine of paternalism. This insidious doctrine is one of the most difficult problems and the greatest danger besetting the Republic. There is not an evil in the Government to-day—not one to be apprehended in the future that can not be traced to this—the fertile source of all despotism, evil, and iniquity in government.

We of the Democratic party will resist paternalism in government as a deadly foe, in whatever guise or form she presents herself. Whether in the shape of iniquitous tariff restrictions, levying through government their depredations upon the many for the benefit of the few; whether in the shape of useless and extravagant pensions, perverting government into a dispenser of bounties and gifts; whether in the shape of subsidies, making government stand sponsor for any individual enterprise her caprice may suggest; whether in the shape of election bills, seeking to destroy the freedom of suffrage by surrounding the ballot box with Federal bayonets and supervision. Even where she presents herself in the name of reform, pretending to eliminate abuses and restrain excesses, even where she comes with proffered benefits to us and our section, we will resist the insinuating voice of the siren, for she lulls into repose with promises while with the strong arm of government she invades the right of the citizen and deprives him of the greatest right and heritage of all ages, the right of individual liberty and local self-government.

That right which teaches us that the greatness and grandeur of our country does not consist of the peerless beauty of its capital, the gorgeous luxury and dazzling display of its rulers, nor of the mighty revenue and taxes extorted from the people, nor of the vast expenditures made by government, but that it consists of the myriads of happy homes, blessed with prosperity, which dot the fair bosom of our land, where inmates happy with plenty, blessed with all the refining influences of education and ennobling influence of religion surround government with a fragrance of affection and patriotism stronger than fortunes, more enduring than all power derived from vast armies or navies. [Applause.]

Election Laws.

SPEECH
OF
HON. JAMES C. McDEARMON.
OF TENNESSEE,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, October 7, 1893,

On the bill (H. R. 2331) to repeal all statutes relating to supervisors of elections and special deputy marshals, and for other purposes.

Mr. McDEARMON said:

Mr. SPEAKER: The gentleman from Iowa [Mr. HENDERSON] has seen proper to inject into the very able, eloquent, and patriotic speech of my colleague [Col. PATTERSON] a letter or a part of a letter from some unknown creature, whose name the gentleman said he did not wish to give at that time, which traduces and slanders the Democracy of two of the counties which I have the honor to represent, and I feel that I would be recreant to my duty as their representative upon this floor if I should allow these charges to go uncontradicted. This fellow says:

> There are five counties in West Tennessee where wholesale fraud and intimidation are resorted to by the Democracy, nearly enough fraud in these five counties to change the political complexion of the State. These counties are Gibson—my native county—Haywood, Fayette, Madison and Shelby. Haywood County was always Republican by from 1,500 to 2,000 up to 1884. The Republican sheriff died in that year, and the county court by accident being Democratic, appointed a Democrat as sheriff, who, when the election came off, appointed Democrats as judges at all of the voting places, and by an organized fraud changed a Republican majority of nearly 2,000 to a Democratic majority of several hundred.

Mr. Speaker, I have lived in Gibson County nearly all my life, and I am personally familiar with her local affairs, and upon my own knowledge I pronounce this statement, as far as it applies to Gibson County, a most infamous and unmitigated falsehood, without the slightest foundation in fact; and I state most positively that, in my opinion, there is not a county in the United States where elections are held with more perfect fairness, or are freer from fraud, intimidation, or irregularity of any kind than in Gibson County; and I undertake to say that not a respectable Republican of any color can be found in that county who will deny my statement. There has never, for twenty years been the slightest political disturbance or trouble of any kind at a voting precinct in the county, nor has there been any charges of fraud or intimidation made by Republicans. The white people are largely in the majority, and there has been no temptation or cause for fraud or intimidation on the part of the whites to prevent negro rule.

The Democrats have had majorities for many years ranging from 1,000 to 2,000.

Now, Mr. Speaker, I come to speak of Haywood County, not from personal knowledge, but from information which I know to be absolutely reliable and trustworthy, and in doing so intelligibly it is necessary to recur briefly to a period in the history of Tennessee, the memory of which to those who passed through it is like the recollection of a hideous dream, and, Mr. Speaker, I approach this part of my remarks with some degree of hesitation, for nothing is further from my desire than to unnecessarily refer to the bitter past in such a way as to arouse the rancor of sectional prejudices which for so long a time has estranged the people of the North and South.

On the 4th day of March, 1865, W. G. Brownlow was inaugurated as governor of Tennessee under the policy of reconstruction adopted by Mr. Lincoln: and on the 3d of April following, a Legislature, elected by a small number of the voters in a few of the counties, assembled at Nashville, and soon thereafter adopted laws which extended the right of suffrage to the negroes, and by the same laws the great bulk of the white people were disfranchised, and for five years a reign of terror ensued. The negro vote being largely in the majority in most of the counties, many negroes were elected to county and municipal offices and to the Legislature. The State, counties, and towns were plunged into enormous indebtedness: taxation was onerous and burdensome; an armed militia of negroes and worthless whites was billeted upon the people: ballot boxes were surrounded by insolent negro soldiers; bloody collisions between the two races were frequent; disorder, tumult, and apprehension ruled the hour until 1869, when the Republican State convention divided and nominated two candidates for governor, one being the then acting governor, who had the power of appointing registrars, whose duty it was to issue certificates to voters authorizing them to vote.

By combining with this candidate the Democrats were en-

franchised and promptly threw off the yoke of political bondage, and from that time to this, counties in which the white people predominate have generally been Democratic and have been free from race troubles. But Haywood County is one of those unfortunate counties in which the negroes are largely in the majority; and for over twenty years she suffered the evils of negro rule; negroes have filled her county offices and represented her in the State Legislature. Her county affairs were largely controlled by negro magistrates and their white carpetbag associates, more despicable and objectionable than themselves; the county was overwhelmed with debt; land and other property were greatly depreciated in value, and ruin and despair stared in the face the white people, who are the owners of perhaps 98 per cent of her property.

After these long, dark years of African domination and misrule the whites united for their common welfare and self-preservation, and although they were in the minority they had wealth and intelligence on their side, against ignorance and poverty; and being inspired with a faith in themselves and a sort of "ground hog" necessity, waged a political campaign against the allied forces of the black and tan which was remarkable for its intelligence, energy, and success. I am reliably informed that there was not the least fraud, violence, or intimidation used by the Democrats; but whether the landlords, who had furnished homes, stock, and provisions for their dusky tenants and political rulers, for so many years, exerted the influence incident to such relationship, or whether there was a pentacostial shower of Democratic spirit, or just what sort of arts and wiles, if any, were resorted to by the good people of Haywood County in their dire extremity, I do not know; and I respectfully submit that it is no business of this Congress. It is a domestic and local affair of the county, and concerns it alone.

I am also credibly informed that since that memorable campaign the carpet-bag adventurers, whose occupation was gone, took their departure, greatly to the relief of the people who had so patiently submitted to their obnoxious and nefarious presence among them; and that since that time the negroes, who as a mass are docile, harmless, and little inclined to politics, have ceased to be interested in political campaigns, and that many of them have joined the Democratic party, and vote that ticket, when they vote at all, while many others have no disposition to participate in elections, but remain quietly at home: and I most positively deny that either fraud or intimidation is being, or has ever been, resorted to by the Democrats in Haywood County. The experience of this county is a counterpart of the experience of every county of Tennessee, and her Southern sister States which were cursed with a majority of negroes.

History furnishes no parallel to the dreadful ordeal through which the Southern people have passed. When the late war ended they were surrounded by a horde of the most ignorant race upon the face of the earth, the descendants of savage barbarians who were caught like wild animals and brought to America as slaves, and after over a century of bondage this people was suddenly emancipated by the vicissitudes of a terrible war, fought in their midst and over their heads, upon the issue of which their freedom or continued slavery depended, yet in which they as a mass took no part, for the want of intelligence enough to comprehend the cause or meaning of the appalling scenes enacted before their eyes, and of that force of character, aspiration for liberty, courage and intrepidity which would have characterized any other race of people upon the globe under the same circumstances; these unfortunate people who had been inured to menial services as laborers in the field, under the direction of task masters, wholly uneducated as a class, untrained to any avocation except that of farm hands and domestic servants; many of them had seldom been out of sight of the smoke of their lowly cabin homes, and were poorly prepared to meet the responsibilities and duties of life as citizens, or even to provide food and raiment for themselves and little ones, especially in that devastated region "whose once fair face bore desolation's withering trace," when their former masters were almost as destitute as they, and were dismayed and disheartened at the utter wreck and ruin of their homes and possessions which appeared on every side; before the smoke of battle was lifted from the sanguinary fields of the South, and before the white people had time to survey the puzzling problems presented by the emancipation of their former slaves in their midst, or to consider the new relations established between the two races, and before an opportunity was given to test the willingness of the whites to deal justly, fairly, and wisely with the negroes as to their civil and political status—the strong hand of the Federal Government was laid upon the South, the State governments were abolished or ignored, and a military despotism was established in their stead. The white people were dispossessed of their political freedom, and the right of suffrage was conferred upon the ignorant mass of Africans just emerged from slavery. The ballot, the highest power and the dearest right of freemen, was thrust into hands which had struck not a blow for the liberty of which that ballot was the insignia.

The elective franchise, the royal scepter which "executes the freeman's will," and at whose commands dynasties abdicate the throne of power, and surrender purse and sword to their successors, at stated periods, as regularly as the earth wings its flight around the sun, was by vindictive and revengeful partisans bestowed upon an alien race which had no conception of its meaning, appreciation of its value, or willingness to defend or preserve it from the wiles of the political trickster. The ballot, the "rod of empire," which none but freemen born with hearts by freedom fired can sway, was committed to the feeble hands of hereditary bondsmen who knew not that "who would be free themselves must strike the blow."

This most unexampled and unparalleled act was not prompted by the divine "quality of mercy" or benevolence to the poor, destitute, and helpless colored people, but was instigated by the lower and baser motive of hate and malevolence toward the white people of the South, mingled with the determination to perpetuate in power the party which then controlled the nation; for by the same statutes which armed the negroes with the ballot the white people were disfranchised, "Black heels were deliberately placed upon white necks." The proudest, the most chivalrous and intelligent people the world ever saw were disrobed of the power of self-government, were despoiled of political rights which their fathers had paid their blood to purchase, and which they had inherited from the heroes of freedom's battles in the centuries gone before.

They were taxed without representation; they were plundered by tyrannical officials whom they had no voice in selecting; their lives were menaced by marauding bands of negro soldiers; the honor and virtue of their wives and daughters were jeopardized by brutal and licentious creatures drunk with power and incited to deeds of insolence and violence by carpetbag adventurers and charlatans. All these perils and dreadful evils were endured for years by those States of the South which were cursed by a negro population in excess of the white people.

The laws which the bill introduced by the gentleman from Virginia repeals were passed during the reign of terror which I have faintly described; and, Mr. Speaker, I believe that such laws would never have been dreamed of but for the purpose of forging the chains of political bondage upon the South. These laws constituted a part of the scheme of spoliation and humiliation of the South. They are among the last relics upon our records of that unhappy period and should be promptly repealed, and if it were possible they should be expunged from the statute books, so that future generations might forget or never know that they ever existed.

But, Mr. Speaker, I do not wish to be understood by anything I have said or may say that I entertain the slightest ill will or animosity toward the colored people. I was raised among them; when I first saw the light in the Old Dominion and grew to years of consciousness my eyes looked upon black faces, and I was thrown with children who called me master, and I learned that they were slaves; I had no lot or part in making them so; the institution of slavery was bequeathed to the Southern people by a past generation which antedated our Constitution and Independence.

I played with negro children when I was a child and worked in the field with them as a youth; and when fortune cast my lot with my neighbors in the Confederate army I left my aged father and mother and my sisters surrounded by negroes, who, while they longed for freedom, were loyal, true, and devoted to their master, who they knew to be their true friend, and when I returned I found a number of them at the old homestead, having through the long and bloody war which was waged, in part, for their liberation from slavery, remained to protect and labor for those whom fortune had made their owners. And since the war I have lived among them and understand their natures and dispositions; I have represented them as attorney in lawsuits, and defended them in the courts; and I was truly gratified and felt honored when I saw numbers of them vote for me for Congress.

There is something of romance about this people; ruthlessly torn from their kindred and home, and transplanted beyond the rolling Atlantic in a strange land, amongst a strange people, with faces of a different hue, and with language, customs, and character wholly unlike their own; in a clime more rigid than that of their land of the sun they were enslaved and taught the art of labor hitherto unknown to them; they were not reduced to bondage, but elevated to the higher estate of slavery in the midst of the most enlightened people of earth. They were brought into contact with civilization; a language was imparted to them; and they were taught the Christian religion: their wild natures were tamed, and their brutish passions subdued; they became clothed and in their right mind.

They brought no traditions of their former home with them; they kept no genealogy of their fathers; no African religious creed or faith survived the first generation that were brought to America; they cherished no fond memories of their far-off fatherland; they handed down no myths of deities worshiped in their forest home across the sea; they had no harps to hang upon the willow, or songs of Zion to sing in the land of their captivity. They were simply children of nature in their intellectual nonage. Their new estate was an elevation from a lower condition; it was infinitely better for them to be the personal servants of a civilized, humane, and intelligent people, in an enlightened country where law, order, and Christianity prevailed, than to roam, in wild tribes, the jungles of that benighted and God-forsaken land from whence they were brought captive.

But by the hand of Providence they have been delivered from enthrallment; and they are now drinking at the fountain of knowledge, and he is blind who does not see a marked improvement, intellectually and morally, in the rising generation of this most interesting people over their immediate ancestors. They have begun to ascend the scale of human development; have entered the race of human progress, and let us hope that this advance will continue and that a great people will be the result. But, Mr. Speaker, as was well said by my colleague [Col. PATTERSON], it takes generations to develop a nation capable of self-government. The American people are the result of centuries of growth. They first are seen in the dim shadows of tradition; nomadic bands roaming the wilds of primeval Europe; they next appear at the dawn of history, driven before the armies of Cæsar, dressed in the skins of wild beasts, worshiping strange gods, and bowing their necks to the yoke of tyranny.

But as the sun of civilization and Christianity illumined the Continent of Europe, we see this mighty race restive under the heel of tyrants and jealous of their rights; and as education, enlightenment, and refinement displaced ignorance, superstition, and barbarism the spirit of liberty made its appearance amongst them, and the pages of history glow with their deeds of heroism in the resistance to despots and the struggle for freedom. The right of every citizen to the enjoyment of life, liberty, and property, unless declared to be forfeited by the judgment of his peers or the law of the land, and other sacred rights, were wrung from King John at Runnymede, on June 15, 1215.

The prerogatives of taxation without the consent of Parliament, declaring martial law in times of peace, billeting soldiers by force, forced loans, and the right to imprison without showing cause were extorted from Charles I by the petition of right in 1628; and to perpetuate these and other articles of liberty our forefathers did not hesitate to bring him to the executioner's block in 1649; and so on through the centuries this nation has progressed step by step in its slow march from degradation, ignorance, and barbarism to the altitude of enlightenment and refinement it now occupies, which enabled it to first demonstrate the ability of a civilized people to govern themselves. But, Mr. Speaker, the very arguments adduced by the opponents to the Tucker bill furnish conclusive evidence that the negroes of the South are not only incapable of self-government, but that their hands are too feeble to hold that sword of liberty, the elective fanchise, which none but giants can wield.

Gentlemen charge that they are driven from the polls and intimidated by their white neighbors in States and localities where they largely outnumber their foes, and that a few white people terrorize and disfranchise large numbers of colored voters. If these allegations be true, which I emphatically deny, they clearly demonstrate the utter and complete failure of the scheme of negro suffrage and the futility of the attempt to enthrone them in dominion over the white people of the South.

Mr. Speaker, I shall not argue at length the question as to the constitutionality of the laws sought to be repealed, but shall content myself with a few general suggestions.

Section 4, Article I, of the Constitution provides:

> Elections for Senators and Representatives shall be prescribed in each State by the Legislature thereof; but the Congress may at any time by law make or alter such regulations, except as to the places of "chusing" Senators.

At first blush it would seem that this section confers upon Congress the power contended for by the advocates of the election laws, but I submit that a careful analysis will show the unsoundness of the contention.

It has been argued, and I think correctly, that the power conferred upon Congress "to make or alter such regulations" was not intended to be operative except in such cases as where any State should fail to prescribe the time, place, and manner of holding elections for members of Congress, and was not intended to give authority to Congress to usurp this power when the States have exercised it.

The Democratic theory of government is that the United States is a government of limited and delegated authority, and can exercise no prerogative or power which in not expressly and in plain terms or by necessary implication conferred by the Constitution, and that in the language of the tenth amendment, "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively or to the people," and as provided by the ninth amendment, "The enumeration in the Constitution of certain rights shall not be construed to deny or disparage others retained by the people," construing all of the sections and articles of the Constitution together as a whole for the purpose of ascertaining the true intent and meaning of its makers, and of discovering the nature, character, and prerogatives of the government which was created and called into existence by that great charter, it is apparent that the power was never intended to be given to Congress to curtail, diminish, or interfere with the authority of any State in the exercise of its legitimate functions or duties.

The existence and perpetuity of the United States Government depends upon and can only be accomplished by the selection of Representatives and Senators from the several States in proportion to their population, and according to law, and if the Legislatures of the States, or any of them, should refuse or fail to provide by statute for the election of Senators and Representatives as prescribed by the Constitution, then, unquestionably, Congress would have the power, and it would be its duty to make provisions for such elections. But when the States have, in accordance with the Constitution, prescribed by statutes the times, places, and manner of holding elections for members of the two Houses of Congress, and provided the appropriate machinery necessary for the proper execution of those laws, with sworn officers to properly conduct the elections, to preserve the peace, count the ballots, and make due returns of the results, I insist that it is not only unnecessary for Congress to make or alter such regulation, but that it is an unwarranted and unjustifiable interference with the reserved right and domestic affairs of the States to do so.

There is not a State in the Union which has not enacted statutes providing for the holding of elections for members of Congress, providing every safeguard necessary for the free and untrammeled exercise of the right of suffrage, the counting of ballots, and the returns of the elections, together with provisions for keeping the peace at the election precincts, the arrest and punishment of malefactors.

But it is said the Supreme Court, in the case of *Ex parte* Siebold, 100 United States, 371, and *Ex parte* Yarbrough, 110 United States, 651, has decided that these laws are constitutional. Mr. Speaker, I entertain the highest possible respect for the Supreme Court of the United States, and I do not by any means intend to utter a word that reflects in the least upon that great tribunal. But, Mr. Speaker, it is a melancholy truth that when the fires of sectional hate and animosity were raging in the political world they did not seem to be extinguished in the breasts of the members of the Supreme Court, as then constituted; and I challenge any gentleman upon this floor or elsewhere to instance a case which has been tried before that court since the war where a political question of great moment involving the success or welfare of the Republican party which was not decided according to the interest of that party.

Judges of even that august court remain men after their appointment of like passions as ourselves, and are subject to the same bias and prejudices as other people. When the great electoral commission was organized, with five supreme judges as one-third of the commission, and the memorable contest involving the Presidency of the United States was on hand, the eyes of millions of our people were instinctively turned to those five judges, and confident hopes were cherished that those five exalted jurists, who were supposed to be far above the petty party feeling and prejudices common to the people at large, and that being profoundly versed and learned in the law those five members of the commission would unanimously agree as to what the law of that case was, and would of course then unhesitatingly decide the contest according to that law regardless of which party was put into power. But, sir, all who entertained those fond hopes were doomed to disappointment.

The Republican judges as well as the other Republican members of the commission to a man, decided in favor of their party upon every question raised as naturally and unhesitatingly as they would have cast their votes for their party candidates at the polls. The first case of *ex parte* Siebold was decided by a divided court. Mr. Justice Field, in a most able and powerful dissenting opinion, in which he was joined by Mr. Justice Clifford, which was delivered in the companion case of *Ex parte* Clarke (100 U. S., page 416), says:

> That clause (the power given to Congress to make or alter such regulations) was designed simply to give to the General Government the means of its own

preservation against a possible dissolution, from the hostility of the States to the election of Representatives, or from their neglect to provide suitable means for holding such elections.

And he quotes from the "Father of the Constitution," James Madison, who said that "it was meant to give the National Legislature a power not only to alter the provisions of the States, but to make regulations in case the States should fail or refuse altogether." And also from Mr Hamilton, who said, "The propriety of this clause rested upon the evidence of the plain proposition that every government should contain in itself the means of its own preservation."

This was the construction given to this clause by the makers of the Constitution and their cotemporaries, and no Congress or party from the time of the organization of the Government in 1789, under the Constitution, ever sought to place any other construction upon it, or ever invoked this supposed authority to invade or violate the rights of the States to hold their own elections in their own way, until the Republican party in 1870 in their boasted contempt for the reserved rights of the States, resurrected this obsolete and thitherto unexercised supposed power, not for the purpose of purifying elections but for the revolutionary and wicked design of unjustly and infamously thwarting the will of the people in New York City, and of intermeddling in the domestic affairs of the South by reinforcing the political marplots from the North who then infested that section.

The quiet, nonaggressive, ignorant, and timid negroes were no match for their Anglo-Saxon neighbors even when they held the reigns of government, in the contests which meant the domination of one race or the other; and it was manifest that without leaders of the Anglo-Saxon blood, armed with authority of law, and backed by the Army of the United States to live and sojourn among and to stir them up, and incite them to leave their cabins and attend the elections and cast their votes, they would before the irresistible superiority of the whites, give way like sheep before the wolf; and from their nerveless grasp would fall the weapon which they had no heart to use, for they knew that they were incapable of the conduct of government, and when let alone did not attempt it.

These laws were passed when the Southern States were under the heel of their oppressors and were struggling to cast from their backs the loathsome "Old Man of the Sea" which had been placed upon them. Under these laws, bold and conscienceless scalawags and villains were sent as emissaries in the South to kindle and keep in flames the natural antipathy and prejudice which exists in the heart of the ignorant and base against persons of a different race, in order to perpetuate the Republican party in power at Washington.

It is a question of power; and it is no answer to our contention to say that the present election laws are comparatively harmless in the rural districts, inasmuch that, except in cities of 20,000 inhabitants or more, deputy marshals can not be employed at the polls with power to make arrests, and that supervisors of elections are only witnesses of the proceedings at the polls; for if Congress has the power, and if it is its duty to alter or make regulations for holding elections for members of Congress, then it would follow as a logical sequence that such regulations could be as exclusive and full as the party in power might see proper to enact; and if the acts sought by the pending bill to be repealed could rightfully and properly be passed, then the infamous and odious "force bill" could be lawfully enacted, if the party in power should deem it expedient and necessary.

For there is force, consistency, and logic in the suggestion that if the United States authorities are to take part in elections and exercise any control at the polls, there would be less conflict of authority, less friction and irritation for them to be endowed with full and plenary jurisdiction to hold elections for members of Congress and United States Senators to the exclusion of State officers entirely. An experiment of over twenty years has demonstrated that these election laws are worse than useless. They have failed to accomplish any good. Their execution has cost hundreds of thousands of dollars without any apparent results, except to intensify and keep alive partisan prejudices; alienate the white people of the two sections; to harass and irritate the sovereign people of this free country on the great days when they assemble at the polls to choose their public servants. They are obnoxious to the fundamental principles upon which the fabric of our institutions is founded, and at variance with every tenet of constitutional government.

The right to local self-government; the power and right of each locality, county, or other subdivision of a State to control their own domestic affairs; select their own neighbors to enact and execute the law; hold and control their elections, and in all respects to serve them in public stations, are the most highly prized and most jealously defended rights enjoyed by the English-speaking people of the whole world. They are priceless heirlooms inherited from valorous sires. They are trophies of victory in the great struggles for liberty and resistance to tyranny in the past. Kings have been discrowned and beheaded in their achievement. They were purchased for us by patriots' blood: they were bequeathed to us in trust for future generations; not one jot or tittle of them shall pass away while the genius of liberty shall brood over our fair land. We will hand them down to our sons as pure, unsullied, and undiminished as we received them from our fathers.

Election Laws.

SPEECH
OF
HON. JONATHAN P. DOLLIVER,
OF IOWA.

IN THE HOUSE OF REPRESENTATIVES,

Monday, October 4, 1893.

The House having under consideration the bill (H. R. 2331) to repeal all statutes relating to supervisors of elections and special deputy marshals, and for other purposes—

Mr. DOLLIVER said:

Mr. SPEAKER: There were many who expected that this session of Congress would pass without an untimely display of partisan contention. I was not of that number. A long study of the origin, history, and public services of the existing Democratic party has convinced me that there is only one subject which can unite the party or call forth its enthusiasm, and that is some project that seeks to undermine the freedom and fairness of elections. I had therefore a well-assured anticipation that not even the grave responsibilities which brought this Congress together would hinder this effort to repeal the laws now on the statute book to secure the freedom of citizenship. The national election code now waiting for the final act of partisan malice originated in the first Administration of General Grant. Its methods have had the approbation of the best men of all parties, and have been objectionable only to the nullifiers of universal suffrage in the South and to the criminal classes in the great cities of the North.

These laws are the last remaining evidence of the authority of the United States in the election of its own officers, and their repeal means that hereafter an American citizen has no claim upon the nation for the security of his citizenship. It places the Government in the attitude of disowning even the men who defended its life, and of leaving even the surviving veterans of its own Army without civil rights in their own country except by the grace of State laws, invented to destroy and not to protect the right of suffrage, and oftentimes administered by reckless and disorderly local authorities. It is the last maneuver in a political revolution by which within one generation a nation victorious over the rebellion of turbulent States, after losses and sacrifices almost too great for human thought, abdicates its historic relation to its citizens and commits them for protection and justice to the very influences that deny their rights. It began by open conspiracy to nullify the amendments of the Constitution, and to leave a helpless and despised but loyal race with no rights as citizens, and few, if we may believe the reports of last week from Roanoke, from Birmingham, and from New Orleans, as human beings. The success of that conspiracy is the most mournful episode in the history of popular government in the world. The brief and pitiful struggle of the outcast race and their friends of our own blood and their vain appeal for the protection of the law is a story of national humiliation which has in it much to discourage the intelligent friends of republican institutions based upon the sanctity of law.

It called from the slow and cautious pen of Gen. Grant, in a published letter of July 26, 1876, these words which I bring into this House with only a partial assurance that they will receive more than a contemptuous hearing in the ears of those who are now scattering the riches of civil liberty won for the human race by the sword of the great soldier now dead and safe in the affection of the world:

The scene at Hamburg, as cruel, bloodthirsty, wanton, unprovoked, and as uncalled for as it was, is only a repetition of the course that has been pursued in other Southern States within the last few years, notably in Mississippi and Louisiana.

Mississippi is governed to-day by officials chosen through fraud and violence, such as would hardly be accredited to savages, much less to a civilized and Christian people. How long these things are to continue, or what is to be the final remedy, the great Ruler of the Universe alone knows. But I have an abiding faith that the remedy will come, and come speedily, and earnestly hope it will come peacefully.

From the day Gen. Grant left the White House the progress of the revolution has been swift. Before the year 1880 it had changed the weapons of violence for the cheaper but not less effective weapons of fraud, and these have developed in States like Mississippi into legal machinery, which in the excitement of a Presidential election turns out seven Congressmen on a total poll of 50,000—a legal machinery which gives us an able manager of the order of business in this House on a total poll of 2,556, of which he managed to save all but 136—a legal machinery, in other words, which has in a gentlemanly way abolished the republican form of government altogether. We are not specially complaining of this—in truth, we prefer it to the South Carolina method, which robs the voter with eight ballot boxes; to the Arkansas method or the Georgia method, which in the Fiftieth Congress gave us ten Representatives on a total poll of 27,000, and, as if to add a feature to the situation, gave the Committee on Elections a chairman on an aggregate poll of 1,700 souls.

Let nobody say that I am attacking the South. It is not in my heart to stir up the animosities of the past, and even if it were I could find no words by which to describe the scandalous condition of Southern politics as severe as the courageous and manly admissions of the leading newspapers of Alabama, the Birmingham Age-Herald and the Mobile Register, of last December, which I hold in my hand. I read these editorials in full, and I undertake to say that no worse charges than they contain will be made on this floor by any Republican concerned in this debate, and I therefore admonish the other side, if they propose to grow excited on the question of sectional charges against the South, to spare the Republican party and give their undivided attention to the confession made in the open court of public opinion by the representative journalists of the State of Alabama:

[Birmingham (Ala.) Age-Herald (Dem.), December 20, 1892.]

We now see a well-defined movement toward elections that can be conducted without a miscount of the ballots as cast. Ballot-box stuffing was not the issue of the party split last summer. The leaders of the revolt were not animated by any noble purpose to devise an escape from a system that has become a burden and a curse. They were themselves in large numbers ballot-box stuffers of the kind that boast of it on the street corners. Their disposition toward fraud was bounded only by opportunity. Nor did the question of honest elections enter the calculations of the rank and file of the revolt except in the general feeling of resentment that the other fellows had the count.

While, therefore, the matter of honest elections did not get in the campaign as a motive, it was a very great factor as an incident, whose real importance exists in the present fact that public attention and public concern are aroused as they never were before. Prior to this time the practice of piling up fictitious majorities, of stuffing ballot boxes, has made little or no impression on the public mind because it was exercised against the negroes of a few counties and against an opposition that was too weak to arrest attention. But the result in August was a horse of a far different color. The white people of the counties of Alabama were the complainants and they were strong enough to procure access to all the channels of communication with the public and to command a pause while they told their tale. That tale, whether false or true, has elevated the subject-matter of its plaint into the supreme issue that confronts the people. Public attention is roused and will not much longer submit to election frauds on such a scale as they are practiced in Alabama.

The serpent has already crawled far beyond the precincts of the Black Belt and made its appearance in many of the white counties. Indeed, it may with truth be said that in half the counties of the State the only question as to who or what party will count the other out is one of opportunity and opportunity only. Conscience has fled. Nay, more. It is almost to the point that in the primaries inside the party the manipulator is in as high demand as in the elections at law.

This conduction of things is utterly demoralizing. Who cares to employ a man who stuffs ballot boxes? Who trusts him? How many of them have any credit? And yet we go on year after year persuading and encouraging our young men to do a thing we know will inevitably destroy their character, their credit, and their repute. No one expects that a single session of the Legislature can destroy at one swoop so extended and intrenched an evil, hedged as it is with pleas of party necessity. But a beginning can be made and must be made if the party which men like Kolb and Bowman so nearly kicked out would escape destruction at the hands of the same opposition more ably and wisely led, with a moral issue to give them standing and respect.

Mr. Speaker, I should like to know what Republican has made a charge against the Southern States or any one of them that compares in gravity with that admission contained in the leading Democratic newspaper of Alabama. That newspaper says that the counting out of candidates as between parties existing there is a question of opportunity and of opportunity only. It says that conscience has fled. And in order to show that that is no mere newspaper agitation involving one editor only, I will print in connection with it an editorial article which I have copied from the Mobile Daily Register of December 28, 1892, in which it is said:

We must find some solution of the suffrage question other than bribing voters to stay away from the polls.

The Age and Herald says:

The man who does not earnestly desire some other way of managing the negro question than by a miscount of the ballots is no friend of the Democratic party. Such a man is not untrue to the Democratic party, but untrue to the dearest interests of the people. There must be a change in methods, or the strain will become too intense for the party that now controls the State. A few months ago we heard a loud protest. No man can predict what shape the next protest will take.

It is to be regretted that the Legislature of Alabama, then in session, did not make a more satisfactory response to the demands of public opinion. They did reform the election laws. They copied the law of Arkansas, and Mr. Sayre, author of the new election law, in a published article, defending that law, among other things says:

I applied to the secretary of state of Arkansas for information as to how the law worked there, where it had been tried. The deputy secretary answered, and said, among other things: "The law works smoothly, quietly, satisfactorily, beautifully, and I pray God every Southern State may soon have one like it. It neutralizes to a great extent the curse of the fifteenth amendment, the blackest crime of the nineteenth century."

I repeat that I am not here actuated by partisan hostility against any section of our common country, although it is my sober judgment, if I may adopt the language of Col. Sweney, a Republican colleague from Iowa, in the Fifty-first Congress, that, "the permanence of the present situation is impossible, because it overweights a minority in all public affairs and creates a condition to which a free people can not and a brave people will not submit."

I do not intend to speak even casually of the belated and awkward effort of the Fifty-first Congress to apply a legislative remedy to these evils—an effort which came to naught by a curious combination between the enemies of free citizenship and a group of the friends of free silver.

It is enough to know that that effort failed, and it is probably true that the time has passed to secure an effective legislative remedy for evils which all good men hope may yield at last to the corrective influences of time and a reformed and purified public opinion. For great as is the store of wrath laid up against the day of wrath for the South, more solemn still is the responsibility of the North for its miserable acquiescence in these wrongs and crimes. And odious as the partnership is between the Democrats of the North and the Democracy of the South, hardly less odious before God and man has been the indifference of the Republican party. I can frame an apology for the Southern Democrat, who has at least had the manhood to admit the facts in this case. I can even frame an apology for the Democrat of the North, the cheerful accessory of these crimes, who for so long has enjoyed the privilege of receiving the stolen goods and meekly discharged the duty of lying about the source of the supply. But what exercise of charity can excuse twenty years of Republican cowardice turned first into indifference, then into aversion and at last into treachery.

It must be said, however, that the South is not the sole nor even the controlling factor in the present agitation against the election laws. The agitation comes mainly from the congested centers of population where the arts of ward politics have been in a measure circumvented by the national inspection of the registry and the national observation of the court. The city of New York is here asking for the repeal of the only laws that stand between the citizen and the undisturbed activity of the political régime which literally owns the metropolis. I can not believe that its present representatives more truly speak for the real interests of the city than the leading Democrats did who have indorsed the administration of these laws. I believe that Samuel S. Cox, Samuel J. Tilden, William C. Whitney, and even John Kelly were truer friends of the social order when, for the sake of fair elections, they raised their voices in defense of the administration of these laws.

In this connection I will ask leave to print an extract from Mr. Cox's famous report on election frauds and Mr. Whitney's testimony before that committee:

Whatever may be said about the United States law as to elections or their supervision by United States authority, whatever may be said as to the right of a State to regulate in all ways such elections, this must be said, that the administration of the law by Commissioner Davenport, Muirheid, and Allen, the United States functionaries and their subordinates, was eminently just and wise and conducive to a fair public expression in a Presidential year of unusual excitement and great temptation. (Second session Forty-fourth Congress.)

W. C. WHITNEY'S TESTIMONY.

By Mr. WELLS:

Q. You think that the supervision of the election, under the system of Mr. Davenport, has had the tendency to prevent illegal voting, and to give a fair election?

A. I think it has; yes, sir.

By Mr. RICE:

Q. But they (the city authorities) interposed no objection to it?

A. None at all. I think Mr. Kelley satisfied himself in some way that no abuse of power was intended, and I know that I have since heard him express to the organization with which he is connected, and in one place and another, the same opinion I have expressed here, that Mr. Davenport has been a very important accessory in preventing fraudulent voting in New York City.—*Testimony in Cox Report*, Forty-fourth Congress, second session.

That was in a time when a Democratic statesman could get the votes of the lower wards without agreeing in advance that in the course of his public duties he would pull down the safeguards of society for the convenience of the lowest sections of his party. That day has apparently passed, and there is no doubt that the mandate of the criminal classes already anticipated at Albany will be promptly obeyed here, but before it is done the American people will know the facts in this case.

Mr. Speaker, I have said that the demand for the repeal of these laws comes no longer entirely from the South; and yet sir we are not surprised that the politicians in the South look with approval upon the movement against free elections in the great cities of the United States. So far as the city of New York is concerned, it is the natural enthusiasm of a retired partner in the success of the old firm. [Laughter.] For in all these years the controlling factors of metropolitan politics have watched the progress of nullification in the South with a fraternal interest, and these two separate but allied centers of power now literally control the Government of the United States.

I am not here to-day for the purpose of entering upon any defense of the chief supervisor of elections for the State of New York. That is left to my friend from New York [Mr. PAYNE], whose larger knowledge and information on the subject enable him to speak with a larger authority. I only know that for twenty years past he has been an official of the circuit court of New York, and that in all these years no charge made against him has attracted even the reproof of that pure and honorable court.

I have heard it said in this debate that Mr. Davenport has arrested a large number of people, and my friend from Virgina [Mr. TUCKER] compared his ravages to the career of the Duke of Alva in the low countries. Yet I undertake to say, and challenge the Representatives of the city of New York to deny it, that in all these years no legal complaint against the supervisor of the southern district of New York has been made good, and of the thousands they claim he has arrested, I now challenge these gentlemen to give the name of any one man who having been so arrested, has on being released stopped long enough in his flight to inquire who it was that arrested him. [Laughter.] He has never crossed the path of any honest man on his way to the polls. He is the enemy of the vote dealer, the bogus boarding-house, the vacant building lot, and that entire brood of evil men that flies from one polling place to another without legal rights in any.

Almost unassisted he has taken the mass of Democratic raw material from the free list and put upon it the prohibitive penalties of the law. [Laughter and applause on the Republican side.]

They say he has arrested innocent people, but who ever prosecuted him for false imprisonment, either in the courts of the United States or the local jurisdiction? What court ever rendered a decision adverse to him? What decent man ever came forward in a court of justice making a legal complaint against him.

Gentlemen, in the whole history of hand-to-hand conflict of the law with crime no more gallant record has been made than that which has inspired the enmity of the Tammany combine against this fearless officer of the United States courts. They hate him with an unrestrained ferocity, because upon every secret device of professional politics he has turned the search-light of the law. [Applause on the Republican side.] Their quarrel is not with him, but with the law of which he is the servant. What are the political influences which propose to supersede the United States at the national elections in the city of New York? It is a secret political corporation which lives by tithes exacted from the vices, the misfortunes, the salaries, the contracts, the investments, and the ambitions of our greatest American city. In describing the political institution known as Tammany, as in describing the political institution known as the Solid South, we are fortunately not left entirely to the support of our own witnesses. In the North as well as in the South, a few reputable persons mixed up in the crime have seen the necessity of turning State's evidence. I hold in my hand a pamphlet composed of editorials printed from time to time in the New York Evening Post, a leading organ of the present Administration, which gives an analysis of the personal composition of Tammany Hall, which I will read, showing how fraternally the thief, the murderer, the contractor, and the dive-keeper run against each other in its management:

In the classification given below all the twenty-eight leaders whose sketches are given above are set down as "professional politicians," because all of them get their living out of politics. Some of them appear more than once in the classification, as, for example, a man may be an officeholder, a liquor-dealer, an indicted criminal, or even a dive-keeper and gambler all at the same time, but in order to classify him with others of less varied occupations it is necessary to record him several times. There are nominally three lawyers in the list, BOURKE COCKRAN, "Pete" Mitchell, and Frank Fitzgerald, but it would be obviously misleading to speak of any of them save Mr. COCKRAN by the simple title of lawyer. Aside from him there is scarcely a man in the list who can be truthfully said to follow any respectable regular calling or legitimate business outside of politics:

Professional politicians	28
Convicted murderer	1
Tried for murder and acquitted	1
Indicted for felonious assault	1
Indicted for bribery	1
Professional gamblers	4
Former gambling-house or "dive" keepers	5
Liquor-dealers	4
Former liquor-dealers	5
Sons of liquor-dealers	2
Former pugilists	3
Former "toughs"	4
Members of the Tweed gang	6
Officeholders	17
Former officeholders	8
Former car conductors	3
Former plasterer	1
Former navy-yard caulker	1
Former carpenter	1
Lawyer	1
Nominal lawyers	2
Favored city contractors	2

That extract, as I have said, is from an editorial of the New York Evening Post. If it had ever been denied I would not have read it here, because I confess that I hesitate to encourage the assumption of superior virtue which gets the most of its respectability by a continual outcry against the smell of the atmosphere in which by choice it habitually moves. [Laughter and applause on the Republican side.]

But, by reason of the peculiarities of this witness, I call the New York World of January 13, 1892, and ask the Clerk to read from the representative organ of the metropolitan Democratic politics a description of the political machine which now seeks to drive the United States away from its own elections.

The Clerk read as follows:

[New York World, January 13, 1892.]

It was because in the Democratic party of New York, as at present organized, the fundamental principle of Democracy that every man shall have a fair chance is not recognized. No Democrat in this State has a fair field. Nobody can be a candidate for any office except by favor of an oligarchy which assumes the right to parcel out all the offices in the gift of the party in secret council to suit itself.

No man can present himself to the people or to the Legislature as a candidate without the consent of this ring unless he is prepared to incur its hatred and revenge.

Its arrogance has reached such a degree that it dares affront public sentiment by forcing the election and appointment of men to the highest offices who are notoriously unfit in qualifications and character. Maynard, Scannell, Koch, and Murphy are recent evidences of its impudence.

The people have had more than enough of such despising of their sentiments and their interests. The existing oligarchy is an incubus on the Democratic party.

Mr. DOLLIVER. Do the members of this House thoroughly appreciate what it means to give to an institution of that character, by the showing of the organs of its own political opinion, an unrestricted control over the elections which concern the entire people of the United States?

My countrymen, ought we to take down one of the most effective protections against those disputes which may one day, in times of party passion, disturb the public safety? Do we propose to give the social maladies, which already perilously infest our great seats of population, an unmanageable license to poison the sources of public authority throughout the nation? Will this Congress condemn to a decayed and disintegrating oligarchy of New York politicians and turn aside from the national right and the national duty to protect even the humblest citizen in the exercise of his political rights?

AN APPEAL TO THE SOUTH.

Nor ought we to appeal altogether in vain to the returning reason of the South. The Republican party no longer exists there. The day may come when these laws which you now hate may be the protection, not of black men alone, but of the white citizen as well. It is no longer a question of negro domination: it is a question of free citizenship. It was a white man, the Farmers' Alliance candidate for Congress, whose votes went out on the floor through the patent slide of the ingenious Arkansas ballot box of 1888. It was a white man, the candidate of his party for our highest office, and a white audience, that were deprived of the right of free speech and of free public assembly in the State of Georgia last year. It was a white man, himself somewhat notorious as a ballot-box stuffer, whose complaints about being counted out last August in the State of Alabama called forth that fiery editorial which I have read here, not only as a witness against the past and against the present, but as a herald of the day coming, nearer than most of us think, when no decent American, North or South, will dare to take the oath of any office upon a certificate corrupted by fraud or invalidated by violence. [Applause on the Republican side.]

Repeal of the Federal Election Laws.

SPEECH
OF
HON. ASHBEL P. FITCH,
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES,

Monday, October 9, 1893.

The House having under consideration the bill (H. R. 2331) to repeal all statutes relating to supervisors of elections and special deputy marshals, and for other purposes—

Mr. FITCH said:

Mr. SPEAKER: It seems to me particularly fitting that at the end of this long debate the last argument to be made in favor of the repeal of the Federal laws relating to the supervision of elections should be made by a Representative from the city of New York.

It was in the city of New York that the scheme of these laws had its origin. In that city their enforcement and operation was most conspicuous, and it is on account mainly of the public indignation over the results of these laws in that city that they are about to be repealed. In presenting to the House the request of the most important city of the Union for the repeal of these laws, I propose to relate briefly what we know in that city of their origin, their operation, and their results.

These laws had their inception in the fertile brain of a political adventurer, who twenty-three or twenty-four years ago sought to find a foothold and a position for himself in New York politics. He was entirely destitute of all the resources which are ordinarily necessary for success in political life. He had nothing of the eloquence in public discussion which sometimes compels public attention and admiration. He had nothing of the personal qualities which sometimes fix friendship and attract a following and influence. He was utterly destitute of the high character and conscience which sometimes command public respect and confidence. He had, however, been educated in a school in which he had learned that political success may sometimes be achieved without eloquence or personal attractiveness, or character, or conscience. He had for years been the personal companion and an apt and devoted scholar of Benjamin F. Butler. He saw two prejudices then largely prevalent in the public mind, of which he believed he could make use, and with peculiar adroitness he conceived a scheme by which he might take advantage of them for his personal profit. He used them so successfully as to intrench himself in a position where, under cover of law on one side, and under cover of party loyalty on the other, he has looted for nearly a quarter of a century alternately the Treasury of the United States and the treasury of the Republican national committee. [Applause.]

The first of these prejudices was that of the Republicans in the rural communities against the Democratic city of New York. Because the city gave great Democratic majorities they had been taught and they came to believe that the great mass of the population of that city was made up of wicked and designing persons, without principle or patriotism, who, in their corrupt desire to overrule the wishes of the respectable voters in the country, habitually committed frauds at elections which resulted in enormous Democratic majorities. The second of these prejudices carried with it the belief that somewhere in the South there were great numbers of white and colored Republicans who, if they could be allowed to vote without fear or restraint, would carry for the Republican party a number of States then solidly Democratic.

When, therefore, the author of this scheme presented to the leaders of the Republican party in Congress a plan by which he proposed to reduce or perhaps wipe out altogether the Democratic majority in the city, the vote of which controlled the most important doubtful State in the Union, and to bring out in the South a Republican vote which should carry many Democratic States into the Republican party, his proposal was hailed with delight; the scheme was framed into legislation and he was promptly put in charge of the machinery which he had conceived. His plan was an excellent one for the only object for which it was designed, namely, for his own personal profit. Part of what it has done for him may be easily seen in the Treasury records which are printed in the report of the investigating committee of the Fifty-second Congres, over which I had the honor to preside. And if the record of the hundreds of thousands of dollars which he had obtained in five national campaigns from the Republican national committee were obtainable all the rascals in Christendom would view his performances with the sincerest envy. [Laughter and applause.] What his plan did for the Republican party may be best seen in the result of the election last fall, while his system was in full force, of a Democratic President, a Democratic Senate, and a Democratic House of Representatives, elected by immense majorities in the city and the States which he had contracted to control. [Applause.]

So far as the city of New York was concerned the enactment of these laws was part of the methods adopted by the short-sighted, unreasoning, and incapable men who of late years have controlled the policy of the Republican party in relation to the affairs of the city of New York. Because the city was Democratic it was attempted to rule the island of Manhattan as if it were a conquered province. At Washington and at Albany Republican legislation was invariably hostile to the city of New York, and it is largely because of this hostility, manifested in every possible spirit and in every possible form, that the intelligent voting population of that city has gone by a vast majority into the Democratic party, whose ranks are filled now to overflowing with men who came to them from the Republicans, driven out by Republican hostility to the city in which they lived.

For twenty years the Republican party, more violent against the city from year to year, when it had power at Albany, by its legislation and by all the power of the State government, inflicted every injury which could be conceived upon the Democratic metropolis. The city was made to bear a greatly disproportionate share of the State taxes; it was denied its just and proper representation in the State senate and Legislature. The rights and habits of its citizens were attacked by arbitrary and unjust laws, such as were not made to apply to any other section of the State, and the aspiration of its people for the right to manage their own affairs and to have some kind of home rule, such as existed in the Republican cities of the State, was steadfastly denied them. And in hand with this legislation at Albany went the enactment of these Federal election laws, the very design of which was to control by force and influence by bribery the conduct of elections in the city. [Applause.]

Because New York was a Democratic city all of the dearest interests of its inhabitants were attacked by legislation hostile to the whole town. There never was a more short-sighted policy displayed in politics. The result was the inevitable result. Thousands of men of intelligence, influential in the Republican party, resented these attacks upon their city and upon their own financial and personal and political interests, and joined the Democracy in its fight for home rule and fair play for their own town. These men, driven out of the Republican party under these circumstances, have made the city and the State in which they live more strongly Democratic in sentiment from year to year, until now the Republican party has as much power and influence in the city of New York as it has in the State of Texas. [Applause.]

When Davenport was given these powers, which he has abused; when Mr. Platt and Mr. Hiscock, and the other Republican leaders from the interior of the State, commenced their absurd attempt to legislate New York into a Republican city the Republican party had three or four members of Congress from the city at Washington, numerous members of assembly and the senate in the Legislature at Albany, a dozen distinguished Republican lawyers in high judicial places on the bench of the different courts, and a strong minority representation in the local government, and the board of alderman. As a result of the policy which I have described, and the performances of Davenport under these Federal election laws there are at this time no Republican members of Congress from the city; nor are there any in the adjacent communities of the three States of New York, Connecticut and New Jersey close to the metropolis and where the influence of New York is felt. [Applause.] The thirty members of the Legislature and all the senators who represent the city are Democrats.

The Republican party has no representation whatever in the local government and has lost every place on the bench but one, which is filled by a distinguished jurist in whose reëlection the Democrats cordially and willingly joined. [Applause.] One may well say to the Republican leaders who have wrought this ruin of their party in the State and city of New York, as the distinguished gentleman from Maine says to the Democratic party in his regular monthly lectures to us on our conduct, "What a spectacle you present." [Laughter and applause on the Democratic side.]

In fact, the attachment of the people of the city of New York, formerly much divided on political issues, to the cause of Democracy became so evident and awakened such feelings of hatred and resentment against the city, that the last State campaign was waged by the Republicans solely on the lines of an attack upon the city of New York, its local government, the intelligence and the morality of its people, and its right to local self-government. Headed by Mr. Fassett, the candidate for governor and one of

the very men who in the State Legislature had attacked and injured in every possible way the chief city of his State, a campaign was made in which the prejudices of the country against the city were sought to be aroused and the rural voter entreated to rally to the defense of the State against the city.

The spirit of that campaign is best shown by the remarks of Mr. Owen, of Indiana, formerly a member of this House and afterward appointed to office by Mr. Harrison, which were often quoted in that campaign, and are to be found on page 1610 of the RECORD of the Fifty-second Congress:

New York is a foreign city on American shores. The foreigner who comes to New York is flung into a tenement house. He has no opportunity to catch the genius of American institutions. His children do not learn the English language; employers pay him pauper wages; and with his hopes in America blasted, he lives on the dangerous line of disappointment and poverty. He can not make a good citizen. [Laughter on the Democratic side.]

Mr. Speaker, I know something of the foreign-born residents of the city of New York and of their thrift, prosperity, and success. No one is more willing than I am to exclude all undesirable elements of immigration, but for one I resent the attack upon our naturalized citizens of which these laws are a part and the attacks upon our city, which are exemplified by the remarks of Mr. Owen. [Applause.]

If no foreigners had ever arrived in this country no one would be here now, except the Indians and the ancestors of Mr. Owen, of Indiana. [Laughter.] We are all the descendents of men who were "foreigners" when they came here. They cleared the forest, they established the town meeting, they laid the foundation of our Republic—

She that lifts up the manhood of the poor,
She of the open soul and open door,
With room about her hearth for all mankind!

[Applause.]

When did New York become a "foreign city?" Was it when the first Congress met there at the corner of Wall and Nassau streets, and when Washington lived in Pearl street? Was it when her seamen fought the battles of the war of 1812, or when her soldiers led the triumphant advance into the City of Mexico? Was it when her militia saved Washington in 1861, or when the long procession of her regiments answered every call of the nation in the civil war? Was it when her women organized and maintained with hundreds of thousands of dollars the sanitary commission to care for the sick and wounded, and her bankers gave the Government the loans needed to carry on the war? Or was it when, in 1889, with the flag on every house, with the school boys in line, with patriotic music, and with a pomp and circumstance never seen before in this country, she celebrated the inauguration of the first President? [Applause.]

These appeals to the Tioga County farmer to rise in his might and save the State from city misrule and corruption, this assumption that the people in Chemung County are more patriotic and more honest than we are, and know better than we do how we should live and be governed, and how much money we should spend on our own city, are so many insults to each of us. When the Republican party had purposes beyond personal profit and principles instead of a price-list for a platform, these absurdities were unknown. [Applause.]

It is absurd to describe the people in New York as unintelligent. They have built up the best common-school system in the State, and have the best schools of medicine, of law, of theology, of science, of painting, and of music in the United States. They have the best newspapers and magazines in the world. New York is the market for intelligence in this country. If a citizen of Tioga County writes a book, where does he take it for criticism or recognition?

It is absurd to call them dishonest. They borrow money on their bonds cheaper than any county or village in the State can get it, and there is no Republican city in the country whose credit is so good. The New York merchants and bankers carry the finances of all the country counties, and are everywhere trusted and looked to for help.

It is absurd to say that they have no civic self-respect. They have chosen for themselves a judiciary, for instance, by popular election, which is celebrated all over the United States for its learning and its integrity. No city in the civilized world has judges whose decisions are more widely respected and more frequently followed than those chosen in the city which the Republicans say is so corruptly governed. [Great applause.]

If our city government were what the Republicans in this debate say it is, the people would leave Manhattan Island. Instead of that they leave the Republican country districts to come to us. Mr. Platt's county of Tioga, where he reigns supreme, lost in population over 2,600 between 1880 and 1890. In those ten years more than a quarter of a million people came to New York to live, and made their homes under this city government which the Republicans here pretend to be so frightened about. These people came to us from all over the United States, as well as from Europe. They and their children love this country, honor its flag, and would fight in its defense as readily as would any countryman in the State. And they will teach Mr. Davenport and his allies on this floor that no one can interfere with their interests and insult their good name without punishment. [Applause.]

Mr. Speaker, we who live in that city know well that the most valuable possessions of the city of New York are not in her municipal wealth, her noble parks, her well-managed charities and schools. They are not in the treasures of art in her Metropolitan Museum. They are not in her wonderful position, situate between the most beautiful of rivers and the most delightful of inland seas, at the head of a bay more charming than that of Naples, in which the Statue of Liberty looks down on the commerce of the world. [Applause.] They are not in the riches which her citizens have gathered together within the sound of the chimes of Trinity Church, nor the graceful luxury and magnificence of social life over which shine the lights of Madison Square. They are not in that avenue of palaces which stretches from the Memorial Arch to the Plaza, nor in the treasures of her gold and silver smiths which fill the square where Washington and LaFayette watch, immovable, the tide of travel and of pleasure in the city which they fought together to deliver from its enemies. [Applause.]

New York is rich indeed in all these and in everything which is the type or the result of the highest human civilization, but her greatest possessions are in the inheritance which she got from the Revolution, her share in the memories and in the hopes of the Republic of which she is the metropolis. Her material wealth and her achievements and possessions in architecture, music, sculpture, painting, and in literature are all fruit on the tree of national prosperity whose roots lie deep in our institutions and whose growth has been made possible by the free air and sunshine of national liberty. [Applause.]

She is the city of which we are proud because she is the chief city, not of a colony, but of a nation. She has the commerce of a continent to enrich her because that continent has been conquered and is ruled by her own countrymen, because the flag which flies over her bay floats over the Golden Gate on the Pacific, and the laws which she obeys are in force from the St. Lawrence to the Rio Grande. She is in command of the finances of a continent because a National Government has given to the whole country one system of currency and of banking. She holds her place as the home of literature because a national impulse has driven out all other languages and given to the English tongue the mastery in all our great territory. [Applause.]

No inheritance which New York's wealth can give to the children born in the richest homes on Manhattan Island is worth as much to them as is their birthright of citizenship in our great commonwealth of States, their share in the opportunities of the Republic.

The saying quoted by Emerson, that "Countries are cultivated not as they are fertile, but as they are free," is as true of the city as of the country. The soul of New York's life, the spirit which has made her what she is, was given her when the Constitution of the United States was adopted and the first Congress met in Wall street.

When Washington rode his horse down the Bowery at the head of his veterans, to take possession of the town from which the British had been driven, he brought with him the future greatness of New York. [Applause.]

The history of the chief city of America is the history of American liberty.

She made the first written protest against taxation without representation when her merchants, under Livingston and Bayard, a month before Boston acted, called upon Governor Colden to "join in an endeavor to secure that great badge of English liberty of being taxed only with our own consent." She took the first step toward a union of the colonies when her committee "to seek united action with the other colonies" was appointed October 18, 1764. Her committee of freeholders was the first to suggest, in 1774, the idea of holding the first Continental Congress. She gave to the earliest service of the Republic three of its most valued leaders, Alexander Hamilton, John Jay, and Gouverneur Morris. It would be hard to name, after Washington, three others who contributed more to the establishment of the United States than these three young men from the city of New York.

It is not necessary, Mr. Speaker, for me to discuss the prejudices against the South which, in addition to the hatred of the city of New York, furnished the ground and pretext for this legislation. Gentlemen from that section of the country have given that full and satisfactory extension. I pass, therefore, to the discussion of the operation of the law in the city of New York, merely stopping to quote, as a matter of interest in connection with the result of these laws in the South, and as showing that they had the same result there as with us, the interesting statement of my

distinguished friend from Tennessee [Mr. PATTERSON], in this debate:

When these laws were passed every Representative in both Houses of Congress from the eleven Southern States that were in the Confederacy was a Republican except five Now, mark that, I repeat it. At the time these laws were passed, in 1870 and 1871, every Representative in Congress from the Southern States was a Republican except five. To-day every Representative from these eleven States in Congress, Senate and House, is a Democrat except four. [Applause on Democratic side.]

Having thus, Mr. Speaker, spoken of the origin of these laws and of the connection between that origin and the city on behalf of which I speak to-day, I desire next to describe their operation in that city. The workings of these laws under the management of their author had steadily grown more and more unpopular with us until the meeting of the last Congress, during the existence of which this system of Federal supervision was to be again exercised in the fall of 1892 in the Presidential election. As we in New York had determined, whenever the two Houses of Congress passed into the hands of the Democratic party, to apply to the National Legislature for the repeal of these laws, it seemed necessary for us to get into definite shape and form the legal evidence as to the injustice, the expense, and the partisan use of election machinery which resulted from their operation in our city.

We desired also to put in proper form for presentation to Congress such evidence as might be obtainable as to the frauds alleged to have been committed on the National Treasury by the chief supervisor of elections, together with any denial which he might desire to make of the charges which were made against him in the public press and any evidence which he might produce to substantiate such a denial. We desired, if possible, to take a photograph of the workings of these Federal election laws when in actual operation. We wished to lay before Congress, when we came here for the repeal, a picture as accurate as could be made on the spot and at the time of exactly what happened in our city under these laws.

In other words, Mr. Speaker, we wanted to come here, not with loose allegations or wild denunciations such as our Republican friends have used in this debate against us, but with sworn evidence taken as the court takes it of the facts in the case. [Applause.] Acting on behalf of the city, we desired to prepare her case against these laws and against their author as we would prepare for trial any case to be tried before a jury.

Accordingly, Mr. Speaker, in the first session of the Fifty-second Congress I introduced the following resolution:

CONGRESS OF THE UNITED STATES,
In the House of Representatives, July 19, 1892.

Whereas it is alleged that gross abuses have existed in the administration and supervision of the election laws by Federal officers within the city and county of New York: and

Whereas it is expedient that all such laws should be administered so as to preserve and not to violate the right of suffrage: Therefore, be it

Resolved, That a select committee of five members of the House of Representatives be appointed by the Speaker to inquire into the supervision and administration of the election laws by officers of the United States within the city, county, and State of New York, so far as the same relate to the election of members of Congress, said committee to sit during the recess of Congress and to report to this House at the session thereof beginning on the first Monday of December next: and be it further

Resolved, That the said committee be empowered to administer oaths to witnesses and to send for such persons and papers as may be necessary to properly complete the inquiry hereby committed to it, and it is hereby authorized to issue the mandate of the House to compel the attendance of such witnesses and the production of such papers; and be it further

Resolved, That the expenses of the investigation above directed shall be paid out of the contingent fund of the House, and the Clerk of the House is hereby directed to advance to the chairman of such committee such amount of money as such chairman may request in sums of $1,000 at a time, said committee to account for and report upon their expenditures thereof.

This resolution was passed by the House on July 19, 1892, and under its terms the Speaker appointed a committee of five members of the House to make the investigation.

Now, Mr. Speaker, our Republican friends in this debate have had a great deal to say about the desire of the South to abolish these laws, and about the Southern sentiment on this floor against their operation. I desire, therefore, to call attention to the fact that I have shown, as I believe conclusively, not only that these laws were originated in the city of New York, but that the movement for their repeal had its origin also in the same place.

What sort of a committee was it, Mr. Speaker, which undertook this investigation? They were not the former slave-owners, the ex-Confederate brigadier-generals, the Southern State rights advocates, who disturb the dreams and fill the waking fancies of my belligerent friend from Maine [Mr. BOUTELLE]. [Laughter and applause on the Democratic side.]

The three Democrats on that committee were all Northern members of Congress; one of them from Connecticut, one of the foremost lawyers of a State which has been the nursery of law and learning in this country for two hundred years [applause]; one of them a lawyer from the State of New Jersey, of an old New York family, highly respected at the bar of both States for his learning and his character. [Applause.] The two Republican members of the committee were an alert, vigilant, and well-equipped lawyer from the central part of New York State, and a distinguished member of Congress from Philadelphia, whose long experience in public affairs makes him a most valuable member of every committee of the House on which he serves. Now, in common fairness, my Republican friends, was not that a committee fairly representative of Northern sentiment? [Applause.]

Now, Mr. Speaker, we started out in New York with a fair proposition to ask for the repeal of these laws only on evidence, openly and fairly taken, and on all the evidence that anybody chose to present. We started out with a fair-minded committee, and in an equally fair and open manner we made the investigation. Sitting in the Federal building in the city of New York, we began naturally and properly by asking the United States officials, whose offices were in that building and who were charged with the execution of the law, to come before us and to testify regarding the acts which they were committing from day to day. The Republican United States district attorney for the southern district of New York came at once before the committee, and in the most straightforward and satisfactory way put at our disposal all the records of his office, his accounts with the Government, the papers in connection with all proceedings in his charge under the law, and sent promptly before us such of his clerks and assistants as we desired to examine.

The Republican United States marshal for the southern district of New York, a well-known and very active political manager whose hostility to the Democratic party is well understood, answered at once the subpœna of the committee in person and gave us from his office, without question, all of the evidence and records which the committee desired to examine. The Republican Secretary of the Treasury, without waiting for a formal subpœna, on the written request of the committee sent to New York the bureau chief in charge of the accounts relating to these matters, with all the original vouchers and documents on file in the Treasury Department. These three high officials had no reason to try to conceal anything from the committee.

The chief supervisor of elections for the southern district of New York, on receiving the same subpœna which the other officials obeyed, took precisely an opposite course. He did what a guilty man always does, if he can, when called into court to face the charges against him. He got out of the way. He refused to come. He kept himself in hiding. He disobeyed the subpœna of the House, and he did it because, if he can help it, he will never consent to be cross-examined by a lawyer as to the money which has been paid him by his party and by the Treasury, and his disposition of that money. He loves to pose as a political martyr, and it would have delighted him to appear before the committee in that rôle were it not for the questions which would have been asked him as to what money he had received and what he did with it.

Mr. RAY. Will the gentleman allow me to ask him a question?

Mr. PAYNE. Will the gentleman allow me to ask him a question?

Mr. FITCH. No, not now. I did not interrupt you. Now, as to what happened in that committee——

Mr. RAY. I would like to ask the gentleman a question.

Mr. FITCH. My friend has stated his views very fully, and I desire now to state mine without interruption.

Mr. PAYNE addressed Mr. FITCH.

Mr. FITCH. I am speaking to my friend [Mr. RAY].

Mr. RAY. I want to know whether you will allow me to ask you a question?

Mr. FITCH. I prefer to proceed without interruption.

Mr. HALL of Minnesota. He should not allow an interruption.

Mr. FITCH. I know what my friend's question is, and can not yield. I consider Mr. DAVENPORT in the light of a fugitive from investigation and you consider him a much abused Christian statesman. I maintain that he did not appear because he did not dare to state the truth before that committee.

Mr. RAY. Do you know what the truth was?

Mr. FITCH. I decline to yield to my friend. He has had all his time and I have not had mine until to-day.

Mr. RAY. You should not be afraid of the truth.

Mr. FITCH. The truth is to be found in the evidence which was submitted to that committee under oath, and which no doubt has been fully read by members of the House, and which has been fully commented upon in this House. [Applause.]

Why, Mr, Speaker, an innocent man charged with what this man was charged with, if he had any touch of personal honor, would have crossed a continent to face his accusers. This committee sat across the hallway from Davenport's office, within a few feet from where from day to day they took the evidence,

were the records of the chief supervisor's office, which the committee demanded and he refused to produce.

I do not propose, Mr. Speaker, at the end of this long debate to review all of the evidence which our committee took; but I desire to call the attention of the House to that portion of the report of the majority of the committee which explains the reasons why the committee recommended to the Fifty-second Congress the repeal of these laws. I quote from the report of the committee as follows:

The evidence taken before the committee and submitted with this report to the House relates entirely to the administration and supervision of the election laws by Federal officers within the city and county of New York.

It is assumed by the committee that the administration and results of such laws would nowhere appear more clearly or in a better light than in the city of New York.

It is believed that in the largest city in the country, where every class of our voting population is fully represented and where the respective parties have for years made their principal headquarters at important elections, and under the constant publicity given by the best organized and most effective newspaper press of the world, the actual workings of these laws and their good or evil results can be more clearly seen and appreciated and more intelligently judged than is possible anywhere else.

Your committee, after a very careful study of the operations of the Federal election laws before election and on election day in the city of New York, are of the opinion that all of these laws have entirely failed to produce any good results in the direction of the purity of elections or the protection of the ballot box, and have been productive of such serious and dangerous results that they ought at once to be repealed.

The reasons for our recommendation for the repeal of these laws, based on our study of their operation and results in New York, may be classed under four heads. They ought to be repealed—

First. Because they result in no convictions of offenders, and are therefore useless to prevent or punish crime.

Second. Because they cause great expense and are fruitful of constant and continuing frauds upon the Treasury.

Third. Because they are designed to be used and are used only as part of the machinery of a party to compensate voters who are friendly to it, and to frighten from the polls the voters of the opposing party.

Fourth. Because under and by virtue of these laws the gravest interference with the personal rights and liberty of citizens occur, and voters are punished by arrest and imprisonment for their political opinions.

In considering the first point above mentioned, it may be remarked in the first place that these laws are believed to have been, in the main, drafted and their enactment brought about by the present chief supervisor of elections in the southern district of New York. If anyone in the country was able to administer them in such a manner as to get good results from them the author of the system certainly ought to have been. Through most of the time during which he has held his position the National Government has been fully in accord with him and willing to aid him with all its power and resources. He has drawn from the public purse vast sums of money for his compensation in the administration of these laws and for the employment of thousands of deputies and assistants. He holds his office by a tenure which makes him practically independent of any criticism or danger of removal. He not only holds this office of chief supervisor of elections, but he has also had himself appointed a United States commissioner, so that he can sit as an examining magistrate.

With the power of the Government behind him and with the money of the Government to use, he has managed for years a detective bureau, by means of which he has sought to get proof of the crimes which he has claimed existed in the city of New York. When in his first capacity, as a detective, he had obtained such proof as he wished to use, he then in his second capacity, as a public prosecutor, issued the warrants for the arrest of the alleged criminals. Sometimes he gave these warrants to the United States marshal to be executed, and sometimes in a third capacity, as a sheriff, he seems to have made the arrest of the accused parties through his own deputies. Then in his fourth capacity, as a United States commissioner, sitting as a magistrate, he has heard his own charges against the prisoner which he presented to himself as judge by himself as prosecuting attorney, and has decided himself upon their guilt or innocence.

In this way he has arrested many hundred persons at each election. This is not at all difficult under these laws. He has merely to decide on the names of the parties whom he desires to arrest or to keep from voting and issue his warrants for their arrest. But in order to have any of these persons indicted or convicted it is necessary for him to take his alleged evidence before the grand jury, and to try his case before a judge and jury in open court, and without the special advantages which up to this point the Federal election law has given him. He must then have a case. At this point he has invariably failed. With all this machinery in the hands of its inventor and the use of unlimited money the law has resulted in nothing so far as the conviction of offenders is concerned.

During the entire time covered by the examination of the committee there has not been one conviction for illegal voting in the southern district of New York in the United States courts, and under these laws. It is therefore clear that these laws do not result in the punishment of any crime, and they ought therefore to be repealed.

The second reason why, in the opinion of the committee, the law should be repealed is that it causes immense expense, and is purposely so arranged that there is no supervision over the cost, no limit to the amount expended, and no proper responsibility for the payment of the bills.

It is impossible to report upon the exact cost of the system, for the reason that the Treasury Department is unable at this time to state it. The witness Ferrell, sent by the Department before the committee, estimated the expense for this year at $1,000,000, but it is clear from his evidence that he had no accurate knowledge of the amount, which will doubtless be much more. When it is seen that the payments for the personal compensation of the chief supervisor in the southern district in New York for his services as supervisor and commissioner, entirely aside from the payment of his deputies and aside from the fees and disbursements, and the compensation of deputies of the United States marshal, have amounted during the present Administration to a sum exceeding $107,000, the abuses under these laws to which your committee desire to call attention will be plain. This amount will doubtless be increased by a further very large payment, the amount of which your committee is unable to ascertain, which has been demanded and is expected by the chief supervisor from the Treasury Department before the close of the present Administration.

In connection with these payments, attention is called to the fact that from March, 1885, till May 17, 1889, during which time a district attorney was in office who desired to examine these bills, the chief supervisor never presented a bill, preferring to go without the money sooner than submit to examination. As soon as the present district attorney came in the bills were presented and approved and promptly paid.

The third reason why the law should be repealed is that, in the judgment of the committee, it is used mainly for partisan purposes. It is believed that this will be admitted to be true in the city of New York by everyone who has any knowledge of the facts, and that an examination of the evidence taken before this committee will convince any impartial person that under these laws the power and the funds of the Government are freely used with the direct intention of affecting the result of elections.

It is not deemed necessary to enter into an extended argument to show that this should not be allowed.

The establishment for election purposes in the interest of one party of an army of political workers as large in number in the United States as the regular Army of the United States, and the giving to them the badge and authority of the National Government, is an act of arbitrary power without a precedent in the history of our country. No political party temporarily in power ought to have any such advantage over its opponents, and the majority of this committee would be as unwilling to see any member of their own party in the city of New York clothed with the power now given to the chief supervisor and marshal as they are to allow the present incumbents to remain in the possession of these unfair advantages.

The law was designed for partisan advantage. It is perhaps fortunate that its execution in the city of New York has been mainly intrusted to one of a common class of political adventurers whose only real object has been to get money out of politics. In the hands of a man of ability who cared little for personal profit, but who was devoted simply and without scruple to the success of his party, it might have been the source of much more serious trouble. The powers which it confers should not under our system of government be intrusted to anybody. In the interest of the people, whose right it is to act with any of the parties or in opposition to any of them, it ought to be repealed.

The fourth and final reason why these laws ought at once to be repealed is that under them great numbers of innocent persons have been and are at every election deprived of their liberty and interfered within the exercise of their undoubted right to vote. These facts are not to be disputed. They are known to all men in New York, and were brought to the personal knowledge of the committee and proven beyond question. The fact that all of the great number of citizens who were arrested during all these years were, with the exception of two, discharged as innocent after judicial investigation, is conclusive legal proof of the falsity of the charges. That most of them were discharged by the very magistrate who had caused their arrest shows the charges to have been not only false, but malicious.

Any system of laws under which, for any reason, citizens entitled to vote can be systematically arrested, held until their opportunity to vote is gone, and then discharged without redress, should have no place in the statutes of the United States.

Perhaps, Mr. Speaker, it will be of interest to the House to have some of the exact evidence in regard to two matters mentioned in the last paragraphs of the report which I have cited. Our opponents in this debate have insisted that these marshals were worthy and respectable officers of the law engaged in preventing from voting, by arrest, great numbers of unnaturalized foreigners in the city who endeavored to vote. I propose to show by the sworn evidence of the people whom they arrested that the persons thus deprived of the right to vote at the last election were almost all native citizens, born on the island of Manhattan.

And I propose, further, to show by a statement, giving names and addresses and police-court records, that many of these Davenport marshals, whom the Republicans pretend were appointed to defend the purity of the ballot box, were notorious criminals. As to the first point I read portions of the evidence, as follows:

William Weir, called by the committee, being duly sworn, testified as follows:

By Mr. FITCH:

Q. What is your name?
A. William Weir.
Q. Where do you live?
A. West Fifty-second street, No. 649.
Q. How long have you lived in that house?
A. About nine years in that house; seven months in the one room I am in now.
Q. But nine years in that house?
A. Yes, sir.
Q. Are you well known in that neighborhood?
A. I have been seventeen years in the same block; never lived out of it a day in my life—between Eleventh and Twelfth avenues.
Q. Your case was heard before Commissioner Shields this morning?
A. Yes, sir.
Q. What decision did the commissioner render?
A. Just asked me the same questions that you have asked me and discharged me.
Q. Are you a native-born citizen?
A. Born right here in New York.
Q. You brought him personally down before Commissioner Deuel, did you not?
A. Yes, sir; this gentleman took me over there and he came down to take him.
Q. Do you know the name of the commissioner before whom you went?
A. No, sir; he told me to bring him down to the United States court.
Q. Who gave you this paper on which you made the arrest?
A. This man inside of the poll.
Q. You don't know his name?
A. No, sir.
Q. Do you know where the polling place is?
A. Yes, sir.
Q. Where is it?
A. The twenty-ninth election district.

Next take John W. Powers:

By Mr. FITCH:

Q. Where do you live?
A. 25 Bowery.
Q. Are you a naturalized or native citizen?
A. Native citizen.
Q. Where were you born?
A. Madison street, this city.
Q. Lived here all your life?
A. Yes, sir.
Q. When you were arrested to-day what was done with you?
A. I was brought down here before the commissioner and discharged.

Take now the case of Patrick McKenna. Bear in mind what my friend [Mr. PAYNE] has said about the class of vagrant people without home or occupation that we want to have vote in New York but who are prevented by these laws:

Patrick McKenna, called by the committee, being duly sworn, testified as follows:

By Mr. FITCH:

Q. Where do you live?
A. 261 West One hundred and twenty-third street, city.
Q. How long have you lived there?
A. In that number about twelve years.
Q. How long have you lived in that vicinity?
A. Thirty-five years.
Q. What is your business?
A. Horseshoer.
Q. Are you well known in the vicinity?
A. Yes, sir; everybody in my neighborhood knows me.
Q. How long have you been in business in that vicinity?
A. About thirty-five years for myself.

And, Mr. Speaker, let me say that I have known him personally for many years and that he is well known and respected in Harlem.

Q. Did you register at this election?
A. Yes, sir.
Q. Where?
A. In Seventh avenue, between One hundred and twenty-third and One hundred and twenty-fourth.
Q. You registered before in that election district?
A. Yes, sir; very, very often—frequently.
Q. And voted?
A. Yes, sir; for the last thirty years.
Q. So that your name was on the register's polling list of that district for several years?
A. Yes, sir; I have had charge of that district for thirty years.
Q. What do you mean by having charge of that district?
A. In a political sense; I am captain of that district now.
Q. You mean for Tammany Hall?
A. Yes, sir.
Q. Were you arrested to-day?
A. Yes, sir.
Q. What were you charged with?
A. For false registration. I own the house which I registered from.
Q. Had you voted when you were arrested?
A. No, sir.
Q. Have you voted yet?
A. No, sir; I am going to, though.
Q. After your arrest you were brought before a United States commissioner?
A. I was fetched up to One hundred and forty-fifth street first, and from there down here.
Q. Before what commissioner were you taken?
A. Before Commissioner Shields downstairs.
Q. And you were examined?
A. Yes, sir; and he discharged me.

Daniel McCarty, called by the committee, being duly sworn, testified as follows:

By Mr. FITCH:

Q. Where do you live?
A. 354 East Tenth street, rear house, top floor.
Q. How long have you lived there?
A. Ten or eleven years.
Q. Are you a naturalized or native-born citizen?
A. Born here in the United States.
Q. Did you register at this election?
A. Yes, sir.
Q. Did you give your address at the number you have mentioned above?
A. Yes, sir.
Q. Were you arrested?
A. Yes, sir.
Q. When?
A. This morning.
Q. Before you had voted?
A. Yes, sir; I was going to vote and they challenged me and I cast my vote.
Q. And then you were arrested?
A. Yes, sir.
Q. What were you charged with?
A. For not living in the directions I gave.
Q. Charged with illegal registration?
A. Yes, sir.
Q. You were brought down here before Commissioner Shields?
A. Yes, sir.
Q. Did he hear the case?
A. Yes, sir; I guess he did.
Q. He heard the case and discharged you, did he not?
A. Yes, sir.
Q. Had you any knowledge that you were to be arrested to-day?
A. No, sir; not a bit of it.
Q. Did you register on the first, second, or third day of registration?
A. It was the second, I think.
Q. You think you registered on the second day of registration?
A. I can't tell that for sure.
Q. You never heard until to-day that you were charged with false registration?
A. No, sir; not until I went in there?

Now, the value of all this talk about the persons arrested being criminals or disreputable people is, perhaps, as well illustrated by the next case that I am going to cite as by any in the list:

TESTIMONY OF RAFFAEL A. JOSEPHSON

Raffael A. Josephson, called by the committee, being duly sworn, testified as follows:

By Mr. FITCH:

Q. Where do you live?
A. 287 Madison street.
Q. Are you a naturalized or native citizen?
A. Naturalized.
Q. When were you naturalized?
A. Five years ago.
Q. How long have you lived in the State of New York?
A. All the time; I have lived here eleven years.
Q. How long have you lived in the city of New York?
A. Over six months.
Q. How long have you lived from where you registered?
A. About two months; I moved there the 26th of September.
Q. What is your business?
A. Well, my business; I am a minister.
Q. You are a rabbi?
A. Yes, sir.
Q. Were you registered at this election?
A. Yes, sir.
Q. Where did you register?
A. In my district, on the corner of Madison and Montgomery streets.
Q. Did you register on the first day, or the second, or the third day of registration?
A. On the second day, I guess.
Q. If you don't know—it was the second or third day, perhaps?
A. Yes, sir.
Q. Before to-day, did anybody tell you that you were going to be arrested for false registration?
A. No, sir.
Q. You were arrested to-day, were you?
A. Yes, sir.
Q. When you came to vote?
A. When I came to vote I was led away and a man told me "I want to arrest you."
Q. Did you vote?
A. Yes, sir.
Q. And you were arrested then?
A. Yes, sir; I was.
Q. You were brought before Commissioner Shields?
A. Yes, sir.
Q. And your case was heard?
A. Yes, sir.
Q. And what was the result?
A. I am discharged.

Mr. WARNER. I should like to know whether this commissioner, who appears to have connived at all these "Tammany outrages" by discharging these men, is a Republican or a depraved Democrat?

Mr. FITCH. He is a Republican and has been one all his life.

A MEMBER. A "depraved" Republican?

Mr. FITCH. He is not a depraved Republican, because he is one who knows the law and who endeavors to administer it justly.

Mr. WARNER. And was he immediately deprived of his place by the Republican judicial officers after he had perpetrated these outrages in letting those men go whom Davenport had arrested?

Mr. FITCH. He was not. On the contrary he has been promoted by the judges of the United States courts, who, I hope, have seen that his conduct in these matters has been that of an upright magistrate. [Applause.]

Now, here is the testimony of John S. Leach:

Q. Where do you live?
A. 34 East Twelfth street.
Q. How long have you lived there?
A. The three past years I have registered from there and voted from there.
Q. You registered from there last year?
A. Yes, sir; and voted.
Q. So that your name was on the registry list or the polling list from that place?
A. Yes, sir.
Q. What is your business?
A. Upholsterer, and I work for Mr. Brown, and have done work for him for the last three years.
Q. Are you a naturalized or a native citizen?
A. Native.
Q. How long have you lived in the city of New York?
A. Fifty-one or fifty-two years.

Mr. McCALL. May I inquire of the gentleman from New York——

Mr. FITCH. I think I must decline to yield. Gentlemen on the other side were not interrupted to-day; and I prefer to proceed in my own way.

Mr. McCALL. I simply desire ——

Mr. FITCH. I decline to yield to my friend.

I wish also to call attention to the testimony of Edward Flieger:

Q. Where do you live?
A. 53 Attorney street.
Q. How long have you lived there?
A. Between four and five months; I should judge about five months.
Q. Are you a native or naturalized citizen?
A. Native; born here.
Q. How long have you lived in the city of New York?
A. Twenty-two years.
Q. What is your business?
A. I work for the fifth district court marshal.

He is a court officer of the city of New York, entrusted with the service of papers and the collection of money. He was arrested and was immediately discharged.

Now I turn to the testimony of John Barry:

Q. Where do you live?
A. 15 James Slip.
Q. Are you a married man?
A. Yes, sir.
Q. Live there with your wife?
A. Yes, sir.
Q. How long have you lived there?
A. Five months.
Q. Are you a naturalized or native citizen?
A. I was born here.

This man was arrested in the same way, and immediately discharged by the magistrate on an investigation of the facts.

Here also is the testimony of Alfred Newell Fuller. And if I ever saw a cultured gentleman and recognized him on sight, it was this man. I read his examination:

TESTIMONY OF ALFRED NEWELL FULLER.

Alfred Newell Fuller, called by the committee, being duly sworn, testified as follows:

By Mr. FITCH:

Q. Where do you live?
A. 17 Lafayette Place.
Q. How long have you lived there?
A. Since the 14th day of October, 1891.
Q. Have you ever registered from there before?
A. No, sir; but I have been a citizen of New York since 1885.
Q. What is your business?
A. A private tutor preparing boys for college.
Q. Did you register at this election?
A. Yes, sir; the 29th day of October.
Q. Before to-day did you have any intimation that you were to be arrested for any crime against the election laws?
A. No, sir; not until I presented myself to cast my vote.
Q. Have you voted?
A. No, sir; I have been over to Jefferson Market since half-past 1.
Q. You presented yourself to vote to-day?
A. Yes, sir; twice.
Q. Were you arrested?
A. Yes, sir; twice.
Q. Please restrict yourself to the arrest by the United States marshal; you were arrested by a United States marshal?
A. Yes, sir.
Q. Did he show you any warrant?
A. Yes, sir.
Q. What was the charge against you?
A. False registration.
Q. And you were brought before Commissioner Shields?
A. Yes, sir.
Q. And your case was heard?
A. Yes, sir?
Q. What was the result?
A. Discharged, with laughter, by the commissioner.
Q. Was there any foundation for any such charge against you?
A. No, sir; I can not see any. I left town on the 1st of July, and have been in Newport and Long Island, and I returned on the 30th of September; and I have been in the city ever since; although I am out of the city a great deal that is my residence.

Gentlemen talk about the "slums;" they talk about the degraded class of people who undertake to vote in the city of city of New York and whom Davenport arrests. I have cited the case of a minister of the Hebrew gospel; I have cited the cases of these other men, reputable citizens, born in the city of New York. Here is the case of a scholar, a gentleman who is engaged in the business of preparing boys for college, a man whose appearance was as significant of the character of a gentleman as that of anybody whom I have ever seen; he is dragged from the polling place and taken before a magistrate, who immediately upon investigation discharges him as entirely innocent.

Again, here is the testimony of Joseph Higgins:

Q. Where do you live?
A. 69 West Twenty-ninth street.

* * * * * *

Q. Are you a native or naturalized citizen?
A. I was born in New York City.

Now, it is to be borne in mind that the great majority of the people whom we happened to have before us were people whom we caught "on the fly," because we could not tell whom Davenport would arrest. When arrested, they were brought before the commissioner. We caught them, as it were, by accident; we photographed this thing on the spot, as it happened. We found that about two-thirds of all the people whom Mr. Davenport arrested were native citizens, born in the city where they were trying to vote.

Now, Mr. Speaker, these are matters of public record in the city of New York. I am speaking of facts that took place in the broad light of day, not somewhere down in the South, where there is perhaps some question about what happens, but right under the blaze of the calcium light of the New York press, the strongest and the best and most independent press in the world; right at the center of the great business heart of this country, the center of its intelligence, in the greatest of Northern cities. [Applause.] These things have happened for years. We have brought you the proof of it. Therefore we come to you and ask you in our behalf and for our aid to repeal these laws. They were aimed at us. They have been tried on us.

Now we ask you to help us to get rid of them. We ask to have the laws repealed, not to oblige somebody in the South, not in the interest of the late Confederacy, as my Republican friends suggest, but on behalf of the greatest manufacturing and commercial town on this continent; on behalf of the metropolis of the country, where they have been tried a quarter of a century. We now ask you, now when we have a Democratic President, a Democratic Senate, and a Democratic House of Representatives, to relieve us from these laws forever.

Mr. BROOKSHIRE. Will the gentleman allow me a moment?

Mr. FITCH. Certainly.

Mr. BROOKSHIRE. The table prepared by the Secretary of the Treasury and printed by the gentleman from Illinois [Mr. BLACK] says that there were $1,100,000 expended from July 1, 1876, to June 30 of last year, and of that amount $610,000, or over one-half of it, was expended in the city of New York.

Mr. FITCH. That is true. There is no doubt of it, and if I were permitted by my time and the game was worth the candle it would be easy to show it even more fully.

I have tried, Mr. Speaker, to show the character of the people who were arrested. I desire now to speak of the character of the marshals who made these arrests. I desire to say, first, that of all the disreputable people, of all the ignorant and debased people, whom since my boyhood in the city of New York I have ever seen, these deputy marshals who appeared before our investigating committee were the worst. If they could be ranged up now in front of the Speaker's desk, their appearance alone would pass this bill. There is but one description of them in literature and that is the description of Sir John Falstaff's recruits. [Laughter and applause on the Democratic side.]

Now, to show to the House that it has always been so under this system, I send to the Clerk's desk to be read a statement which appeared in the New York World. That paper, in 1879, when a similar debate was up before in Congress, made some investigations as to these "conservators of the peace and purity," as these men were called, and a statement of the result of that investigation was printed in the CONGRESSIONAL RECORD. It was quoted by the Senator from Connecticut, Mr. Eaton, in a speech, and subsequently by the Senator from Tennessee, Mr. HARRIS, and has never been denied.

Who and what are these conservators of peace and purity?

Theodore alias Mike Anthony, alias Snuffey, of 24 Cherry street, a laborer, 35 years of age, married, and can not read or write. Anthony was arrested by Detective James Finn, of the Fourth precinct, on July 24, 1870, for larceny from the person, and was held in $2,000 bail for trial by Justice Hogan. He was indicted by the grand jury on the charge on the 23d of August last.

Joseph Frazier, of 279 Water street, is a thief and confederate of thieves.

James Miller is the keeper of a disorderly house in the basement of 339 Water street.

James Tinnigan keeps a similar den in the basement of 337 Water street.

James Sullivan, alias Slocum, keeps a disorderly house at 330 Water street, which is a resort for desperate thieves.

Frank Winkle keeps a disorderly house at 337½ Water street. The police are frequently called in to quell fights in Winkle's place, and it bears a hard reputation.

The authorities have appointed one John, alias "Buckey," McCabe a supervisor of the eighth district, Fifteenth ward. He is now under indictment for shooting a man with intent to kill. This precious "supervisor" originated here, and was first known to the police for his dexterity in robbing emigrants. His picture is in the "rogues' gallery" at police headquarters in this city, No. 225. He was known as "Pat Maddon," alias "Old Sow," alias Housey Nichols, alias Dennis McCabe. His real name is Andrew Andrews. His wife resides in North Pearl street, and the "supervisor" of the eighth district, Fifteenth ward, New York, is down in the directory as a citizen of Albany.

Thomas McIntire, marshal Eighth ward; has been frequently arrested for beating his aged mother; sent several times to Blackwell's Island.

Timothy Lynch, marshal sixth district, Fifth ward; a Washington Market lounger.

Peter Mose, marshal Sixth ward; an habitual drunkard.

John Connor, supervisor first district, First ward; keeps a disorderly gin-mill, resort of lowest characters.

Francis Jordan, supervisor sixth district, First ward; lives in New Jersey; was turned out of the post-office by Postmaster James for bad conduct.

Bernard Dugan, supervisor eighth district, First ward; habitual drunkard. His wife left him on account of his drunkenness, and procured a divorce on that ground.

John Tobin, supervisor ninth district, First ward; arrested about six months ago for grand larceny.

Patrick Murphy, supervisor fourth district, Sixth ward; two years ago distributed fraudulent naturalization papers, and would furnish them to anybody that would promise to vote for Grant.

Edward Slevin, jr., supervisor second district, Fourth ward; has an indictment now pending against him in court of general sessions for cutting a boy named Kilkenny.

Michael Foley, supervisor fourth district, Fourth ward; well-known repeater, voting for anybody that will pay.

James F. Day, supervisor seventh district, Fourth ward; shot at a man in a fight between the Walsh Association and a gang from Water street.

John Connors, alias "Jockey," supervisor third district, Fourth ward; a well-known desperate character.

Michael Costello, marshal Sixth ward; bounty-jumper during the war.

Harry Rice, supervisor thirteenth district, Sixth ward; was connected with the Chatham-street concert-saloon murder, and fled to Nebraska to escape punishment.

Thomas Lane, supervisor seventeenth district, Sixth ward; formerly keeper of a notorious den at Five Points; headquarters of thieves and robbers.

John Lane, supervisor twenty-second district, same ward; was indicted for receiving stolen goods; has served a term in Sing Sing.

Edward Foley, supervisor sixth district, Ninth ward; arrested last year for stealing a watch.

Humphrey Ayers, supervisor eighteenth district, Ninth ward; arrested six years ago for robbing the United States mail.

John Dowling, supervisor nineteenth district, Ninth ward; arrested August 20, 1869, for till-tapping.

James Fitzsimmons, supervisor twentieth district, Ninth ward; arrested August 1, 1868, for robbery.

John Martin, supervisor fifth district, Twelfth ward; arrested a few years ago under an indictment for arson.

Samuel Rich, supervisor fourth district, Thirteenth ward; served a term of two years at Sing Sing for felonious assault.

John, alias "Buckey" McCabe, supervisor eighth district, Fifteenth ward; charged with shooting a man with intent to kill about a year ago.

William P. Burke, supervisor twentieth district, Eighth ward; served his term in the State prison of Massachusetts for burglary; also two years in the New York State prison.

James McCabe, supervisor fourth district, Eighth ward; now confined in the Tombs under indictment for highway robbery.

William Irving, supervisor fourteenth district, Eighth ward; has served a term in Sing Sing prison for burglary committed in the Eighth ward, and has never been pardoned.

Patrick Henry Kily, *alias* Fred Williams, supervisor twenty-second district, Eighth ward; keeper of a house of ill-fame, resort of the lowest and vilest characters.

Patrick Hefferman, supervisor of the tenth district, Sixth ward; arrested some time since for attempted murder.

Frederick Sterringer, supervisor Eighth ward; has been arrested several times for keeping disorderly house.

J. F. Baderhop, supervisor Tenth ward; arrested for murder a few years since.

Ed. Weaver, marshal in Eighth ward; has been but a short time out of State's prison, where he has been serving out his sentence.

Walter Prince (colored), marshal Eighth ward; now in prison awaiting trial for highway robbery.

Andrew Andrews, *alias* Hans Nichols, marshal; panel thief; been sentenced two or three times to State's prison, and has just returned from Blackwells Island.

Mr. VAN VOORHIS of New York. I would like to ask the gentleman what paper that is.

Mr. FITCH. That was published in the New York World, a tolerably well known newspaper, and was repeated in this House, or in the other House, in two separate speeches, and has been published before.

Mr. VAN VOORHIS of New York. Do you concede that all these bad people live in New York.

Mr. FITCH. I am sorry to say that they did live there, and were evidently well known there. Our court records are excellent. I do not know whether or not any of them came there from somewhere else to do this work, but they were the people who were selected by John I. Davenport to arrest our clergymen, college professors, and people in business in order to preserve the purity of the ballot. [Applause on the Democratic side.]

Mr. RAY. Will the gentleman allow me to ask him one question?

Mr. FITCH. I must decline to yield. My time is short.

Having considered, Mr. Speaker, the origin of these laws and our experience with them in operation, I desire briefly in conclusion to touch upon our reasons for their repeal. These reasons are those already quoted from the report of the committee. Let me repeat them, because I desire to emphasize the statement that we in New York do not wish these laws repealed because of any theories in regard to the Constitution or the rights of the States. We want them repealed because of the facts connected with the workings of these laws on our interests and our personal liberty. They ought to be repealed, as the report says:

First. Because they result in no convictions of offenders, and are therefore useless to prevent or punish crime.

Second. Because they cause great expense and are fruitful of constant and continuing frauds upon the Treasury.

Third. Because they are designed to be used and are used only as part of the machinery of a party to compensate voters who are friendly to it, and to frighten from the polls the voters of the opposing party.

Fourth. Because under and by virtue of these laws the gravest interference with the personal rights and liberty of citizens occur, and voters are punished by arrest and imprisonment for their political opinions.

In the course of this debate arguments of great length have been made in regard to the constitutionality of these laws or of any similar legislation. The gentleman from Virginia [Mr. TUCKER], of the committee of which I have the honor to be chairman, in particular, has argued very fully, and as if it were necessary to the repeal, that these laws are unconstitutional, and that the decisions of the Supreme Court of the United States in which their constitutionality is upheld are all wrong. He has been answered very fully by my Republican colleague, Judge DANIELS, whose distinguished career on the highest bench of New York for over a quarter of a century has reflected as much honor upon his State as it has upon him, with whose conclusions my two Democratic colleagues, Dr. EVERETT, of Massachusetts, and Dr. ENGLISH, of New Jersey, perhaps the two men in the House best read in the constitutional history of the country, agree.

Mr. Speaker, I practice law at a bar where any decision of the final courts of appeal in the State and in the nation is held in the highest respect and where it is not the custom to argue the law after the court has announced it or to denounce the court for its failure to follow the views of counsel. I submit that the question of the constitutionality of these laws is not before us. I do not feel, in voting on this question, that I must vote to overrule the Supreme Court in favor of the gentleman from Virginia. If it were constitutional for Congress to enact these laws it is constitutional for Congress to repeal them. I hope to vote in this Congress to repeal many laws about the constitutionality of which there is no kind of question. I am very happy to believe that, in order to understand why a bad law, made for a bad purpose, should be repealed, it is not a condition precedent that anybody should educate himself into the belief that he is a great constitutional lawyer.

In order, Mr. Speaker, to show that we are right in asking for this repeal on the grounds which I have stated and without adopting any particular theory about the Constitution, I call attention to the language of the platform adopted by the national Democracy at its convention at Chicago in 1892 on this subject. There is nothing about the constitutionality of these laws in the platform, although in the next sentence following the mention of them there is a statement in regard to the unconstitutionality of the tariff. The national Democracy did not ask for the repeal of these laws because of anything in the Constitution or on any theory of the rights of the States.

The national convention attacked the system on grounds precisely similar to those which I have stated, grounds on which we can all safely stand, and grounds which are more than sufficient to the justification of the repeal. The wording of the platform is as follows:

[Extract from the Democratic platform adopted at Chicago, June 22, 1892.]

FEDERAL CONTROL OF ELECTIONS.

We warn the people of our common country, jealous for the preservation of their free institutions, that the policy of Federal control of elections to which the Republican party has committed itself is fraught with the greatest dangers, scarcely less momentous than would result from a revolution practically establishing monarchy on the ruin of the Republic. It strikes at the North as well as the South, and injures the colored citizen even more than the white; it means a horde of deputy marshals at every polling place armed with Federal power, returning boards appointed and controlled by Federal authority, the outrage of the electoral rights of the people in the several States, the subjugation of the colored people to the control of the party in power, and the reviving of race antagonism, now happily abated, of the utmost peril to the safety and happiness of all.

On that platform, Mr. Speaker, on the evidence and the report of the committee of investigation in the last Congress, and for the reasons which I have mentioned, the city of New York comes to this House to-day with a request for the repeal of these laws. We ask this repeal in the interest of justice, in the interest of good government, and in the interest of pure and honest elections. The city has earned the right to be heard in a Democratic House. I am sure that her request will not be refused. [Prolonged applause on the Democratic side.]

Chinese Exclusion.

SPEECH
OF
HON. THOMAS J. GEARY,
OF CALIFORNIA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, October 11, 1893.

The House having under consideration the bill (H. R. 3887) to amend an act entitled "An act to prohibit the coming of Chinese persons into the United States," approved May 5, 1892—

Mr. GEARY said:

Mr. SPEAKER: I have listened to my friend from Kentucky [Mr. MCCREARY] with pleasure, but also with some surprise. I have been unable to reconcile his present appeal on behalf of Christianity and humanity with his declaration that the act which he is now seeking to amend was calculated to inflict on a race of people in our midst punishment equaled only by those inflicted upon the Moor, the Jew, and the Huguenot. When I heard him utter that sentiment I could not help wondering why, when the act was before this House as a bill two years ago, he was not influenced by the same spirit of humanity.

Mr. Speaker, I can not permit the impression to go abroad that the members from the west coast of this country are willing to vote to pass any act in Congress, or to ask their fellow-Representatives here to give their sanction to any measure which would inflict a blot like that upon the character of the American people. The Moor was not expelled from Spain because he had failed to comply with the laws of the land. The Moor had not had a chance given him to comply with law, and his deportation was not the penalty of crime. The Jew was driven out because of hostility to his race, without regard to the question of his criminality or his innocence. The Huguenot was driven out, not because he had been guilty of an offense against the laws of France, but because he demanded the right as a free man to worship his God as he saw fit and refused to bow to the edicts of another church. This law does not impose any such penalities upon the Chinese, nor does it bring the least disgrace upon the people whom we represent here.

I will not permit my friend to assert without contradiction that he is more humane and more interested in Christianity

than I am; and, although I do not believe that these people are entitled to any new rights in this country, although I believe that good public policy would dictate that we should strictly enforce the law according to its letter, yet if I believed that by the passage of this bill, reported from the Committee on Foreign Affairs, in the shape in which it is now before the House, we would obtain a final settlement of the Chinese question, that these people would comply with its requirements and would give us the opportunity we have been seeking for the last twenty years to effectually regulate their presence here, and prevent the coming of more, I would vote for the bill.

My hostility to it is because I have no confidence in it; because I do not believe that the measure is presented with any intent to have it complied with by these people; because I believe it merely offers them another opportunity to evade existing laws. It is for these reasons that I and my associates from the Pacific coast are hostile to this proposed bill. We will suggest amendments which we claim are necessary to make it effective, and unless the House concedes those amendments to us, we shall have to oppose this bill, which we think must prove abortive and destructive of the best interests of our people.

I am not unconscious of the fact that for the last two years there has been much adverse criticism of the bill that bears my name. I never thought the time would come in my life when I should excite the attention of so many goodly people, and that in synod and conference my name would be inscribed upon the records, and all good people asked to condemn me because I had supported a measure calculated to preserve the Christian civilization of my native land from the destructive influence of the Asiatics. Somehow this smacks somewhat of the intolerance that sent the Huguenots out of France, that drove the Jews from England, and compelled the Moor to emigrate from his native land. I have before me a petition which I want to read.

To the Senate and House of Representatives, Washington, D. C.:

The Des Moines Annual Conference of the Methodist Episcopal Church, assembled at Audubon, Iowa, on the 13th day of September, 1893, composed of 225 ministers, representing 40,000 church members, respectfully petition your honorable body to immediately repeal the act passed on the 5th day of May, 1892, known as the Geary law. We make this earnest petition, first, on the ground of justice and fair dealing. By solemn treaty agreement, the Chinese now in the United States are entitled to the same treatment that is accorded to the citizens or subjects of the most favored nation. The provision that they shall register and take out certificates to assure their continued residence here, producing the testimony of a white witness to their right to be here, requires of multitudes of them an impossibility, and yet subjects them to imprisonment and deportation if they fail to comply with the requisition. This requirement made of them alone, in contradistinction to all other foreigners in the country, is a palpable violation of the treaty.

The second clause of the petition tells us that the Methodist Episcopal Church—not the American Methodist Episcopal Church alone—has some $400,000 invested in China, and is also represented there by a number of missionaries.

Petitions in form similar to this have been sent here from many of the religious conventions that have met this summer; petitions apparently prepared at the same place and issued from the same source.

It did not matter whether the Methodists or the Baptists or the Episcopalians or the Presbyterians wished to petition, they all used the same blanks. There was about this a concert of action which was peculiarly suggestive. But the only purpose for which I refer to this petition is to show the character of the statements which have been circulated throughout the country, describing the effects and operation of this law.

Mr. McCREARY of Kentucky. Will my friend allow me to make a single statement at this point? I hold in my hand—and it is justice to these people that I should refer to it—one of these petitions from the members of the annual conference of the Methodist Episcopal Church of sixteen States in the Union. I will only read the indorsement of one of these petitions:

Central Ohio Annual Conference, Methodist Episcopal Church: 200 ministers, representing 12,000 members ask for the repeal of the act of May 5, 1892, known as the Geary law.

These petitions come from the conferences of sixteen States.

Mr. GEARY. Mr. Speaker, what right has any church or church body to pass judgment upon the action of any American legislative assembly, to give directions to it, or make demands such as this? What right has any church in this land of ours, speaking from its pulpit or church door, to say to an American Congress, "you must do this," or "you must do that." I supposed that in this land of ours the line was sharply drawn between church and state; that each within its appropriate sphere must be supreme, but that the church must never lay its hand on government, and the Government must never interfere with the church. [Applause.] Remember, I do not deny that every churchman in the land has the same right to petition given to every other citizen of this country, but he must petition as a citizen, standing upon his rights as such, and not invoke the powerful name of church behind him. [Applause.] The members of the congregations as citizens have the same rights as other citizens; but the church as such has no right to interfere in the political affairs of this nation.

If there is one thing more than another which all true Americans have approved the declaration of, it is that there must be no union of church and state, and no invasion of the province of one by the other. This principle is as old as the foundation of the American Commonwealth. It has been the experience of men in the past, that whenever the church has had the right of interference in matters of government human liberty has suffered from the union, and the men and women who settled on the shores of the Atlantic and laid the foundations of the Republic had experienced in the older lands from whence they came the evils and dangers of such commingling of affairs. They had experienced persecutions under religious governments, and it mattered not what the faith of that government was, the attendant results were always the same. Protestants could not forget the persecutions of the Huguenots by the Catholics, or Catholics forget the persecutions and sufferings of Catholics and Protestants at the hands of Protestants. All alike are simply evidence of the truth of the conclusion that human liberty suffers under the union, and that the government that will maintain human rights and insure freedom to all must be free from religious interference by any sect.

Both church and state have their appointed task in the improvement of human society; each within its own sphere must be supreme. Let the church perform its grand work in the improvement and the betterment of mankind, teaching the faith handed down by the fathers, bringing men in closer relationship with Divinity if it will; teaching the necessity for the application of truth and love in the affairs of the human race. Let it go abroad wherever it may; minister to the wants of the poor and the suffering; drive sorrow from the hearthstone, and ameliorating the condition of suffering humanity wherever it may find it. Let it within its sphere be absolute and supreme, permitting no interference by the Government in its exercise of faith, but when it reaches the borderland that separates church matters from temporal, there it must stop.

The church in this country has no right to criticise, condemn, or pass judgment upon the acts of an American legislative body, and is without the power to make demands that must be respected by this Government. This is the unwritten law of the land. There was a day in the world's history when priests and bishops could point their finger and make rulers tremble, when the demands of pope and cardinal were respected by governing bodies the world over, but that day, happily for the human race, is past, never to return. In this land such a power was never recognized, and there is no room here for religious associations claiming the right to interfere with the political affairs of the people.

The Protestant churches in the United States under the leadership of misguided zealots have permitted themselves to make an exhibition of their desire to interfere in political matters that I know on sober reflection the great mass of the American church will condemn, because I do not believe that it is their wish or intent to establish a precedent that may be used in the future to justify the interference of all other churches in the political affairs of this country, because if we concede the right of interference to a Protestant bishop or minister we must concede it to the Catholic Pope and bishop and priest, and I do not think that the great mass of the people of the United States, the masses of the Protestant churches especially, are willing to concede the right of papal interference with the political affairs of our people.

What would they think and what would they do if to-morrow or the next day the learned archbishop of the Catholic Church for the State of New York should mount his pulpit, and denouncing an act of Congress, call on his people to use their political rights in behalf of the policy dictated by the church; demand that they should insist on the repeal of a statute because it was hostile to the interests of the church or interfered with some religious work that it was engaged in? Why, from every Protestant pulpit in the land, from the lips of every American, would go up a condemnation of that interference on the part of the papal representatives, and we would have the grim old specter of the Pope seeking to dominate this Government paraded through the land, and what an intensity of feeling would be exhibited by these same ministers at the apparent impudence of the Catholic clergymen seeking to do the very same thing that they have been doing from all their pulpits in the last few years. The Protestant church must be consistent, or it must admit the exercise of this, to them, dangerous power by the papal church.

I may offend some good people in these statements, but I am satisfied that I speak the wishes of the great mass of the American people of all churches, who, profiting by the experience of the

race in years gone by, jealous of their rights, fearing the interference that in all other lands has spread misery and suffering upon the people, are satisfied with existing conditions of government, and with the maintenance of a just equilibrium between the church and state. I say that hereafter, and for all time to come, there must be no intermingling of the powers of the one with the other, no union of church and state in any way or manner; that hereafter the church, as church, must abstain from interference in any way shape, or manner with the political affairs of this nation. [Applause.]

I have read this petition merely to show the falseness of the statements that have been sent abroad about the character of this legislation, to show you how people have been misled into hostility to a measure they have never read and do not understand. Now, I have heard much about this law violating the national honor and about the humiliating attitude of our Government in seeking to oppress a weak power like China. Sir, there has been no violation of any treaty. There never was a treaty between this Government and China that was violated by any law ever passed in any American Congress since the time the treaty was made. This law of May, 1892, the registration law, not only is not violative of the treaty, but is expressly authorized by the terms of that instrument, and these men who have been talking so much about it and have been so anxious to protect American honor had better first buy a copy of the treaty and learn what it contains.

Mr. RAYNER. Will the gentleman point out the part of the treaty which authorizes this legislation?

Mr. GEARY. I have it in my hand, and will give it to you in a moment. The treaty of 1880, the last treaty that we made with China, contains the following:

Whereas the Government of the United States, because of the constantly increasing immigration of Chinese laborers to the territory of the United States and the embarrassment consequent upon such immigration, now desires to negotiate a modification of the existing treaties which shall not be in direct contravention of them, etc.

ARTICLE I. Whenever, in the opinion of the Government of the United States, the coming of Chinese laborers to the United States, or their residence therein, affects or threatens to affect the interests of that country, or to endanger the good order of the said country or of any locality within the territory thereof, the Government of China agrees that the Government of the United States may regulate, limit, or suspend such coming or such residence, but may not absolutely prohibit it. The limitation or suspension shall be reasonable, and shall apply only to Chinese who shall go to the United States as laborers, other classes not being included in the limitation.

Now, therein by the treaty of 1880 was the express authority conferred upon the United States to pass such laws as we might deem proper; not such laws as might seem proper to the Government of China, or to some neutral power, but such laws as the American Congress, acting alone, might deem necessary and proper for the protection of our people against the Chinese seeking to come here, and to regulate not only the mode and manner of their coming but their residence while amongst us.

Mr. RAYNER. The gentleman surely does not pretend that the act of 1892, the Geary act, was passed in pursuance of that article, because the Supreme Court of the United States said in the very case in which they affirmed the constitutionality of that act, that it was a violation of treaty obligations. In that decision they used this language:

It must be conceded that the act of 1888 is in contravention of the express stipulations of the treaty of 1868 and of the supplemental treaty of 1880, but it is not on that account to be deemed invalid or restricted in its enforcement.

This is the first time I have heard that that law was not in contravention of the treaty. In every one of these cases the Supreme Court has held that this act is in violation of treaty obligations.

Mr. GEARY. My friend is a good lawyer, but he must remember that in neither of those cases was the Supreme Court called upon to pass on that question. The questions before that court were these: Can we pass an act which is in contravention of a treaty? and if Congress does pass such an act does that abrogate the treaty to that extent? That this act did violate the treaty was conceded for the purposes of the argument, and the court assumes the violation and then gives its decision that if an act of Congress is passed subsequent to the treaty, it abrogates the provisions of the treaty when in conflict therewith.

But I am not relying upon those decisions of the Supreme Court, because it is conceded by all lawyers that every government possesses the authority to abrogate, by subsequent legislation, any treaty with a foreign power, and that when that legislation is called in question in a local tribunal, the local tribunal has to sustain the last act of its own sovereign; but that, as between the two nations, the treaty may be considered as in existence or not at the will of the party injured. I am contending now that this act of 1892 is expressly authorized by the treaty.

I am not relying upon the decision of an American court. I am willing to submit this question to any international tribunal, where we shall rest nakedly and alone upon the right given to us by the treaty which we made with the Chinese Government. The treaty of 1880 did say that whenever the American Government wished to regulate the residence of Chinese in this country it might do so, and when, in the exercise of that power, we passed the act of 1882, limiting Chinese immigration for a period of ten years, and when we passed an act amendatory of that in 1884, adding other conditions to the exercise of immigration, those acts of this Congress became as much parts of the treaty as though they had been expressly incorporated with it.

When China gave us authority to exercise power in pursuance of the treaty, the moment we exercised that power and brought into life that character of legislation, it became as much binding upon the Chinese Government as though we had incorporated it in the treaty itself.

Mr. STOCKDALE. If it will not interrupt the gentleman, I would like to ask him if it be true that the original Geary law is in violation of the treaty, does it not follow that this amendment is also in violation of the treaty?

Mr. GEARY. I have said that before the gentleman came in. I was wondering how my friend from Kentucky could reconcile his vote. Now, then, I lay down this proposition, that we have never at any time violated any treaty between this Government and China; and I go further than that, and say to these men, who are so jealous of the honor of the American people, that I do not think in this case there is room for the exhibition of such sentiments, if they are permissible at any place or any time, in viewing our actions toward foreign nations.

I am going to establish the fact that ever since the treaty of 1880 was signed, or since the act of 1882 was passed, China has day by day and hour by hour, in the daytime and in the night, sought for opportunity to violate that treaty, which its friends now claim should be observed. When we passed the act of 1882, saying that for ten years Chinese laborers should not come into this land, the moment that China became apprised of the passage of that law, she became as much bound to assist in its enforcement as though we had incorporated it in the original treaty. Her duty to us as a friendly power, bound to us by treaty, has been declared over and over again by all the international law writers. It was the duty of China, by exercising all the power and authority she had at home over her own people, to discourage them from coming to this land, just as soon as she learned that their coming was in violation of our law. Mr. Wharton lays down this doctrine as the rule:

It is the first duty of a friendly government to exercise its power to prevent its people from attempted violations of a law of a friendly state, and to exercise all its power to restrain its own people at home.

We have over and over again invoked that declaration of international law writers, first with Mexico, shortly after the close of her war, when bands of her people and Indians crossed and recrossed the frontier, inflicting injury upon ours. Our Government demanded of the Mexican Government that she should protect us against the incursions of her people, because they came here to violate the laws we had made for the protection of our citizens. Again, during the Blackfoot troubles along our Northern borders some few years ago, we demanded of the Canadian authorities that they should restrain their people and not permit them to wander from their reservations, to come in and work injury to our people.

We have said to China, "We no longer desire the coming of your laboring class. You have given us the authority and power to make this declaration. You have said that as a friend you will seek to uphold the treaty made between us."

Tell me, those who find so much to admire in the Chinese character, when has China ever exercised her power to prevent her people from violating our laws? Every day since 1882 attempts have been made by her people, by fraud and by duplicity, either by coming across our borders or by forcing themselves through our ports of entry, to get into this country after we have declared our hostility to them. There was never a single hour when the Chinese Government could not have said to her people at home, "Cease these attempted violations of American laws." And they would have stopped.

But China never did it. With knowledge of the departure of these expeditions, aware of this constant emigration of her people to our shores, knowing that she was violating treaty by permitting it, China remained silent. There is no room for sympathy for the Chinese Government. In all her dealings with the Americans, she has never failed to exercise every opportunity to defraud us.

Now, we are not left in doubt as to what China might have done with her people, because in 1888, prior to the passage of the so-called Scott act, she opened negotiations with this Government and said to us, "Let us make a new treaty and we will agree to pass such laws in China and keep our people at home."

Why did she not exhibit the same spirit under existing laws? Why did she not in 1882, 1883, 1884, and 1885 say to her people,

"Stop! this is not right; this is a violation of the spirit of the treaty," and with that intense regard for treaty rights for which she is now clamoring from the American Congress, why did she not herself give us an exhibition of the exercise of that power?

My friend from Kentucky is exercised about economy in this matter. Well, I wonder we have not received some other lectures in economy. How much, think you, have we spent since 1882 in protecting ourselves against these very violations of law countenanced by the Chinese Government? According to the report of the clerk of the Appropriations Committee, which I have here, in these years from 1883 down to 1893 the Congress of the United States appropriated, and spent most of it, $361,000 for the purpose of enforcing the Chinese restriction laws of this land. For the last few years the average amount was more than $50,000 a year; not in the enforcement of the bill that bears my name, as you say, but for the enforcement of the general laws which provide that Chinamen shall not come in. Every dollar of that could have been saved to our people if the Chinese Government had taught her people at home to obey law, or if they had ceased to attempt its violation here.

Now, then, it is said that the act of 1888, the Scott bill, so called, is a violation of the treaty. Why, Mr. Cleveland did not think it a violation of the treaty. In the message he sent to Congress in October, 1888, he referred to the conduct of the Chinese Government, and he justified the signing of the Scott bill by saying in his message, "We passed this in self-defense." Self-defense of what? A government has no more right than an individual to invoke the right of self-defense until after it had been attacked and driven to the wall. They attacked us; and here is the attack that justified Mr. Cleveland in 1888 in saying that the Scott bill was passed in the exercise of the right of self-defense. Why? Because these people had all the time been assailing the laws passed in this country, because they had been attempting to force themselves upon us after we had declared that we no longer wanted them; because their Government refused to enforce the treaty to which it had given its signature, Mr. Cleveland said that attack was made and the right of self-defense justified us in ignoring a treaty repeatedly broken by the other power. That was the interpretation and meaning placed upon that instrument then by the present President of the United States.

Then we have this fairy tale: "Oh, China does not want her people in the United States, but would rather have them all at home." Persons are actually going about trying to represent that all these Chinamen who are here have come here contrary to the wishes of their Government; but whenever we come to make a treaty with that Government it is anxious to secure their right to continue coming.

In the past forty years the surplus earnings of the Chinese in the State of California alone, as reported by the collector of intenal revenue from an investigation made by him, has been over $500,000,000. More than $500,000,000 earned in our State, taken out of it by Chinamen and carried home to China to enrich that country. More than $500,000,000 taken off the Pacific coast, out of those sparsely settled States, and transported to a foreign land! No part of it has been invested with us; no part of it has been used to improve or better our country. None of it has gone into structures, religious or otherwise; and no permanent residence established, but all, as by a sponge, taken up to be squeezed out when it is transported to the land of the nativity of the men who acquired it.

You wonder why we in California do not like Chinamen. How would you like, in one of your Eastern States, to have a colony of foreigners step in, say to the extent of a hundred thousand, whose surplus earnings every day at 50 cents a day would amount to $50,000, and which they would take away from you? Can you build up communities with such a class of population? Can you improve the conditions of communities by having in your midst such an alien race, adding nothing to your wealth, making no contribution to your prosperity?

While we have one of the richest Commonwealths on earth, while our resources are almost boundless, we know that if in the past thirty years, instead of this army of leeches, we had had an army of laborers who would have turned back the product of their earnings our State would have been greater and grander than it is to-day. Because we desire to stop the sacrifice we have been subjected to is the reason why we stand here, without regard to political faith, and demand protection from the other Representatives of our Union.

Mr. HENDERSON of Iowa. Will it interrupt the gentleman there, if I ask him a question?

Mr. GEARY. No, sir.

Mr. HENDERSON of Iowa. I would like to know what percentage of the Chinamen who come into California become citizens of the Union under American laws?

Mr. GEARY. None of them.

Mr. HENDERSON of Iowa. I ask that question because I was told that a large number of them became citizens of the United States.

Mr. GEARY. We never had Chinese citizens.

Mr. MAGUIRE. Not of Chinese birth.

Mr. McCREARY of Kentucky. You had prior to the law of 1862.

Mr. GEARY. Prior to the law of 1862. The law prohibited them from being made citizens, but the courts before that refused to naturalize them under the amendments.

Mr. BAKER of New Hampshire. I would like to ask the gentleman if it is not a fact that those who employed Chinese laborers have received the full value for all they were paid in wages?

Mr. GEARY. I suppose that if you measure the value of labor alone by the thing that it produces, I will answer yes. We needed Chinese labor thirty years ago, when our free laborer was receiving the highest wages ever paid, higher than was paid in any other State.

Mr. HOOKER of New York. Or in any place in the world.

Mr. GEARY. Or in any other place in the world. The labor we had then would not work for the wages that prevail to-day; because you must remember that no place on earth ever gathered together a body of men like those who went to California in the first years of that State. There were men from every town and hamlet in the East and from every county in the South. We gathered together the cream of the young manhood of every State. The ambitious, brave, and brilliant men, limited by the environment that surrounded them at home, anxious for greater opportunity to exercise their talents and abilities in quest of new fields where they could progress and conquer, of this kind was the army of Argonauts who, encountering the dangers by land or the more serious ones by water, entered California and planted the banner of American civilization on the far-away shore of the Pacific.

How well they labored and what victories they won every other community in the Union will to-day bear testimony to, for the fruits of the victories of the California pioneers and their generosity have gladdened the hearts of deserving people in nearly every hamlet of the Union.

In the hands of these men and their descendants the national honor and national faith will be as jealously guarded and as well protected as in any Eastern community. Those men would not perform the duties that were demanded of common and menial laborers; and it is because of the presence of that class of men at the birth of California that she has been enabled to make the strides she has made in the past thirty years.

But now times have changed. The days of El Dorado have disappeared. Thousands of other laborers from other States have followed the pioneers until to-day we have a surplus of labor. They have been compelled to come down to the hard-pan of existence, and our labor now is forced into competition with this Chinese slave labor which threatens its destruction. To-day I can employ in California all the common white labor that I want for $1.50 a day, or from that down to $1 a day. Thirty years ago I could not hire a Chinaman for that sum. Now, the Chinaman, by his ability to live on less than what will maintain the white laborer, forces on that laborer a dangerous competition which threatens his existence.

I did not intend to go into this matter, because my colleagues and other friends intend to speak on this subject, and I wanted to leave something for them to say. [Laughter.]

But I want to call attention to this. In the consular reports for June of last year will be found the report of Mr. Bedloe, United States Consul at Amoy, a gentleman who only a few years ago was a very pronounced pro-Chinese advocate, as he told me himself. In that report he gives the cost of living there and the wages earned by Chinese labor. Common laborers get from $3 to $4 per month. Skilled mechanics, carpenters, blacksmiths, jewelers, and mechanics of that class, receive not to exceed $9 a month. He gives a table of the daily bill of fare of a first-class Chinese workman, and shows that he can live sumptuously on 6 cents a day. Now what, think you, is the chance of the white laborer on the Pacific coast, competing with a laborer whose daily wants are satisfied by the expenditure of 6 cents, and who who has no family depending on him, no one to maintain but himself? I do not think I need to answer that question.

Mr. BAKER of New Hampshire. Do I understand the gentleman to say that the Chinese laborer lives on 6 cents a day in California, or that he does so at home in China?

Mr. GEARY. I mean to say that the Chinaman in Amoy lives on 6 cents a day. I mean to say further that I can feed sumptuously in California any Chinese laborer that I ever gazed upon in my life, at a cost not exceeding 10 cents a day. I mean to say

that in making inquiries as to what the cost of deportation of these Chinamen would be, the officers return a report that in addition to the $35 for transportation, 14 cents a day would be a sufficient amount to maintain them.

Now, I ask again, how can our labor subsist when it is threatened with that class of competition. I know that my friends on the other side declare that they are in favor of protection to American labor. Well, sir, I am in favor of protecting the American laborer myself, but I do not think you can protect American labor by meeting the product of the pauper labor of China, or of any other land, at your custom-houses and declaring that it shall not come in, while you allow the pauper laborer himself to enter free. [Applause.]

If there is to be protection for American labor throughout the length and breadth of this land we must reject pauper labor no matter whence it comes, and put up against it some kind of an effective barrier. Until that is done there will be no real protection for American labor. Just as long as the man who toils in the American factory or workshop knows that any day the man whose labor he displaces in the old world by the operation of our tariff laws may walk into his town or village, and, looking up into his American face, say, "You would not let the thing I made come here, now I have come myself, and want your place." Just so long as that kind of competition is permitted on American soil our Republican friends can not pretend that the bars have been placed high enough or are numerous enough to protect American labor. [Applause on the Democratic side.]

Mr. HENDERSON of Iowa. Do you think it will be better done by your Democratic friends?

Mr. GEARY. Well, I am a Democrat, and these are my views, and if my party does not believe in them then I will not be a Democrat. [Laughter.] But I think my party does believe in them, and that I correctly interpret its platform declaration and policy.

Mr. BAKER of New Hampshire. May I interrupt the gentleman once again?

Mr. GEARY. Yes, sir.

Mr. BAKER of New Hampshire. Why does the gentleman limit his exclusion to the Chinese? If he will make it broader we will join him, perhaps.

Mr. GEARY. There is a bill before this House, introduced by myself, in which I extend it to all, and I am ready to vote for that bill now or at any time. Now, let me ask you a question? Will you vote for a bill to stop all immigration of laborers from any land into the United States?

Mr. BAKER of New Hampshire. Yes, sir; but not for the deportation of those now here.

I believe that in our legislation in regard to the exclusion of foreigners it is our duty to consider existing treaties; and I do not agree with the letter of the decisions of the Supreme Court that our statutes should be enforced regardless of existing treaties. I think we ought to conform to our agreements with other nations when we are undertaking to enact our statutes.

Mr. GEARY. I do not believe that this law violates any treaty. I do not believe that any man versed in international law will contend that it does. I think in this enactment we are exercising a right expressly conferred upon us by the treaty. But I want to tell my friend this—if there were a doubt whether a law of this character for the exclusion of pauper labor was in violation of a treaty or not, I should resolve that doubt in favor of the American workingman and not against him. [Applause.]

Mr. BAKER of New Hampshire. And I would agree with the gentleman, except that I would first ask the foreign nation to modify its treaty, and then I would proceed with the proposed legislation.

Mr. GEARY. Some men in this country seem to have an idea that we as a nation have not yet attained our growth, and that we ought not to pass any laws without consulting some foreign nation. [Laughter and applause.]

Mr. BOWERS of California. Particularly the silver law.

Mr. GEARY. I am not such an American. I believe we as a nation are not only 21 years of age, but of mature age; and I think we are capable of running this Government for the best interests of our people primarily; and if there is any surplus of humanity in our legislation which we can dispense with, we will ship it to other countries. [Laughter and applause.]

Mr. BAKER of New Hampshire. I agree with the gentleman so far as to believe that we as a nation are not only 40 years old but 100 years old. Still, I think this nation is not too old to be honest nor too old to be fair. [Applause.]

Mr. GEARY. I am not asking anyone to be dishonest or unfair. But it is rare to hear of any legislation in this country that was gauged by a strict regard for honesty or for the rights of Americans when the rights or interests of foreigners were involved. Why, sir, you can not even pass a silver bill or other financial measure without first getting leave from Lombard street. [Laughter and applause.] I think it is about time we should quit such business and become Americans in all things. Let the world know that we are going to run our Government according to our own ideas, that we are going to adopt such laws as we think necessary for our proper development and the insurance of happiness to all our people; and if the world at large does not like what we do, we will try to get along for awhile without the good opinion of the rest of the world. It wants more from us and receives more than we expect or receive from it.

Some gentlemen say that it is not necessary we should require certificates. Why, sir, we had tried all other systems. We had sought other means of preventing Chinese from coming in; and we had failed in every attempt of that kind. We have in the United States to-day according to the census, as quoted by my friend from Kentucky, only 106,000 Chinamen. That census is entirely wrong. I do not mean any reflection upon the gentlemen who compiled it, because I think they did their duty as they best knew how. I do not believe they purposely omitted any Chinamen; but I submit to any man at all conversant with this race that it is not within the range of human possibility to enumerate them when you consider the manner in which they live in our midst. I say we have to-day twice 100,000 Chinamen.

Mr. MAGUIRE. Three times.

Mr. GEARY. My friend says three times. In 1870 we had, according to the census, 213,000 Chinamen in the United States. Does anybody think there are fewer here to-day than then? Why, you did not then have them throughout the South and East. You have now colonies of them in some of the Eastern States where you did not have a Chinaman in 1870. Yet if we confine ourselves to the census report the number has actually decreased instead of increasing. But the actual fact, known to all men conversant with the race, is that the race has more than doubled in the last twenty years in spite of all our restrictive laws.

Here is one thing to which I wish to call the attention of gentlemen who talk about extending this right and about the anxiety of the Chinese minister to be consulted with reference to legislation. We ought to have according to the census reports a decrease of the number of Chinamen in the United States within the last ten years of 48,000, because taking the departures from San Francisco, as compared with the number of arrivals, there was a loss of 48,000. But taking the census report there was a gain of 1,000, so that we have 49,000 out of 106,000 Chinamen in the United States who are here in defiance of our laws—not here under the invitation of the Burlingame treaty—not here by invitation of the act of 1882 or the treaty of 1880; not here by any express wish of our Government, but here in defiance of that wish, in violation of our law—not made criminals alone by the law of 1892, but criminals the moment they landed on our shores.

What claim to consideration at our hands have these people? They were not misled by the opinions of these lawyers. They knew when they left their native land that they had no right here, and that we had no desire for them. Yet with a purpose to violate the law they landed upon our shores. Is it a crime to punish them? Is it wrong to enforce obedience to our laws? If so, what becomes of government?

Now, why does not your Chinese minister, who seems to have terrorized some of the Departments of the Government, say, "If this privilege, lost by nonconformity to the laws, be extended to those Chinamen who are guilty of no crime except noncompliance with the act of 1892, I will agree to mark out the 49,000 criminals, and assist you in their removal from our midst?"

If we are to be merciful to these people, they ought at least be just to us. We were compelled to pass the registration law because we had no other means of identifying a Chinaman once he got within the borders of the Union. On arrival he went immediately amongst his fellows, mixed up and associated with them: the next day no white man could identify him from other Chinamen who had been here sometime.

We might attempt their arrest, as Mr. Carlisle has done, but when we did so in every case we were compelled to prove the time when the Chinaman came into the country: and that it was subsequent to the passage of the law of 1882. Why, it would require one white man to find every Chinaman just as he was violating the law in order to enable us to establish that fact.

If the Chinese residents in the United States had done their duty as other aliens do; if they had not become shielders and protectors of these criminals; if they had not stood ready at all times to lend their testimony to establish a lie, we would never have asked for the passage of the law of 1892. But we said, "Here, we will stop this thing in this manner. Let us compel all now in the country to register. Let them take out a certificate of identification which can not be transferred from them to

somebody else." Then we know those who have a right to be here, and all of those who come here after that we can readily discover by the absence of this certificate.

That was the only purpose and the only intent of the act of 1892, in the preparation of which I assisted. We did not contemplate deportation as a penalty for crime. We thought these men would comply with a regulation such as this, and I honestly believe to-day that if the Chinese people in the United States had been left to the exercise of their own free will, they would have complied with the act, and the condition which now confronts us would not now exist; but the men who own them, the Six Companies and their presidents, the men and corporations who make fortunes out of their importation, did not intend to permit the enforcement of a regulation which destroyed the slave traffic on the western shore.

When we had established a means of identifying those who had the legal right to be here, we thereby established another means of identifying those who came in violation of law; and once we were permitted to do that, we were enabled to distinguish the newly imported slave, and return him to his native land; and we inflicted a destructive blow upon the slave trade on the western coast. We then gave notice to the Six Companies, the masters of these slaves, "Your industry must stop, because we now have means of destroying it by identification."

And the opposition to this law, all these appeals, all this clap-trap about humanity are merely in the interest of the men who for thirty years have been engaged in this slave traffic, who do not want this law to exist, because under its provisions no further importation of these people can be had. We ask now, in the passage of this law, that it be so amended that it may be effective. Let it be so framed that the purposes contemplated two years ago shall be carried out. Let it be made so definite that not another one of these people shall cross our frontier, or come into our ports; and I say for myself, speaking as a Californian, I will give you all the humanity you want, and vote for that effective law.

Why do you not permit us, who know the race better than you know them, and know their tricks, their guiles, and their deceptions, to be the judges of whether this law is to be effective or not?

We can not identify them like other people. I have never insisted on the photograph, and do not insist on it now, if any other means of identification can be made effectual. I will accept any means of identification that will make certain and definite the description of the man who is entitled to the certificate of residence.

I have studied all the known means of describing people, and after all I have come to the conclusion that the photograph is the only effective method, unattended with inconvenience, that can be adopted for the purposes of identification. If we do not make that certificate definite, so that it can not be transferred to cover another man, they will get out a hundred thousand certificates within six months, and inside of a year we will have half a dozen Chinamen everywhere claiming the right to remain here on one certificate that fits the group. You can not make a verbal description of a Chinaman such as you can make of a white man, and have it definite.

All Chinamen look alike, all dress alike, all have the same kind of eyes, all are beardless, all wear their hair in the same manner. Now, you sit down and write out a description of a Chinaman, give his height, weight, the color of his skin and the shape of his eyes, and after you have done it, what have you got? You have a description that will fit any other Chinaman that you happen to run up against. [Laughter.]

The regulation we ask for is reasonable because it is necessary, because it is the only regulation that can be made effective, and because it will be effective, is the reason why the Chinese companies oppose its adoption. I have no desire to humiliate any Chinaman. I have no desire to impose any humiliating obligations on anybody. The lot of all is hard enough without imposing fresh burdens. I would rather go through life lifting the burdens off and making life pleasanter for all; but we must protect ourselves.

This necessity is not of our creation. It is made necessary by their repeated violations of the law. Then we must adopt the only method that will make effective our own legislation Now, if anyone knows of any other system besides the photograph that will enable us to distinguish one Chinaman from another, I will accept that method.

Why, this is no new regulation. At the World's Fair every commissioner except the national commissioners—I believe one of them objected—all of the State commissioners at the World's Fair at Chicago, all the employés attached to exhibits at that fair, have on their passes entitling them to admission their photographs. They tried the line system; they tried the different descriptions adopted by the different countries to distinguish one man from another, and after awhile the World's Fair authorities had to insist upon photographs being placed on the face of the tickets, and the photograph entitled the man to enter. Talk about humiliating a man to have his own photograph in his own pocket to identify him.

Mr. MILLIKEN. That depends upon the beauty or ugliness of his face.

Mr. GEARY. Well, you will come in. [Laughter.]

Now, then, how could it be called disgraceful and humiliating when this same thing is in vogue at this World's Fair for the identification of Americans. A Chinaman should not complain because we ask him to conform to the same law that we have imposed upon our own people.

Now, there is another reason for certificates, one that I think would justify it if there was no other reason offered.

Mr. DINSMORE. I would like to ask the gentleman a question.

Mr. GEARY. Certainly.

Mr. DINSMORE. If these photographs should be adopted as an amendment to this measure, would not your friends on the coast then be willing to support it?

Mr. MAGUIRE. With the other two amendments.

Mr. GEARY. I have submitted three amendments. This is the main one. However, the other two are changes in the law that I think are necessary.

Mr. OATES. Will the gentleman allow me to ask him a question, because it is a matter on which I desire information. I believe it is true that all the Chinamen look alike; and if so, what would be the difference in their pictures?

Mr. GEARY. We have tried that in California. We photograph all Chinamen, and have for the last thirty years; whenever we find them charged with crime.

Mr. OATES. As they look alike, do not they make the same appearance in the picture?

Mr. GEARY. No, sir; the trouble is that in any written description the appearance is so much alike that you can not distinguish. Now, for instance, you say, "He is 6 feet high, weighs 180 pounds, olive complexion, and almond eyes, no mustache, and no beard, no distinctive marks upon his face and hair, a que." There is a good verbal description. "Wears blue clothes, when he does not wear black ones." [Laughter.] That description will fit every single one of them; but when you put him under the lens and fasten on the picture whatever slight facial difference there may be, it appears and will be apparent at once.

Mr. HOUK of Ohio. Do you always have them photographed in California in criminal cases?

Mr. GEARY. Yes, we always have them photographed in criminal cases amounting to felonies.

There is another reason I wish to commend to my friend from Kentucky, who is so much exercised about the possible $7,000,000 outlay. We claim that we are justified in demanding the registration of every Chinaman legally in the United States for the purpose of protecting our own Government against the assertion of false claims against it. Under the treaty of 1880 we assumed responsibility for the security of all Chinamen in the United States; and as a matter of fact we have paid to China since the treaty of 1880 was entered into something like $700,000 for injuries imposed upon Chinamen by white mobs in the United States.

We know of the hostility of these people which prevails in many sections of the Union, and that they are liable at any time to be imposed upon by mobs, their property destroyed, and probably their lives taken. I do not mean to say these things are to be encouraged, but we know that such dislike for them exists, and we know that such things may happen where such conditions exist, and that they are always liable to happen. Then this Government is liable for the protection of every Chinaman within our borders having a legal right to be here who is injured or imposed upon by American citizens. Are we to be liable for injuries to 49,000 criminals who came here in defiance of our laws?

While you are considering the remote possibility of damages and the expenditures of the public revenues, tell me what would you do as prudent, safe business men, representing this Government, if to you was confided the task of limiting the liability of our people for injuries imposed upon any alien race? If you knew that nearly one-half of them were criminals for whom we were not responsible, who do not come here by the invitation of our Government, would it not justify you, before you undertake to determine the liability of your Government, to find out some means by which you could point out for whom you were liable and for whom you were not liable?

We had a somewhat similar question in the cases involved in the New Orleans riots a few months ago, where a demand was made on our Government to remunerate the families of the men

who were hanged by the mob at that place. The question arose there whether or not in the riots at New Orleans we were liable for injuries done to an alien after he had manifested his intention to expatriate himself and become a citizen of this country, or if the foreign government's control over him must not necessarily have ceased.

I remember very well that there was very much argument pro and con as to the liability of the Government in that regard, and there was much of doubt about the status of these unfortunate men. But in the Chinese cases they are placed on an entirely different footing. They are an entirely different race. And, Mr. Speaker, I wish to make a remark in this connection that seemingly I had forgotten before. Gentlemen say these laws are different from those which we apply to any other race, and argue against them for that reason. They then cite the language of the second section of the treaty, which says that these people shall be entitled to the rights conferred on other aliens.

But there is no ambiguity whatever. There is nothing contrary in those sections. The first sections of the treaty give the right to legislate. It is different language from that embodied in other treaties with other nations. So that both governments recognized the fact that the Chinaman was regarded as different from any other nationalities; that he came here under different conditions, with different purposes, filled with different desires, and that he did not come with any intention or expectation of remaining with us. Under those circumstances the Government of China permitted us in the treaty to make such regulations in regard to these people as we deemed necessary for our own protection, different from those which we applied to other people. Our legal friends will agree that we are permitted to exercise different legislation in the protection of our rights toward him from that which we exercise in regard to any other alien immigrant. Then, in subordination to that we must treat him just as we treat other aliens. The Chinaman is to enjoy the same rights as other aliens until we exercise our power under the first section of the treaty, and then only such rights as remain to him thereafter as fully as other aliens enjoy like rights.

Now, I hold that we are responsible for the life of every Chinaman who is legally here, because the language to be found in that treaty, which admits them to this country, requires that this Government shall so exercise all power as to protect and hold harmless the Chinaman, and was undoubtedly intended by them to create a special liability. This special provision was incorporated because they had learned in dealing with our people in the matter of the different riots which had taken place out in different parts of the Western country that the primary obligation rested upon the State government and that the National Government was not held to be liable.

As a matter of good public policy, and in the interest of economy to prevent comprehensive and fraudulent claims against my Government, recognizing the existence of the two classes in our midst, it is our duty to these men to distinguish the one from the other.

Some gentleman said a moment ago, "Why, out on the Cherokee Strip every one had to register." It was not considered any hardship. It was not regarded as an imposition upon the American citizen because he was compelled to register.

Mr. STOCKDALE. You have to register before you can vote.

Mr. GEARY. Why, in my State I have to register in order to vote. I have to give a description of myself to enable the utmost certainty to be manifest to the election officers as to who the man is that bears my name and offers the ballot. I must step into my county clerk's room and be measured, my exact height put on my certificate, my weight, the color of my hair, my complexion, the scar on my face——

Mr. CAMINETTI. And the bald head. [Laughter.]

Mr. GEARY. Well, there are so many bald ones among us that I admit I belong to the gang. [Laughter.]

Every one of these marks is recorded. I did not object to the bald head the last time, but when the clerk who took my description put in "grayheaded," then I kicked. [Renewed laughter.]

Now every one of my fellow-citizens who votes must do the same thing. Why, it is "humiliating" you say. It can not be helped. We do not think it any hardship, however, we do not think we are humiliated, because we know it is wise. The object is to take it out of the power of the fraudulent class of voters to debase the suffrage and impose on the honest voters by fraudulently personating others.

You know you require a doctor to get out a certificate and exhibit it on the wall of his office before he can practice medicine. What a terrible reflection on a man who desires to practice medicine that he must be compelled to take out his certificate and exhibit it. Do you not require him to hang up in his office a certificate so that everybody shall know that he is qualified? Your lawyer may know ever so much law and be the brightest man in the community, but he is not permitted to practice his profession until he makes application and is registered and gets his "sheepskin."

All of these laws are based upon the right of a government to protect its people against fraud, and if we had no other or better right than that which grows out of the necessity of protecting ourselves and our people against fraud on the part of the Chinese, that would justify the legislation which was enacted two years ago.

My friend from Kentucky [Mr. McCREARY] said that it would cost $7,000,000 to deport the Chinese in this country if we did not pass this bill. That I deny. I do not believe it will take any considerable part of that sum. I think that is another argument of Chinese growth, and in saying that I do not mean to reflect upon the gentleman from Kentucky.

Mr. McCREARY of Kentucky. You do not deny, I suppose, that the Secretary of the Treasury reported that as the expense would be $51 for each steerage passage from San Francisco to Hong Kong, and $35 for arrest, trial, and inland transportation, the total for each person would be $86, and that if all of them were deported it would cost $7,000,000.

Mr. GEARY. I do not deny that the Secretary so reported. I deny, however, the correctness of his premises and conclusion. I do not believe that it will take any $7,000,000 or $1,000,000, or as much money as we have spent in the last ten years to protect ourselves against them, to deport every Chinaman that will be found within the limits of the Union.

You gentlemen who talk about seven millions assume what is not so. You assume that every one of these Chinamen is going to permit you to send him back to China. What is your authority for that? These Chinamen left China to come here and make a certain sum of money by working at better wages than they could earn there, and then to go back to China. Now, if they find that we are really going to deport them, they are not going to allow themselves to be taken clear across the Pacific Ocean to China, simply to get another start for Mexico or Cuba. Just as soon as they understand that the American Congress means law when it makes it and that the American Executive can be trusted to enforce it, those Chinamen will take their departure, and your Treasury will not be troubled by the expense. You may have a few hundred of them on your hands, old men, or crippled or diseased Chinamen, who have no means to go; but just as soon as the active, the energetic ones understand that deportation means going back to China, and then the payment of another fare to get to Cuba or elsewhere, they will take the short and direct road to Cuba of their own notion.

Let us hear no more of the "seven millions," then, because no sane man conversant with the race believes in it. Now, I believe that if the present officers of this Government had done their duty on the 5th day of May and had continued doing it as the law directed, this condition would not be presented to us, and there would have been no necessity for an appropriation or an extension of time. It is not a very agreeable position for a Democrat to be in within a few months after the advent of his own Administration——

Mr. McCREARY of Kentucky. Will the gentleman permit a question?

Mr. GEARY. Yes, sir.

Mr. McCREARY of Kentucky. Is it not true that the time for the Chinese to register began on the 5th of May, 1892?

Mr. GEARY. Yes, sir.

Mr. McCREARY of Kentucky. And it expired on the 5th day of May, 1893, so that there were ten months, or about that time, in which the Chinese could have registered under the last Administration, and yet, during the whole year there were only 13,000 of them that did register out of a total of 106,000 in the country.

Mr. GEARY. My friend will persist in trying to mix the babies up. [Laughter.] Let us try to keep them separate. I said this, that if on the 5th of May, 1893, and thereafter the men who were commanded by law to execute this law had done their duty, there would be no necessity for extension and no necessity for another appropriation. I think that is plain enough. I am not talking about what occurred anterior to the 5th of May, 1893. I am talking about the nonperformance of duty after the violation of the law by these people. I am talking about what occurred subsequent to May, 1893, not about what was done by either Administration prior thereto.

Mr. McCREARY of Kentucky. Does the gentleman think $25,000 was enough to deport these Chinese?

Mr. GEARY. Do I think so? Will my saying so convey any new idea to the gentleman? Does he know enough about Chinese character to make him a judge of what amount of expenditure would be sufficient for this purpose? The gentleman is a good deal of a volunteer. My saying so will not convince him. But we who know these people—who have had experience with them,

who know their aims, their purposes, their ambitions, and the crimes they practice—we know that rather than take any chance of being sent back to China they would voluntarily have left our borders. Twenty-five thousand dollars would have demonstrated the intent of the Administration to enforce the law just as well as $25,000,000. [Applause.]

Now, it is not pleasant as a Democrat to stand here in the first months of an Administration and criticise the action of executive branches of the Government filled by those of our own selection. But I think that no party was ever yet benefited by condoning the offenses of their own partisans when they deserved censure. I think I owe an obligation to my party greater than I owe to any man, no matter what place he may fill or to what position he may have been called. The Democratic party existed years before any of us; and long after we have passed away, unless public confidence in our pledges is destroyed, unless respect for our declarations in convention is lost, unless such confidence is destroyed by the actions of our own selected agents, the Democratic party will go on in all the years to come, commanding the confidence of the people and lending its assistance to the development and progression of our country. [Applause.] But if we permit our own party friends—if we permit the men of our own selection to violate party faith and break party platforms, then we have no right to ask for a continuance of public confidence.

And, owing a duty to my party, loving her better than I love any man, believing that her administration of affairs will secure the greatest possible amount of happiness for all my people, desiring to see her march on without impairment of her strength, because I think more of her than of any individual or aggregation of individuals, I believe it my duty to condemn the officer of our own selection who violates the obligations of his office.

This law said that on the 5th day of May the Chinamen who did not have the certificates described should be deported. No discretion was left with any man to suspend the enforcement of that law; and in a Government like ours we should not permit the assumption of such authority by any officer. Public office must be a public trust; and the trustee must find in the letter of the statutes the mode and manner of performing his duties. If the trustee is to be permitted, in the exercise of his own sweet will or in accordance with his own fancy, to suspend the operation of law, then the executive trustee becomes the maker of legislation—a duty never contemplated by the Constitution.

This law went into effect on the 5th of May last. The Democratic platform adopted at Chicago last year pledged the Democratic party to the enforcement of every law for the restriction of Chinese immigration. That was a declaration made by the representatives of our party. All the power of that organization was pledged to the enforcement of such laws as were then on the statute books having for their object the restriction of Chinese immigration into this land. That platform was a contract made between the representatives of the party and the people who gave to that party their support. We in California, relying upon the Democratic party to keep pledges, upon the honesty of Democratic officers in the performance of their duty—because of our reliance in great part upon that declaration, we gave our electoral votes to this party. We have a right to demand that you fulfill that pledge; and if a Democratic officer stands in the way, then that Democratic officer must go down and out.

There were two officers intrusted with the execution of this law—one the honorable Secretary of the Treasury, the other the Attorney-General of the United States. On the 24th of May, 1893, Mr. Carlisle issued an order, which I will ask the Clerk to read.

The Clerk read as follows:

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., May 24, 1893.

SIR: By Department circular, dated the 4th instant, officers of this Department were instructed to refrain from making arrests under the provisions of the act approved May 5, 1892, entitled "An act to prohibit the coming of Chinese persons into the United States," until otherwise directed. This order remains in force so far as it applies to Chinese persons who have failed to obtain certificates of residence under the provisions of the sixth section of said act, but who otherwise would have a right to remain in the United States.

It is known, however, that great numbers of Chinese laborers have entered the United States in violation of the provisions of the act approved May 6, 1882, as amended by the act approved July 5, 1884, and of the act approved October 1, 1888. Many of these persons have obtained admission upon false representations that they were not laborers but merchants, and others have entered clandestinely from contiguous foreign territory.

Inviting your attention to the first, second, third, fourth, and fifth sections of the act approved May 5, 1892, entitled "An act to prohibit the coming of Chinese persons into the United States," which continued in force the provisions of the previous acts prohibiting the coming into this country of Chinese laborers, and provide for the trial, imprisonment, and deportation of such persons who under said laws are found to be not lawfully entitled to remain in the United States, you are directed to use all the means under your control to vigorously enforce said provisions of law and to take such measures as may be necessary to secure the arrest and prosecution of Chinese laborers who are unable to show that they have obtained lawful admission into the United States.

Respectfully, yours,

J. G. CARLISLE, *Secretary.*

COLLECTOR OF CUSTOMS.

This regulation or letter issued by Mr. Carlisle on the 24th of May last was, I think, strictly in accordance with his duty. I have no fault to find with the Treasury Department, no charge of omission to make against it. The act of May, 1892, provided that the Secretary of the Treasury should make all needed regulations to carry out that law; that he should provide the apparatus for registration and the form of certificates, should put in motion that machinery. But when the 5th of May, 1893, arrived, the right to register having ceased on that day, there was no longer any duty incumbent upon the Secretary of the Treasury to do anything under the sixth section of that act.

Mr. Carlisle in his letter calls the attention of his subordinates to the fact and commands them to use all the power at their disposal to enforce the other sections of the law, that is, to prevent Chinamen crossing the frontier and to arrest them at the ports of entry if they should attempt to come into the country fraudulently. But I contend that his Department had no longer jurisdiction over the matter of deportation; that by the terms of the law, when that right to register had ceased, these parties became guilty of a crime: and the duty of enforcing that provision devolved upon the Attorney-General of the United States.

I think that most of my fellow-Californians will bear me out in the statement that we have always found that the Treasury Department was ready and willing to lend all the assistance in its power to the execution and enforcement of the Chinese exclusion law. It was the duty of the Attorney-General of the United States to put in motion the machinery calculated to punish the men who had been guilty of violating the laws, and he had no right or authority to say, "I will discriminate between this class of criminals and that class of criminals." His duty was to blindly proceed as an executive, leaving the reasons for the laws to be considered by those who made them.

Now, the gentleman from Kentucky [Mr. MCCREARY] says no persons were deported. Why did not the Attorney-General of the United States deport the men who were used to test the constitutionality of this law, the men whom the Supreme Court of the United States said had no right within the limits of the United States? Would not that $25,000 have paid for their deportation? Why was not some of that money used to take these two criminals from New York, who had been brought up in the Supreme Court of the United States, and whose right to be deported had been adjudicated by that tribunal? Why did not your Attorney-General obey the order of that court? He had $25,000 at his disposal then. The fare across the continent would not have been $500. Why, he could have bought them the bridal chamber in a China ship, and still have had lots of money left to enforce the laws against other people. Did he do that?

Where was his authority to suspend that writ of the Supreme Court? And where is the jurisdiction vested in him by any law of this land, that he can set at defiance the edict of our highest court? Is that man so much entitled to respect that I owe obligations to him, because he happens to fill an office by Democratic selection, to fail to denounce that usurpation of power?

Why, he did this thing, which no other Attorney-General ever thought of in the history of this country. When these writs went back to Judge Lacombe's court in New York, he followed them with a message asking the district attorney there to represent to that court that he did not have the means to deport them, and to ask that court to nullify its own judgment! Was that becoming conduct in this officer?

If the great law officer of this Government can set at defiance the laws made by this Congress, if he can set himself above the legislative department of this Government, and for reasons satisfactory to him, or on his own judgment, or in accordance with his own sweet will, can say "I will defy Congress, I will not execute the law, I will not respect the edict of the court," what right have you to ask the commonest man that walks the street to have more respect for the law than he does?

If that conduct is to become the guide of public officers, then anarchy is not so far removed as some men think. Now, I think we owe obligations to our party, and that we owe an obligation to ourselves, that a public officer who acts in that manner shall not escape denunciation or rebuke.

I want to call the attention of Mr. Olney to the conduct of another Attorney-General, in a time more trying than this, when there was more excitement, when his own party stood behind him demanding the violation of law, when the legislation was repugnant to the people of a great section of this country, and when the violation would have been countenanced and approved by them, because of the conditions which then existed. I want to read the letter of Mr. Bates, Attorney-General of the United

States under Mr. Lincoln. On the 22d of July, 1861, the Attorney-General, in answer to a letter from the United States marshal of Kansas, inquiring whether he should assist in the execution of the fugitive-slave law, wrote as follows:

ATTORNEY-GENERAL'S OFFICE, *July 23, 1861.*

J. L. McDOWELL,
United States Marshal, Kansas:

Your letter of the 11th of July, received 19th (under frank of Senator Lane of Kansas), asks advice whether you should give your official services in the execution of the fugitive-slave law.

It is the President's constitutional duty to "take care that the laws be faithfully executed." That means all the laws. He has no right to discriminate, no right to execute the laws he likes and leave unexecuted those he dislikes. And of course you and I, his subordinates, can have no wider latitude of discretion than he has. Missouri is a State in the Union. The insurrectionary disorders in Missouri are but individual crimes, and do not change the legal status of the State, nor change its rights and obligations as a member of the Union.

A refusal by a ministerial officer to execute any law which properly belongs to his office is an official misdemeanor, of which I have no doubt the President would take notice.

Very respectfully,

EDWARD BATES.

There is a definition of his duties made by a Republican Attorney-General, right in the midst of that war, when all the opinion of the North would have sustained it. He said I have no discretion, nor has the President, about enforcing one and refusing to enforce the other. We know that the present Attorney-General of the United States is doing this, and that his purpose is to violate the platform of our party and the laws in the matter, and when it comes to the knowledge of the President he should receive the same treatment as Lincoln would have meted out to his subordinates if they had been guilty of like offenses.

I am opposed to the present law because I do not think the proposed measure would be operative. The bill merely provides for the extension of the period of registration. I contend that there should be a certain amendment made to it in order to make it operative. It is a peculiar bill. I want to read something from this morning's Post in reference to the resolution offered by Mr. DOLPH in the Senate yesterday asking for information:

Senator DOLPH was misinformed when he stated in the Senate Monday that the Chinese Government had not asked for an extension of time for Chinese here to register under a modified form of the Geary act. In the brief executive session which Mr. DOLPH'S own resolution calling for official information on this subject brought about yesterday, the Senators from the Pacific coast received assurances that the passage of the Dolph resolution was entirely unnecessary. They were informed that the new Chinese minister had in the name of his Government given distinct assurances that if some of the offensive features of the Geary law were modified and the time for registration was extended Chinese residents would comply with the registration provision.

The Chinese minister has given assurance that if we will modify our laws that he will advise his people to obey them! What a magnificent spectacle that is for American Representatives.

Are we to have a new rule laid down that when we determine to have legislation with reference to any foreign people in our midst that we must first consult the minister representing that country? If we are, then we must consult the foreign ministers with reference to the tariff laws so as to regulate the importations. We must go into a conference with every foreign minister. I do not think that that can be contemplated as a proposition that would be acceptable, especially in a Democratic Congress, because if this rule prevailed, that all legislation touching foreign people must receive the approval of their ministers, what in the world is to become of the poor Irish, who have not got a minister? [Laughter.] Now, then, following it out:

It was upon this understanding that the Treasury Department and the Attorney-General recently laid their heads together in the production of the McCreary modification of the Everett Chinese bill.

The Chinese minister, the Secretary, and this Attorney-General, put their three little heads together, and the McCreary bill, the Post says, is the product of that combination. [Laughter.]

Mr. McCREARY of Kentucky. Will the gentleman allow me to interrupt him, in justice to myself. I do not suppose the gentleman from California desires to misrepresent me.

Mr. GEARY. I have not done so.

Mr. McCREARY of Kentucky. You are reading from a newspaper that did misrepresent me. The bill which is an amendment of the bill know as the Geary act is very brief. I prepared that bill. The first bill was introduced by Mr. EVERETT, and the subcommittee to which it was referred requested me to draft a bill in accordance with their views, which they gave to me at our meeting, and the present bill is the bill which I drafted in accordance with the request of that subcommittee. I deem it proper to make that statement after what the gentleman has said.

Mr. GEARY. I am willing that the gentleman shall have all the credit. I have no desire to detract from it. I do not know whether the Chinese minister prepared this bill. I do not know that he was consulted about it. I would not like to think my friend had even consulted with him. I am not running the Post. It is quite a singular thing, however, that a resolution introduced in the Senate yesterday asking for this very information was sent to a committee, as I am advised, and immediately the Post comes out in the morning and tells us we need not press the resolution because the minister has agreed to it already.

Now, I want to say this much. The gentleman from Kentucky prepared this bill. This bill is the successor of the Everett bill. The paternity of the Everett bill is not known. I believe the gentleman from Massachusetts does not contend that he prepared it himself. Am I doing the gentleman an injustice when I say that?

Mr. EVERETT. I did not prepare it myself.

Mr. GEARY. So that in anything I say about the Everett bill I am not reflecting upon the gentleman from Massachusetts, because he declines the paternity of this child. It is somebody else's baby. Now, then, the McCreary bill is the Everett bill a little older.

Brother McCREARY took the text of the Everett bill, which, in turn, is taken bodily from the bill of 1892, and added to it the labor clauses and made some other changes, and that is the McCreary bill, so called. I did not like the Everett bill: none of my people did like it. I do not know who prepared it, but I do think the Chinese minister had some hand in it, either himself or his attorneys, because if ever there was a paper presented to an American Congress more thoroughly impressed with Chinese diplomatic characteristics than the Everett bill I never saw it. [Laughter.] That bill pretended to extend the registration clause, but it really struck down the law it pretended to extend. It never would have operated to confer the right of registration on anyone. In the first section it provided that—

All Chinese now in the United States and who now have a legal right to remain may register within the next year.

Why, sir, the only Chinese here and legally entitled to be here when the Everett bill was introduced, were those who had already registered, because under the operation of the law of 1892 the status of all those who did not register was fixed by providing that they should be held to be illegally in the country on the 5th day of May, 1893; so that, I repeat, the only Chinamen legally in the country at the time the Everett bill was introduced were those who had already complied with the law. And this adroitly drawn bill, to which I understand some high in authority gave the sanction of their names—I do not know whether they will do it still or not—pretended to extend the right of registration when as a matter of fact it did nothing of the kind. Standing alone that would not be so bad, but the second section of that bill is the "joker;" that is the Chinese queue on this bill. [Laughter.] That section provides that—

No proceedings for the violation of the provisions of said section 6 of the said act of May 5, 1892, as originally enacted shall hereafter be instituted and all proceedings for violation now pending are hereby discontinued.

Meaning: "No Chinaman now without a certificate of registration need get one. All prosecutions for not complying with the law are hereby suspended and the proceedings shall be dismissed."

Do you remember the anxiety that was exhibited by some gentlemen to crowd that bill through this House? We were to meet on Tuesday and pass it on Wednesday because there was such danger of something dreadful happening. The Chinese minister was tramping up and down in front of the State Department: China would declare war; somebody was going to be murdered, unless we passed that abortive thing of Chinese creation.

Think you these adroit attorneys, Mr. Choate and the other gentlemen, who, by the way, have not worked for any beggar's fees, and who have been proclaiming for the last six months that they would find a way to avoid the act of 1892, think you that they knew nothing about this instrument? They thought this bill would come in here, and that, under whip and spur, with the backing of the Administration behind it, it would be rushed through, it would walk over us, and we would have no right or opportunity of protest. That instrument meant to destroy the law and not to extend it. Now, when you come to us with a grown brother of that child which has no father, have we not a right to be suspicious of him too? [Laughter.] What right have you to tell us that, having made that exhibition of your purposes and desires, we are not entitled to ask this House to stop and consult us as to what we want, rather than take the advice of men who would send such an instrument as that into a Democratic Congress?

Now, I have said that I propose to amend this bill. I have three amendments that I am going to offer. The first is for the photograph. We of the Western country believe that to be absolutely necessary if we are to have any registration at all. Without it there is no certain means of identifying the Chinaman. Without it the certificate will be merely a thing that can be transferred from one to another and can be made to serve criminal and noncriminal alike. The other amendment I am

surprised has not been adopted, if the intention is in good faith to give us a law that shall be operative. When this law went into effect disputes arose between the Departments as to whose business it was to deport the Chinamen. My other amendment is intended to make it certain who shall take charge of the enforcement of this law. It provides that—

Such order of deportation shall be executed by the United States marshal of the district within which the order is made, and he shall execute the same with all convenient dispatch; and, pending the execution of such order, such Chinese person shall remain in the custody of the United States marshal, and shall not be admitted to bail.

That is merely intended to clear up an ambiguity in the existing law, and if the purpose is to pass a law that can be enforced, I do not see why that provision should not be inserted.

Now, a word about the photograph. My Democratic friends will say, "Why don't you confer upon Secretary Carlisle the same discretion that you conferred upon Secretary Foster?" For this reason: After Mr. Carlisle came into office he removed the necessity for it. He declared himself opposed to the photograph and he modified the instructions by eliminating it. And I understand as a lawyer the reason was based upon the fact that he had no authority under a discretionary power to impose the requirement of the photograph or for two witnesses.

Mr. McCREARY of Kentucky. Will the gentleman allow me a question?

Mr. GEARY. Yes, sir.

Mr. McCREARY of Kentucky. If those three amendments which the gentleman has just read should be agreed to by the House, would all the Representatives from California then support the bill to extend this time six months?

Mr. GEARY. My friend, I have not talked with all the Representatives from California.

Mr. McCREARY of Kentucky. I thought you said there had been a meeting of them?

Mr. GEARY. No, sir; you misunderstood me. I have said here repeatedly to day that I can only speak for myself. We are a peculiar lot of fellows out on that coast.

Mr. McCREARY of Kentucky. Then you can not state that the Representatives from California will vote for the bill if if those amendments are agreed to?

Mr. GEARY. I can only state what I will do. More than that I can not say. I suppose in time they will all speak for themselves. But let me ask my friend a question, for you must understand I was born in Yankee land. Suppose we should all say we will support the bill with these amendments, will you agree to the amendments?

Mr. McCREARY of Kentucky. I do not know what the House may agree to. But I want to see whether you gentlemen, the Representatives of California, are willing to agree on any terms to this proposed extension of six months.

Mr. GEARY. Suppose you and I try to first agree, leaving out the others——

Mr. McCREARY of Kentucky. The amendments suggested by the gentleman have never been formally offered to the House, and have never been discussed.

Mr. GEARY. Will the gentleman say for himself, as author of this bill, that he will permit these modifications of it?

Mr. McCREARY of Kentucky. I want the Representatives from California to state first what they want.

Mr. GEARY. Well, you forget, we have got the age. [Laughter.] The gentleman being in charge of this measure and having the affirmative, I think he ought to act first.

I understand that Mr. Carlisle's objection was based on this proposition, that where Congress enacts a law imposing liabilities upon certain persons, and gives to a public officer discretion to carry out the law, he may carry it out strictly, literally, but in doing so he must impose no additional liability or obligation on any party or class. Mr. Carlisle's contention will be and has been that he had no right to impose the requirement of a photograph, because it would compel the Chinaman to pay a tax or to expend some money in order to comply with the law, and that Congress alone has authority to impose such an obligation. We have no lack of confidence in Mr. Carlisle; but we recognize his ability as a lawyer. We demand this thing as essential. Why should it be said, "Trust Mr. Carlisle to change his legal opinion," when by putting the enactment in the bill we can secure the end we desire.

There is one other definition that we think necessary. The treaty permits "merchants" to come into this country. We have no desire to restrict the movements of the mercantile class: but the trouble has been that men pretending to be merchants have asked for admission at New York and other places, have sworn that they had interests in stores established in those communities, have been admitted as merchants, and immediately developed into full-fledged laborers. We merely ask for a definition of the word "merchant" which shall be broad enough to protect every man legitimately engaged in that industry and narrow enough to prevent the designation being used as an instrument of fraud by a class that we do not desire.

This amendment requires every Chinaman asking to be admitted into the United States and who claims to have formerly resided here to prove that for at least one year at some fixed place of business within the Union he was engaged in buying and selling merchandise. We do not damand that he shall have a dollar's worth of stock or a thousand dollars' worth; we simply follow the language of the treaty and demand this protection to our own people.

Those are my three amendments. I do not think this law can be enforced without money. We have $25,000 available to-day that might be used for the enforcement of this law; and I want to call the attention of the chairman of the Committee on Foreign Affairs to what I am now about to state. I have received to-day the statement of the gentleman in the internal-revenue department having charge of the enforcement of this law, who says that the law can not be enforced for six months for less than $48,000 at the lowest estimate. Now, what is the use of passing a law to give Chinamen a right to register, if you honestly mean to enforce that law, and then not give the officer charged with its enforcement the means to put its machinery in motion.

What sense is there in saying to Mr. Carlisle, "Enforce this law for six months," while you refuse to give him any means with which to execute it? Do you want us to come back here six months from now and listen to another speech saying that humanity will be outraged unless we give still another opportunity to register, because you passed this law and forgot to create any machinery to put it into execution? We want to avoid that, and I say to you in good faith I think money enough should be put into this bill to equip Mr. Carlisle with all the means he needs for the purposes which the bill contemplates.

Mr. McCREARY of Kentucky. Does not the gentleman from California remember that when he introduced his bill which was passed on the 5th day of May, 1892, that he did not appropriate a dollar of money to carry it into effect, and that the money was provided in the appropriation bill brought in by the Committee on Appropriations? Now, we take the same course that your bill took. The gentleman did not provide a dollar of appropriation in his bill, just as in the present case, but subsequently the committee brought in a bill which contained $50,000. There is now a bill pending, referred to the Committee on Appropriations, in charge of the gentleman from Texas [Mr. SAYERS], providing money to carry this into effect.

Mr. GEARY. It is funny how people get wedded to inconsistencies, strange how they ignore conditions. Now let me state the situation. What the gentleman says is all true. The law to which he refers was passed on the 5th day of May, 1892, and a period of one year, or until May, 1893, was given for its enforcement. The appropriation bills were brought into the House in June, the month following. There was not any delay in their passage. By the time the officers of the Treasury had their plans prepared, by the passage of the appropriation bills enough money was at their disposal to go to work, within thirty or forty days after the passage of the law. Now, contrast that with the present condition. The Appropriations Committee of this House will not bring in an appropriation bill until some time next year.

Mr. McCREARY of Kentucky. But there is a separate bill pending before the committee.

Mr. GEARY. If the gentleman will assure me that the Committee on Appropriations will bring in that bill, say within thirty days, it will remove one of the objections——

A MEMBER. We will not be here thirty days from now.

Mr. GEARY. What! not here thirty days! Why, we are going to camp on the hill to-night. [Laughter.]

But, Mr. Speaker, the difference is this: This law must be enforced at once. This right to register is given to the Chinaman, and he ought to have the right to go in to morrow and be granted the privilege of exercising that right. The appropriation bills will not come in and pass the House before May. In the mean time the Treasury is without money to enforce the law, and the Chinaman without any right to exercise the privilege which you give him.

If good faith stands behind the measure, if this bill is not to be on a parity with the other thing that has no father, if the sections are to be worked, and if our fears are not to be allayed by mere promises of support only, without anything to make the promises operative, why not annex the needed sum of money and let it go through with the bill? That will allay our apprehensions and our suspicions and we ought not to be blamed for possessing them. We come from a country where guile is not so common as in the Eastern lands, and where men having been deceived once have suspicions for all time to come. [Laughter.]

Now, my friends, I am thankful for the way in which the House has treated me. I am speaking on behalf of my people and State, as are all of my colleagues from that section of the

country, to whom this question is a local one. More than 95 per cent of all the Chinese in the Union reside west of the Rocky Mountains. Every man on this floor, every man in the Senate of the United States, from that section stands committed to the necessity of giving us protection for our people.

I have been in this House now going on three terms, and have heard much of the sacredness of the right of local self-government. I have sat here for many days just past and listened to men getting up and demanding that laws should be repealed because they prevented the people from governing themselves in their own localities.

I was in the Fifty-first Congress when the men of the South were threatened with legislation that they feared far worse than they feared war or pestilence; when anxiety sat with you day and night, when you fought the force bill, a bill having its origin, no doubt, in the same place as this, which was directed against your people of the South, against your society and the right of the white man to be supreme in the sunny South. I remember in that hour when all feared that a Republican President would have the right and the opportunity to put his name to that bill; when that was pending in the Senate of the United States, you did not turn to the East for help, but you turned to the land beyond the Rocky Mountains [applause on the Democratic side], and from that section men left their party and came to your assistance.

The two Senators from my own golden State, from the State of Nevada, Republicans from Colorado and Oregon, all joined hands with you and said whenever an attack is made by any alien race upon our brother white men of the South, or upon white civilization anywhere, you can command our friendship and support because we know how it is ourselves. In that hour, with Hearst and Stanford in the lead, and STEWART, JONES, MITCHELL, TELLER, WOLCOTT, and others from the West, we stood by you. We freely performed, as brethren, our duty in upholding the idea that white civilization must be dominant on this continent; in that hour you men of the South turned to us and found assistance. I say, are we now to turn to a Democratic Congress and be stricken down in this hour and day of peril by the very men that we helped then, and who should be our eternal allies because of a common danger creating a common necessity? [Applause.]

Talk about humanity! Talk about barbarism! Have I not heard those same things said of you, from the self-same lips almost? Have not I heard the men who have denounced us as barbarians, because we seek to limit Chinese immigration, who charge us with violating treaties and breaking laws, say that because you asserted your rights in your homes and protected your citizens, you have broken the Constitution of the Union and violated the statutes of the land? We permitted no such charge to cause us to falter when you wanted our help, our friendship, and our assistance.

Recognizing the justice of your position, a position born of the necessities that surrounded you, we went to your assistance, and now here, speaking for the same right, the right that we in the West shall be allowed to settle our local affairs according to our own rules, that we shall have protection for our own institutions against Asiatic immigration, that our white labor shall not be forced into competition with this kind of people, that our States shall be freed from the ban of the accursed presence of the yellow slave, we ask you now to extend to us the aid we extended to you two years ago. [Applause.] I think I know the Southern character well enough to feel sure that you will not ask us to go back to our constituents on the other side of the mountains, and tell them that Southern men are forgetful and ungrateful. [Applause.]

Restoration of Silver to Equal Monetary Functions with Gold.

SPEECH

OF

HON. F. M. COCKRELL,

OF MISSOURI.

IN THE SENATE OF THE UNITED STATES,

Monday, Tuesday, and Wednesday, October 9, 10, and 11, 1893.

The Senate having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. COCKRELL said:

Mr. PRESIDENT: No more important measure has ever been pending in the Senate than the present bill, no measure fraught with more important results to the present and coming generations. Its importance demands and justifies its fullest consideration.

Gold and silver by the common law of England, transplanted here by our ancestors, were money and a full legal tender in payment of debts upon a perfect equality as coin and bullion down to the adoption of our Constitution. We had the true bimetallic system.

By the express terms of our Constitution—

The Congress shall have power * * * to coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures.

And further:

No state shall * * * coin money * * * or make anything but gold and silver coin a tender in payment of debts.

Our Constitution clearly establishes bimetallism, and vests in the Congress the exclusive power to provide by laws for coining gold and silver metal into money, and then to regulate and fix the legal-tender value of such coin and of foreign coin as such money. The Constitution does not give Congress the power to regulate the value, the market value, the commercial value, of gold and silver as metals, as commodities. It only gives the power to regulate the value of the coined gold and silver, whether of domestic or foreign coinage. It clearly gives to each State the right to make such gold and silver coins a legal tender in payment of debts.

Gold and silver coins are the money of our Constitution, which, when enacted, only recognized what previously existed. Congress has no power to declare that either gold or silver coin shall not be money—no power to demonetize either gold or silver coin or both. Well did Daniel Webster declare:

I am clearly of opinion that gold and silver at rates fixed by Congress constitute the legal standard of value in this country, and that neither Congress nor any State has authority to establish any other standard or to displace this standard.

When we demand that Congress shall by law fix the ratios between gold and silver coined in our mints into money and give to each equal powers and privileges, free or equal unlimited coinage, we demand only obedience to our Constitution.

Congress, by "An act establishing a mint and regulating the coins of the United States," approved April 2, 1792, exercised its constitutional power by establishing a mint and authorizing the coinage of gold, silver, and copper coins, and placed gold and silver upon a perfect equality, and gave to each unlimited coinage, and to the coins of each full legal tender in all payments, the gold coins to be eagles, half eagles, and quarter eagles of the declared value of ten, five, and two and one-half dollars, respectively, 11 parts pure gold to 1 of alloy; and the silver coin to be dollars or units, half dollars, quarter dollars, dimes, and half dimes, and made them all a full legal tender in payment of any and all sums.

The weight of the gold in one dollar if coined would have been 27 grains standard and 24.75 pure, and the weight of the silver in the dollar or unit was 416 grains standard and 371¼ grains pure, and the value of this silver dollar was to be that of the Spanish milled dollar as then current. This law further declared—

That the money of account of the United States shall be expressed in dollars or units, dimes, or tenths, * * * and that all accounts of the public officers and all proceedings in the Congress of the United States shall be kept in due conformity with this regulation—

And—

that the proportionate value of gold and silver in all coins which shall by law be current as money within the United States shall be as 15 to 1.

This, our first monetary law, continued in force until June 28, 1834.

Congress, by "An act concerning the gold coins of the United States, and for other purposes," approved June 28, 1834, and to take effect July 31, 1834, reduced the standard weight and fineness of the gold coins from 27 grains standard and 24.75 pure in the dollar to 25.8 standard and 23.2 grains pure to the dollar, being a reduction of the standard gold of 1.2 grains and of the pure gold 1.55 grains to the dollar, and declared the new gold coins a full legal tender in all payments, and made all gold coins previously minted receivable in all payments at the rate of 94.8 cents per pennyweight.

Congress, by "An act to establish a mint and regulate the coins of the United States," approved January 18, 1837, fixed the standard for both gold and silver coin of the United States at 9 parts pure to 1 of alloy, and the weight of the silver dollar at 412½ grains, and of the half dollars, quarter dollars, dimes, and half-dimes correspondingly, and made them all legal tenders for all sums whatever. Thus the alloy was reduced, while the pure silver of 371¼ grains was retained in the standard silver dollar.

The standard weight of the gold coins was not changed, but the fineness was fractionally advanced, so that a gold dollar if coined would have contained 23.22 grains pure gold instead of 23.20, and these reductions by the laws of 1834 and 1837 of the weight and fineness of the gold coins changed the relative val-

uation or ratio of gold and silver in coinage from 1 to 15 to 1 to 15.988, and increased the coining rate or legal-tender value of gold in this country 6.589 per cent, and both gold and silver bullion and coin were continued upon a perfect equality at the prescribed ratio.

Congress, by "An act to authorize the coinage of gold dollars and double eagles," approved March 3, 1849, authorized the coinage of "gold dollars, each to be of the value of $1, or unit" and "double eagles, each to be of the value of $20, or units," with full legal tender and free coinage.

Congress, by "An act amendatory of existing laws relative to the half dollar, quarter dollar, dime, and half dime," approved February 21, 1853, reduced the standard weight of the half dollar from 206¼ grains to 192 grains, a reduction of 14¼ grains, and the quarter dollar, dime, and half dime correspondingly, to take effect from June 1, 1853, and made them legal tender for all sums not exceeding $5, and they could only be coined upon Government account from silver purchased in the market.

This law continued the unlimited coinage, with full legal tender, of gold and silver bullion into gold coins and the standard silver dollar, and imposed a mint charge upon the depositor, whether the metal was coined or cast into ingots or bars, of one-half of 1 per cent. This law also authorized the coinage of the three-dollar gold piece, with full legal tender, and by the act of March 3, 1853, this law was made to take effect from April 1, 1853, and the charge for casting gold or silver into bars or ingots was reduced to the actual cost thereof.

By the law of March 3, 1853, the Secretary of the Treasury was authorized to establish in New York City an assay office for assaying and casting gold and silver bullion and foreign coin into bars, ingots, or disks, and the assistant treasurer at New York was made the treasurer of such assay office, and was authorized, upon the deposit of gold or silver bullion or foreign coin and the ascertainment of its net value to "issue his certificate of the net value thereof, payable in coins of the same metal as that deposited, * * * which certificates shall be receivable at any time within sixty days from the date thereof in payment of all debts due to the United States at the port of New York, for the full sum therein certified," and the same charge was made as at the mint. This is the origin of our gold and silver certificates.

Congress, by "An act to provide ways and means for the support of the Government," approved March 3, 1863, authorized the Secretary of the Treasury to issue certificates for gold coin or bullion deposited in sums of not less than $20, such certificates to be receivable in payment of interest on the public debt and duties on imports.

Congress, by "An act revising and amending the laws relative to the mint, assay office, and coinage of the United States," approved February 12, 1873, and known as the coinage act of that year, established a single gold standard and declared the gold dollar piece, of the standard weight of 25.8 grains, the unit of value, and prohibited the coinage of the silver dollar of 412½ grains, but continued the coinage of the half dollar, quarter dollar, and dime, increasing the weight of the half dollar nine-tenths of a grain, or to 192.9, and the quarter dollar and dime correspondingly, and limited their legal tender to any amount not exceeding $5 in one payment, the silver bullion to be purchased for such coinage and coined on Government account, and also authorized the coinage of the trade dollar of 420 grains standard silver, to be a legal tender for $5, which legal tender was repealed by the law of July 22, 1876.

From the foundation of our constitutional Government to February 12, 1873, our laws maintained our constitutional bimetallic system unimpaired—gold and silver upon a perfect equality with full monetary functions.

The standard silver dollar, containing 371¼ grains of pure silver, was maintained as the unit of value. The law of January 18, 1837, only reduced the alloy in the silver dollar 3½ grains, and made the dollar, silver and gold, 9 parts pure and 1 part alloy, instead of 11 parts fine and 1 part alloy.

The law of February 12, 1873, establishing the single gold standard and demonetizing the standard silver dollar of 371¼ grains pure silver and 412½ grains standard silver, nine-tenths fine and one-tenth alloy, was passed by a Congress overwhelmingly Republican in House and Senate, and was approved by a Republican President.

The Senator from Ohio [Mr. SHERMAN] was the chairman of the Senate Committee on Finance, and had charge of the bill in the Senate and well knew its provisions and effects. It is almost absolutely certain that there were not three other Senators, nor five members of the House, who knew at the time that law was enacted that it demonetized the standard silver dollar or established the single gold standard.

At that time there was no discussion of the coinage question. There was no public demand for any legislation relative to the value, the fineness, or the ratio of gold and silver coin. Neither one of them was in actual circulation as money. Each one of them was at a large premium. A silver dollar of 371¼ grains pure was more valuable than a gold dollar of 23.22 grains pure; or the standard silver dollar of 412½ grains was of more value as an article of merchandise in the open markets than the standard gold dollar of 25.8 grains.

There was something back of this, Mr. President. I am not going into a controversy at this time in regard to the motives that inspired the action which deliberately and intentionally led to the enactment of the law of 1873, and for which this country must hold the distinguished senior Senator from Ohio alone responsible, because I do not believe another Senator knew what was contained in that bill. The Senator from Ohio did know it.

Mr. PALMER. Mr. President——

The PRESIDING OFFICER (Mr. FAULKNER in the chair). Does the Senator from Missouri yield to the Senator from Illinois?

Mr. COCKRELL. With a great deal of pleasure.

Mr. PALMER. I am curious to know why some other Senator did not know it.

Mr. COCKRELL. Simply because there was no discussion. Every Senator who was here then, and who has ever spoken on the subject since, has admitted that he did not know it; and the documents I have here give a full and complete history of this whole movement from 1861; they are included in the reports of the Comptroller of the Currency and the Director of the Mint. But the history of it is contained specially in documents sent to Congress and which were not laid upon the desks of Senators, in all probability, or if they were, they were treated by Senators just as such documents are too often treated to-day—they did not read them, that was all. They ought to have known it, but they did not.

Mr. PALMER. I have understood from the history of the matter that the bill was several times printed and amended.

Mr. COCKRELL. Mr. President, I have here a more complete collection of the documents on that question than I have ever yet seen or heard read in the Senate from the beginning, the recommendations of the mint officers, and the letters they sent out all over the country to doctrinaires to get their views upon coinage, and the recommendations they have given here for striking down the standard silver dollar, and all that. But I doubt whether any one solitary Senator ever read them. The Senator from Ohio [Mr. SHERMAN] is the only one that has ever pretended to know, and he pretends to be as innocent as an unborn child of what was going to be the effect of it, as I shall show before I get through.

Mr. PALMER. Innocence seems to have been the general condition of the Senate about that time.

Mr. COCKRELL. It seems so. Why? Because of the haste with which the measure was pressed through after it was brought up. It was brought up, read, and passed upon the assurance that it was simply a coinage law. No controversy arose over it to amount to anything. It was a bill of sixty-five or sixty-six sections. It received the same consideration that many long bills receive that are brought up here and upon which no discussion arises, no demand is made for the reading and Senators know nothing about them, and with regard to which the great masses of the people of this country have never been informed. They were not heard upon this matter. There was no demand for that legislation from any part of the world.

At that time, or rather on June 30, 1872, we had $1,794,277,650 outstanding interest-bearing United States bonds and $413,566,968 noninterest-bearing obligations, mostly United States notes, making a total of $2,207,844,618 liabilities—interest and noninterest bearing—of which $200,000,000 were the funded loan of 1881, issued under the law of July 14, 1870, and payable in coin of the standard value of the United States gold and silver dollars on said July 14, 1870. Nearly all the remaining liabilities—over two billions—were payable in any legal-tender dollars—gold, silver, or greenbacks. The distinguished Senator from Ohio has time and again—and I have his quotations here—asserted upon this floor that the 5-20 bonds were honestly and justly redeemable and payable in legal-tender greenbacks, that they were sold for greenbacks, exchanged for them, and could lawfully and justly be paid in them.

In the calendar years 1871 and 1872 we coined $1,117,131 and $1,115,600, and in the one month and twelve days—January 1, 1873, up to February 12, 1873—when its coinage was prohibited we had coined $296,000 standard silver dollars, showing a very rapid increase in the coinage of such dollars.

Yet, with this record standing upon our books, the Senator from Ohio, who has been Secretary of the Treasury and ought to know this record, and the Senators who favor gold monometallism and oppose the rehabilitation of silver, have time and

again proclaimed to the world that the people would not have silver coined into dollars.

The Senator from Ohio said in his speech here this very session that it was dropped because nobody was having it coined. Yet here is the record. In the two years one month and twelve days prior to February 12, 1873, we had coined 2,531,736 standard silver dollars—nearly one-third of the total coinage of such dollars to that date.

Mr. PEFFER. Will the Senator from Missouri be kind enough to give the aggregate production of our silver mines for those years?

Mr. COCKRELL. I will give it hereafter. I do not want to put it in at this point. I have the complete figures, but they come under another head.

I shall hereafter discuss the causes leading to the passage of the law of February 12, 1873. It was not generally known for months after, that the coinage law of February 12, 1873, had demonetized the old standard dollar, and authorized a trade dollar of 420 grains with legal tender limited to $5, and established the single gold standard. The coinage of trade dollars followed at once the standard dollar, and they were used for sometime before the change was fully noted.

Suffice it to say that it was not in the minds of the people, was not generally known for months afterwards, that the coinage law of February 12, 1873, had demonetized the old standard dollar, but simply authorized the trade dollar of 420 grains with legal tender quality limited to $5.

How was that received by the people? What effect had that and the legislation of foreign nations upon the financial condition of this country?

The panic of September, 1873, swept like a deadly simoom from one end of this land to the other, and affected to a very large extent foreign nations, sweeping away millions and billions of their gains from hard labor. No less a cyclone politically followed this action of the Republican party. In the next general election in November, 1874, the Democratic party elected an overwhelming majority of Representatives to the Forty-fourth Congress, and the scepter of full power passed from the Republican party.

Mr. President, something has been said, a good deal has been said, in regard to the record of the two parties upon the silver question. I propose briefly to give that record, the record of the Democratic party and the record of the Republican party as well, upon this silver question.

In the Forty-fourth Congress, March 4, 1875, to March 4, 1877, the President was Republican. In the Senate there were 46 Republicans, 29 Democrats, 1 vacancy. In the House of Representatives there were 107 Republicans, 186 Democrats. Congress convened December 6, 1875. On March 27, 1876, H. R. 2450, from the Committee on Appropriations, was pending. It appropriated money for a deficiency for the Bureau of Engraving and Printing, and in section 2 provided for the issue of subsidiary silver coins in the redemption of fractional currency.

Mr. Reagan, of Texas, offered an amendment making the trade dollar legal tender for any amount not exceeding $50, and the silver coins less than a dollar for any amount not exceeding $25. This was agreed to. Yeas 124—99 Democrats, 22 Republicans, 1 Independent; nays 94—28 Democrats, 65 Republicans, 1 Independent. As amended the bill passed. Yeas 122—50 Democrats, 70 Republicans, and 2 Independents; nays 100—80 Democrats, 18 Republicans, and 2 Independents.

April 10, 1876, in the Senate, Mr. SHERMAN, from the Finance Committee, reported the bill with amendments; one amending section 3 so as to authorize the coinage of a silver dollar of 412.8 grains—a legal tender not exceeding $20 in any one payment except for customs dues and interest on public debt, and stopped the coinage of trade dollars. Another—a new section 4—authorized the exchange of silver dollars for an equal amount of United States notes to be retired, canceled, and not reissued; and also for silver bullion at its market value.

That was the policy at that time of the senior Senator from Ohio. It was to substitute a standard silver dollar of 412.8 grains, and that would make it the exact mathematical ratio of 16 to 1; it was to issue those silver dollars and with them retire and cancel the greenbacks, the full legal-tender United States notes.

By changing the bullion in silver dollars to 412.8 grains the exact ratio of silver to gold—16 to 1—was proposed. After discussion and a full speech by the Senator from Ohio [Mr. SHERMAN], he moved to strike out all after section 2 of the bill, in order to disembarrass the bill of a silver-coinage question, and leave it as an independent question to be afterwards settled. This motion was agreed to, and the Reagan amendment was stricken out.

The House concurred in the Senate amendments for the same reason, and the bill became the law of April 17, 1876.

On June 10, 1876, Mr. S. S. Cox, from the Committee on Banking and Currency, reported a joint resolution to issue the silver coins in the Treasury to an amount not exceeding $10,000,000 in exchange for an equal amount of legal-tender notes, to be kept as a special fund, to be reissued only upon the retirement of fractional currency; which was passed without a division.

June 21, 1876, in the Senate, the House joint resolution was amended by adding a section prohibiting the coinage of the trade dollar except for export trade; thus striking down the trade dollar, the only dollar authorized by the coinage law of 1873.

That was the action of the Republican Senate at that time destroying every solitary silver dollar, even the trade dollar.

June 28, in the House of Representatives, Mr. Payne, from the Banking and Currency Committee, reported for concurrence in the Senate amendments. Mr. F. Landers, of Indiana, moved to amend the Senate amendments by adding an amendment for free and unlimited coinage of the standard silver dollar of 412½ grains, with full legal tender, which was agreed to; yeas 110—85 Democrats, 23 Republicans, 2 Independents; nays 55—16 Democrats, 37 Republicans, 2 Independents.

July 1, 1876, in the Senate the Finance Committee reported nonconcurrence, and a conference was asked and agreed to without division

The House agreed to the conference.

The conferees, except Mr. Landers, reported to the House of Representatives an agreement, receding from the Landers amendment with substitute of sections 3 and 4, increasing the amount of subsidiary silver coin to be issued in redemption of fractional currency, not to exceed $10,000,000, and authorizing the purchase of the silver bullion for such coinage at market rate, to be made without loss in such coinage and issue, and took from the trade dollars any legal tender and limited their coinage to export demand. Agreed to. Yeas 129—66 Democrats, 62 Republicans, 1 Independent; nays 76—50 Democrats, 15 Republicans, 2 Independents.

July 14, in the Senate the report was adopted without division. It became the law, as the joint resolution of July 22, 1876.

On June 10, 1876, Mr. S. S. Cox, from the Committee on Banking and Currency, reported H. R. 3398, of three sections—very similar to the joint resolution of July 22, 1876. It was passed without division.

In the Senate June 27, 1876, the bill was considered on the report of the Finance Committee to strike out all after the enacting clause and insert four new sections. This was a substitute proposed by the Senate Committee on Finance, headed by the distinguished senior Senator from Ohio.

Section 1 provided for the coinage of silver dollars of 412.8 grains, to be legal tender for sums not exceeding $20.

Section 2 provided for exchanging such dollars and minor coins for legal tenders to be canceled and not reissued or replaced.

Section 3 provided for purchasing silver bullion at market rates for such coinage, to be made without loss in coinage and issue.

Section 4, prohibiting legal tender of the trade dollar, and limiting its coinage to export demand. This was before the law of July 22, 1876, had been enacted.

On June 28, 1876, Senator Bogy moved to strike out in section 1 the words "not exceeding $20," the effect of which was to leave that dollar with full legal-tender quality in the payment of all debts. That was agreed to. Yeas 18—8 Democrats, 10 Republicans; nays 14—3 Democrats, 11 Republicans. On June 29 the bill was recommitted to the Finance Committee and was never reported back. It was killed in a Republican Senate.

July 24, 1876, in the House of Representatives, Hon. William D. Kelley, Republican, moved to suspend the rules and pass a free and unlimited coinage bill. Yeas 119—84 Democrats, 33 Republicans, 2 Independents; nays 68—27 Democrats, 40 Republicans, 1 Independent. Two-thirds not voting yea, it failed.

On July 19, 1876, in the House of Representatives, Mr. BLAND, from the Committee on Mines and Mining, reported H. R. 3635, for free coinage of gold and silver. December 13, 1876, at the second session of the Forty-fourth Congress, Mr. BLAND offered a substitute for H. R. 3635, for free and unlimited coinage of silver dollar of 412½ grains, with full legal-tender power.

Mr. President, this was placing the standard silver dollar just where it had been from the organization of our Government up to the date of the passage of the law of February 12, 1873. It was restoring to it all the functions of money, the same as were enjoyed by gold coin. This was agreed to, and then passed: Yeas 168—123 Democrats, 45 Republicans; nays 53—17 Democrats, 36 Republicans. The bill as passed was sent to the Republican Senate, and never considered in the Senate. It slept the sleep that knows no waking, under the kindly care of the distinguished Senators from Ohio [Mr. SHERMAN], from Iowa [Mr. ALLISON], and from Vermont [Mr. MORRILL].

That is for the Forty-fourth Congress, the first Democratic House of Representatives. Now, what were the actions of the Democratic party and its results in that Congress?

First. The Democratic House of Representatives passed a provision increasing the legal tender of the trade dollar of 420 grains from $5 to $50, and the subsidiary coins from $5 to $25, by 124 yeas—99 Democrats, 22 Republicans, and 1 Independent; nays 94—28 Democrats, 65 Republicans, and 1 Independent. The Republican Senate amended, authorizing silver dollars of 412.8 grains legal tender to $20, except customs and interest and their exchanges for greenbacks to be retired and canceled, and for silver bul ion at market rates. That was the answer made by the Republican Senate to the demands of the Democratic House.

Second. The Landers free coinage amendment was agreed to in the House of Representatives by—yeas, 85 Democrats, 23 Republicans, 1 Independent; nays, 16 Democrats, 37 Republicans, 2 Independents. Defeated by a Republican Senate.

Third. House bill 3398 for subsidiary coins for redemption of fractional currency, amended in a Republican Senate, for silver dollars of 412.8 grains legal tender to $20, and exchangable for greenbacks to be canceled; and on motion of Mr. Bogy the restriction of legal tender to $20 was stricken out by—8 Democrats and 10 Republicans, to 3 Democrats and 11 Republicans. Recommitted and killed in committee.

Fourth. Kelley's free-coinage bill received—84 Democrats, 33 Republicans, and 2 Independents, to 27 Democrats, 40 Republicans, and 1 Independent.

Fifth. BLAND'S (H. R. 3635) substitute for free, unlimited coinage, passed by—123 Democrats and 45 Republicans to 17 Democrats and 36 Republicans; and in the Senate killed in the Finance Committee.

We come now to the Forty-fifth Congress, from March 4, 1877, to March 4, 1879. At that time there was a Republican President. In the Senate there were 39 Republican Senators, 36 Democratic Senators, and 1 Independent, David Davis. In the House of Representatives there were 136 Republicans, 156 Democrats, 1 vacancy.

In the first or called session of the Forty-fifth Congress, on November 5, 1877, in the House of Representatives, Mr. BLAND moved to suspend the rules and pass "An act to authorize the free coinage of the standard silver dollar and to restore its legal-tender character." Agreed to. Yeas 164—97 Democrats and 67 Republicans; nays 34, only 10 Democrats and 24 Republicans. Among the yeas were Messrs. Carlisle, HUNTON, and MILLS.

This bill, as passed by the House, was as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there shall be coined, at the several mints of the United States, silver dollars of the weight of 412½ grains troy of standard silver, as provided in the act of January 18, 1837, on which shall be the devices and superscriptions provided by said act; which coins, together with all silver dollars heretofore coined by the United States of like weight and fineness, shall be a legal tender, at their nominal value, for all debts and dues, public and private, except where otherwise provided by contract; and any owner of silver bullion may deposit the same at any United States coinage mint or assay office, to be coined into such dollars, for his benefit, upon the same terms and conditions as gold bullion is deposited for coinage under existing laws.

SEC. 2. All acts and parts of acts inconsistent with the provisions of this act are hereby repealed.

Passed the House of Representatives November 5, 1877.

Attest.

GEORGE M. ADAMS, *Clerk.*

November 21, 1877, Mr. ALLISON, from the Finance Committee, reported the bill, with amendments to strike out the clause beginning "and any owner of silver bullion," and to insert his purchasing clause, and to add section 2 for an international monetary conference.

In other words, the distinguished Senator from Iowa, as the mouthpiece of the Republican Finance Committee, reported to strike out the free and unlimited coinage clause of this House bill and to place in it the silver-purchasing clause of not less than $2,000,000 nor more than $4,000,000 of silver per month; and then to sugar-coat it with the international monetary conference.

February 15, 1878, this amendment was agreed to. Yeas 49—16 Democrats, 33 Republicans; nays 22—17 Democrats, 4 Republicans, 1 Independent (Mr. Davis). The amendment—section 2—was agreed to. Yeas 40—10 Democrats, 29 Republicans, 1 Independent; nays 30—24 Democrats, 6 Republicans. Mr. Booth's amendment by a new section for silver certificates was agreed to. Yeas 49—21 Democrats, 27 Republicans, 1 Independent; nays 14—8 Democrats, 6 Republicans. Other amendments were voted down and the bill as amended passed. Yeas 48—24 Democrats, 23 Republicans, 1 Independent; nays 21—7 Democrats, 14 Republicans.

February 21, 1878, in the House of Representatives the purchasing clause was concurred in. Yeas 203—74 Democrats, 129 Republicans; nays 72—68 Democrats, 4 Republicans. The international-agreement section was agreed to. Yeas, 196—77 Democrats, 119 Republicans; nays, 71—63 Democrats, 8 Republicans.

February 28, 1878, the bill was vetoed by President Hayes, and passed on same day over his veto. In the House of Representatives, yeas 196—118 Democrats, 78 Republicans; nays 73—22 Democrats, 51 Republicans. In the Senate, yeas 46—25 Democrats, 20 Republicans, 1 Independent; nays 19—9 Democrats, 10 Republicans.

Under this act 378,166,793 silver dollars have been coined from silver bullion, costing $308,199,262, leaving the seigniorage at $69,967,531.

Mr. President, it was known at the time when this bill was passed, from the published declarations of President Hayes, that a free and unlimited coinage silver bill would be vetoed. This bill, the Allison-Bland bill, or the Bland-Allison bill, or the law of February 28, 1878, was not what the friends of bimetallism and the true friends of unlimited coinage of silver demanded. It was all that they could get. It was then held over them in terror that the President would veto any bill recognizing the unlimited coinage of silver. Not only was that carried out, but after it was limited to not less than $2,000,000 nor more than $4,000,000 he still vetoed the bill, because it was a subversion of the policy of the Republican party which it had deliberately established after the close of the war—the single gold standard. This was the first encroachment made upon the single gold standard, and that it has resulted in untold blessings to the people no one can deny.

Where would the country be to-day if you were to strike out all this money circulation, these 378,000,000 of silver dollars that have been coined from year to year? They have been a part of the currency of this country, and they have been an aid to prevent more dire calamities than have already befallen us.

January 16, 1878, in the Senate, Mr. Matthews submitted his concurrent resolution, declaring that all United States bonds issued under the refunding and redemption acts of July 14, 1870, and January 14, 1875, could be paid at the option of the Government in standard silver dollars of 412½ grains without violation of public faith or in derogation of the rights of public creditors. It was then hurled in our teeth, every time we mentioned the subject of unlimited coinage of standard silver dollars, that we were repudiators, that we were trying to pay the bonds, the precious bonds of the Government, which ought to be paid in gold, in a debased standard silver dollar. To put an end to this the distinguished Senator from Ohio, Mr. Matthews, afterwards one of the justices of the Supreme Court of the United States, introduced this resolution; and, after the fullest discussion in the Senate, that resolution was agreed to. Yeas 43—23 Democrats, 19 Republicans, and the Independent, Judge David Davis, of Illinois; nays 22—7 Democrats and 15 Republicans.

That was sent to the House, and on January 29, 1878, it was agreed to. Yeas 189—116 Democrats, including Messrs. Carlisle and MILLS, 73 Republicans; nays 79—23 Democrats, 56 Republicans.

Here was a positive declaration that all the bonds of the Government, including the funded loan of 1907, could honestly and justly be paid in the standard silver dollars of 412½ grains. That passed the Republican Senate by the vote I have just given, and was passed in the Democratic House by an overwhelming vote. It was intended as a declaration of the law upon that question and the line of conduct to be pursued by the Administration in its execution of the law of February 28, 1878, the Bland-Allison law.

March 5, 1878, in the House of Representatives, Mr. SPRINGER moved to suspend the rules and pass a bill "to authorize the coinage of gold and silver upon the same terms, and to permit deposits thereof in the Treasury for the same purposes." It provided for unlimited coinage of each alike, with full legal tender, subject to mint charge of actual coinage cost. (This was after the passage of the Bland-Allison act.) Yeas 140—102 Democrats, 38 Republicans; nays 102—25 Democrats, 77 Republicans. Two-thirds not favoring, it failed.

December 9, 1878, in the House of Representatives, Mr. Durham moved to suspend the rules and pass a bill to stop coining trade dollars, and to exchange standard silver dollars of 412½ grains for them, and then recoin such trade dollars into the standard full legal-tender dollars. Yeas 153—104 Democrats, 49 Republicans; nays 91—20 Democrats, 71 Republicans. It failed, two-thirds not voting in the affirmative.

On the same day, Mr. Fort moved a suspension of the rules and passage of a bill declaring any discrimination against standard silver dollars by national banking associations a defiance of our laws, and instructing the Committee on Banking and Currency to report a bill for withdrawing their circulation. Yeas 151—106 Democrats, 45 Republicans; nays 89—16 Democrats, 73 Republicans. Not two-thirds in the affirmative, it failed.

Scarcely had the Bland-Allison law been enacted and a dollar

coined and issued under it, when the national banks of New York conspired to prevent any beneficial results flowing from its enactment, and ever since that day they have fought it with all the power they could bring to bear. They have refused to recognize it. They have refused largely to keep it as a part of their reserve. In other words, they have put the mark of condemnation upon it in every way that it was possible for them to do.

I come now, Mr. President, to the Forty-sixth Congress—1879 to 1881.

The President was Republican; the Senate, 42 Democrats, 33 Republicans, 1 Independent. In the House of Representatives, 148 Democrats, 130 Republicans, 15 Nationals. President Hayes called an extra session March 18, 1879.

June 27, 1879, in the Senate Mr. VEST offered a concurrent resolution, declaring "that the complete remonetization of silver, its full restoration as a money metal, and its free coinage are demanded alike by the dictates of justice and sound statesmanship." Mr. ALLISON moved its reference to the Finance Committee. Agreed to. Yeas 23—4 Democrats, 19 Republicans; nays 22—21 Democrats, 1 Independent.

At that time the distinguished Senator from Delaware, Mr. Bayard, now our ambassador to England, was chairman of the Committee on Finance. The resolution slept the sleep that knows no waking.

May 24, 1879, in the House of Representatives "An act to amend certain sections of the Revised Statutes of the United States relating to coinage and coin and bullion certificates, and for other purposes," was passed. Yeas 114—99 Democrats, 6 Republicans, 9 Independents; nays 97—89 Republicans, 8 Democrats.

It will be necessary to give a little history of this bill 564.

On April 30, 1879, in the House of Representatives Hon. A. J. Warner, from the Coinage Committee, reported this bill, with eleven sections, providing for the perfect equality of gold and silver as bullion and coin, free mintage with unlimited legal tender. Section 2 restored the standard silver dollar of 412½ grains. Section 3 gave it full and unlimited coinage. Section 4 prescribed the charges for melting and refining bullion.

May 15, 1879, Mr. Killinger moved that the bill do lie on the table. Yeas 109—14 Democrats, 95 Republicans; nays 126—107 Democrats, 10 Republicans, 9 Independents.

Mr. Caulkins moved to add to section 3 a provision for purchasing the silver bullion for such coinage at its market rates. Yeas 114—10 Democrats, 104 Republicans; nays 115—103 Democrats, 3 Republicans, 9 Independents. Disagreed to.

May 16, Mr. MILLS of Texas offered a substitute for section 3. This substitute required the Secretary of the Treasury to purchase without limit all silver bullion, trade dollars, and foreign coins offered for sale, at the market value of silver, as long as 412½ grains standard silver could be purchased for $1 of legal-tender Treasury notes, and to pay for such purchases with a *new issue* of legal-tender Treasury notes, and the silver coins to be exchangeable at par, in sums not less than $20, for such Treasury notes, to be full legal tender for all debts and receivable for Government dues, and the silver bullion, trade dollars, and foreign silver coins to be coined as fast as possible into American silver coins, and all silver coins coming into the treasury to be applied to paying the interest and principle of the public debt before using any of the gold or Treasury notes for such purpose. Disagreed to. Yeas 60—50 Democrats, 10 Independents; nays 155.

May 20, Mr. Fort offered a substitute for section 3, authorizing the deposit of silver bullion at its market value and payment therefor in standard dollars, and the coinage of the bullion into standard dollars. Disagreed to. Yeas 104—14 Democrats, 1 Independent, and 89 Republicans. Nays 118—98 Democrats, including Messrs. Carlisle and MILLS; 11 Republicans, 9 Independents.

The third section was agreed to. Yeas 113—100 Democrats, including Messrs. Carlisle, HUNTON, and MILLS; 3 Republicans, and 10 Independents. Nays 110—9 Democrats, 100 Republicans, 1 Independent.

Mr. Maish moved to insert in beginning of section 4 an amendment providing mint charges for coining gold and silver bullion into coin equal to the difference between the market value of the bullion and the legal-tender value of the coin. Agreed to. Yeas 118—15 Democrats, 100 Republicans, 3 Independents. Nays, 105—95 Democrats, 2 Republicans, 8 Independents.

The fourth section was agreed to. Yeas 113—14 Democrats, 98 Republicans, 1 Independent; nays 109—98 Democrats, 2 Republicans, 9 Independents.

May 24, Mr. Thomas Ryan moved a substitute for the bill, authorizing the purchase of silver bullion at its market price, to be coined into standard silver dollars as fast as could be done by the mints, subject to gold coinage, until the price of the standard silver bullion was equal to the coined dollar, and then for free and unlimited coinage.

Disagreed to. Yeas 69—2 Democrats, 67 Republicans; nays 137—105 Democrats, 24 Republicans, 8 Independents. In the Senate Mr. Bayard, February 2, 1880, reported adversely; and no further action.

On December 8, 1879, Senator VOORHEES introduced a resolution (Senate Miscellaneous Document No. 13), which, after reciting the singularly unanimous demand of the people for the passage of the law of February 28, 1878, and also the law of May 31, 1878, preventing further retirement of greenbacks and the great blessings resulting therefrom to the country, proposed to express immediate and unqualified condemnation of the President and the Secretary of the Treasury for their recommendations for suspending the coinage of silver dollars and for retiring the greenbacks, heard with profound astonishment and regret, and resolving—

That the true interests of the country require the free and unlimited coinage of both gold and silver on conditions of exact equality; and that it is the part of a wise financial policy to maintain the United States legal-tender note circulation, commonly known as greenbacks, in volume not less than now exists, and to preserve its legal-tender quality unrestricted as to amount, and unimpaired in legal effect.

No final action was had.

In the Forty-seventh Congress there was still a Republican President; from 1881 to 1883 the Senate was 37 Republicans, 37 Democrats, 1 Independent, and 1 Readjuster. The House of Representatives was 150 Republicans, 131 Democrats, 10 Nationals, and 2 Readjusters.

March 17, 1882, a resolution of Mr. Brown, of Georgia, in the Senate, declaring it "inexpedient and unwise to contract the currency by withdrawing silver certificates or to discontinue or further restrict the coinage of silver, and that gold and silver coin upon a proper ratio of equivalence between the two metals and paper issues predicated upon and convertible into such coin constitute the proper circulating medium," was referred to the Finance Committee. Yeas 30—2 Democrats, 28 Republicans; nays 23 Democrats and 1 Independent (Mr. Davis).

This is the only effort in the Forty-seventh Republican Congress to rehabilitate silver.

Now, we come to the Forty-eighth Congress: the President Republican, extending from 1883 to 1885—the Senate 40 Republicans, 36 Democrats. The House of Representatives 201 Democrats, 110 Republicans, 4 Independents, 1 Greenbacker.

April 1, 1884, House bill 4976, pending in the House of Representatives, authorizing receipt to January 1, 1886, of trade dollars for all dues to United States; section 2, exchangeable for standard dollars; section 3, to be sent to mints for coinage; section 4, to be part of coinage under act of February 28, 1878. Mr. BLAND moved to strike out section 4. Agreed to. Yeas 131—115 Democrats, 14 Republicans, 2 Independents; nays 119—37 Democrats; 81 Republicans, 1 Independent. Passed. Yeas 198—140 Democrats; 56 Republicans; 2 Independents; nays 45—11 Democrats; 33 Republicans; 1 Independent.

In the Senate, second session Forty-eighth Congress, the Finance Committee reported a substitute of five sections. Section 1 authorized exchange for standard dollars to July 1, 1885; section 2, to be sent to mints for coinage as part of bullion under act of February 28, 1878; section 4, to renew negotiations with Latin Union and other foreign powers for treaties to open mints to free coinage; section 5, if no such treaties be ratified before August 1, 1886, then suspension of act of February 28, 1878. February 4, 1885, Mr. Ingalls moved to strike out section 5. No other action.

In the House of Representatives, February 26, 1885, House bill 8256, being the sundry civil appropriation bill, was pending with a clause in it to suspend the operations of the law of February 28, 1878. In other words, to suspend the further purchase of silver, just as is proposed in this bill.

Mr. Randall moved to suspend the rules and consider said clause. It was disagreed to—yeas 118, nays 152; and it was abandoned and stricken from the bill.

You will remember that this was just preceding the inauguration of President Cleveland on the 4th of March, 1885.

We come to the Forty-ninth Congress, 1885 to 1887, Mr. Cleveland President, the Senate, 41 Republicans, 35 Democrats; the House of Representatives, 184 Democrats, 139 Republicans, Greenback-Labor, 2.

April 8, 1886, in the House of Representatives, House bill 5690, for the free coinage of silver dollars and placing silver on an equality with gold, reported adversely by the Coinage Committee, was pending. Mr. Dibble's amendment to strike out and substitute a provision for the repeal of the act of February 28, 1878, unless silver be remonetized by the concurrent action of the nations of Europe with the United States, was disagreed to. Yeas 84—33 Democrats, 51 Republicans; nays 201—130 Democrats, 71 Republicans. The bill was then rejected. Yeas 126—96 Democrats, 30 Republicans; nays 163—70 Democrats, 93 Republicans.

December 17, 1886, in the Senate, Senate bill 199, for the ex-

change to July 1, 1887, of trade for standard dollars, and to be sent to mints for coinage as part of the bullion to be purchased under act of February 28, 1878, was passed without division.

In the House of Representatives, February 12, 1887, Senate bill 199 was pending. Lanham's amendment as substituted, authorizing the receipt of trade dollars for Government dues and for exchange for standard dollars, and for coining the same into standard dollars, not as part of the bullion and coinage, under act of February 28, 1878, was agreed to on division. Yeas 127, nays 99; and passed, yeas 174, nays 36, and went to conference. The committee of conference reported a substitute, providing for the exchange for six months from date of trade for standard dollars or subsidiary coins, and for coining of the same not to be counted, under act of February 28, 1878. In the Senate this amendment was agreed to. Yeas 49—23 Democrats, 26 Republicans; nays 5—2 Democrats, 3 Republicans. In the House of Representatives it was agreed to without division.

It simply authorizes the trade dollars to be exchanged dollar for dollar for the standard silver dollars and then required such trade dollars to be taken to the mints and coined as additional coinage to the coinage under the act of February 28, 1878. President Cleveland, without approving or disapproving it and without returning it to the House, wherein it originated, kept it for ten days and it became a law.

In the Fiftieth Congress, 1887 to 1889, Mr. Cleveland was President. The Senate was 39 Republicans, 37 Democrats, and the House of Representatives 169 Democrats, 152 Republicans, 2 Labor, 2 Independents.

In the House of Representatives on February 29, 1888, House bill 5034, authorizing the application of the surplus in the Treasury to the purchase or redemption of United States bonds, was passed. In the Senate, on March 26, 1888, Senator Spooner's substitute, declaring section 2 of the sundry civil appropriation law of June 30, 1882, "a permanent provision," was agreed to. Senator Beck offered a section, directing the Secretary of the Treasury on the retirement of national-bank circulation and failure of other such banks to take out equal amount, then to purchase an equivalent amount of silver bullion in excess of the minimum required under the law of February 28, 1878, to be coined and used as provided in said act, which was agreed to. Yeas 38—22 Democrats, 16 Republicans; nays 13—2 Democrats, 11 Republicans. No action in the House of Representatives.

In the Fifty-first Congress, March 4, 1889, to March 4, 1891, Mr. Harrison, Republican, was President. The Senate was 47 Republicans, 37 Democrats. The House of Representatives, 173 Republicans, 154 Democrats, 1 Wheeler, 1 vacancy.

June 5, 1890, in the House of Representatives, House bill 5381, known as the Windom silver bullion purchase bill, was pending. Mr. BLAND moved to recommit, with instructions to report back a bill for the free coinage of silver. Yeas 116—101 Democrats, 14 Republicans, 1 Independent; nays 140—12 Democrats, 128 Republicans. The substitute offered by Mr. Conger was then passed. Yeas 135—135 Republicans, not a Democrat; nays 119—112 Democrats, 7 Republicans.

June 17, the bill was reported by the Finance Committee of the Senate with sundry amendments; while it was pending Mr. Plumb offered an amendment for free and unlimited coinage, which was agreed to. Yeas 43—28 Democrats, 15 Republicans; nays 24—3 Democrats, 21 Republicans. The bill so amended into a free, unlimited coinage measure was passed. Yeas 42—27 Democrats, 15 Republicans; nays 25—3 Democrats, 22 Republicans.

After long wrangling in the House of Representatives June 25, a vote was had on the Senate free-coinage amendment. Yeas 135—113 Democrats, including the Hon. ROGER Q. MILLS, 21 Republicans, 1 Independent; nays 152—22 Democrats, 130 Republicans. The Senate amendments were then nonconcurred in and conference had. The conference report was agreed to in the Senate July 10, by a vote of 39 yeas, all Republicans, and 26 nays, all Democrats, and in the House of Representatives, July 12, by 122 yeas—121 Republicans, 1 Independent (Featherstone), and 90 nays, all Democrats.

The conferees agreed to a bill with sundry amendments. The conference committee substituted in the bill as it passed 4,500,000 ounces for $4,500,000, and they modified the legal tenders "except where otherwise expressly stipulated in the contracts," and they substituted for the bullion redemption provision a requirement that upon demand the Secretary of the Treasury shall redeem the notes in gold or silver coin in his discretion—and the declaration that it is the established policy of the United States to maintain a parity between the two metals at the present legal ratio, or such ratio as may be provided by law, and to require 2,000,000 ounces of the bullion purchased to be coined monthly into dollars until July 1, 1891.

Mr. President, this was practically and entirely a new bill, agreed to in the conference led by the distinguished Senator from Ohio [Mr. SHERMAN], the great bimetallic leader of the Senate to-day. The changes entirely subverted the bill, bad as it was as it passed the Senate and as it passed the other House. Instead of redeeming the Treasury notes issued in the purchase of silver bullion with their equivalent in silver, upon the demand of the holder, the Secretary of the Treasury was required to redeem these notes in gold or silver coin in his discretion; and then the promise of the policy of the United States was put in here to maintain a parity between the two metals at the present legal ratio. I shall have occasion hereafter to comment on this matter in connection with the President's message. It was to maintain the parity of the two metals, not the two coins.

These were the most material changes, and I had the privilege and the honor of protesting against those changes and in predicting that the law would be misconstrued and enforced by an unwilling administration, just as it has been. I am glad to realize (I am sorry for the consequence of the realization, however) that every prediction I made upon the floor of the Senate in opposition to the approval of that bill as reported by the conference committee, has been verified. The distinguished junior Senator from Kentucky [Mr. LINDSAY] did me the honor to quote a large number of passages from that speech, and I stand here to-day without any apology for uttering one of them. Were that bill pending again to-day as it was then, I would simply repeat what I then said.

But what has been done since, Mr. President? I want to get at all the efforts at legislation on the silver question before discussing it.

On January 5, 1891, Mr. STEWART moved to consider Senate bill 4675, displacing the Federal election bill. That was agreed to. Yeas 34—26 Democrats, 8 Republicans; nays 29 Republicans.

On January 14, 1891, Mr. STEWART moved a free coinage amendment to the bill, which had been laid aside up to that time. That was agreed to. Yeas 42—26 Democrats, 16 Republicans; nays 30—3 Democrats, 27 Republicans.

After the bill had been discussed a long time and various amendments made, my colleague [Mr. VEST] offered a free and unlimited coinage provision as a substitute, and that was agreed to. Yeas 39—24 Democrats and 15 Republicans; nays 27, 1 Democrat and 26 Republicans.

Now, remember this was only a short time ago in the Senate, only in 1891, two and a half years ago. A great many of the same Senators are still here.

January 15, 1891, in the House of Representatives the bill was referred to the Coinage Committee and reported February 21, 1891, adversely and by order of the committee placed on the Calendar and no further action was had.

In the House of Representatives, February 6, 1891, on the sundry civil appropriation bill, Mr. BLAND moved a free coinage amendment, but was ruled out on a point of order. Then Mr. BLAND appealed from the decision of the Speaker, and the ruling of the Speaker was sustained. Yeas 134—7 Democrats, 127 Republicans; nays 127—116 Democrats, 11 Republicans.

Now we come to the Fifty-second Congress—1891 to 1893—Mr. Harrison, President; the Senate 47 Republicans, 39 Democrats, 2 Independents; the House of Representatives 235 Democrats, 86 Republicans, 9 People's party, 2 vacancies.

In the House of Representatives March 24, 1892, House bill 4426, for the free coinage of silver, etc., was pending. On motion of Mr. BURROWS to lay on table the yeas were 148—80 Democrats, 68 Republicans; nays 149—130 Democrats, 12 Republicans, 7 People's party. A motion to reconsider was agreed to—yeas 150, nays 148; and the motion to lay on table again defeated—yeas 145, nays 149. After continued filibustering the House adjourned, and no further action was had.

July 1, 1892, in the Senate Senate bill 51 for free coinage, complete as amended, passed. Yeas 29—17 Democrats, 10 Republicans, 2 Independents; nays 25—7 Democrats, 18 Republicans. Sixteen paired for and 16 against it—13 Democrats and 3 Republicans paired for, and 2 Democrats and 14 Republicans against. Counting votes and pairs and the yeas would be 45—30 Democrats, 13 Republicans, 2 Independents; nays 41—9 Democrats, 32 Republicans.

In the House of Representatives, July 5, 1892, the bill was referred to the Coinage Committee. July 6, Mr. TRACEY'S motion to refer the bill to the Committee on Banking and Currency was disagreed to—yeas 43, nays 129. Other filibustering motions were resorted to.

July 13—Mr. CATCHINGS, from the Committee on Rules, reported a resolution to consider Senate bill 51. The previous question on the same was ordered. Yeas 162, nays 130—101 Democrats, 61 Republicans, yeas; 114 Democrats and 16 Republicans and Independents, nays. The resolution was then rejected. Yeas 136—118 Democrats, 9 Republicans, and 9 Alliance; nays 154—94 Democrats, 60 Republicans.

That was only a little over a year ago—a short time.

Now, I want to go a little further in the Fifty-second Congress.

December 7, 1892, the distinguished Senator from New York [Mr. HILL] introduced Senate bill 2534 for the repeal of the law of July 14, 1890, except the fifth and sixth sections, and as this is a very remarkable bill I am very glad the distinguished Senator is present. I say the Senator from New York introduced Senate bill 3524 for the repeal of the law of July 14, 1890, except the fifth and sixth sections, which was referred to the Finance Committee, and was never reported back to the Senate.

This is a very remarkable financial measure, evidently representing the matured thought and judgment of the distinguished Democratic leader from the Empire State of New York. It proposes to stop the purchase of silver and the issue of Treasury notes, and all coinage of the silver bullion already purchased, and to leave in the Treasury the great mass of silver bullion uncoined—and a mere commodity—and the large amount of United States Treasury notes issued and outstanding deprived of all monetary functions, including legal tender and redemption in coin—a bastard; an illegitimate issue of United States notes.

Well may we all pause before this wonderful prodigy for financial legislation. The junior Senator from Nevada [Mr. STEWART] came to its rescue on December 12 by introducing and having referred to the Finance Committee an amendment adding to Senate bill 3524 a provision for the free and unlimited coinage of the standard silver dollar.

December 21, 1892, the Senator from New Jersey [Mr. MCPHERSON] introduced a joint resolution (S. R. 126) for the suspension of all purchases of silver bullion under the law of July 14, 1890, until otherwise ordered by Congress. Ordered to lie on the table. No further action had.

On January 4, 1893, the Senator from Nevada [Mr. STEWART] offered a free-coinage amendment, which was laid on the table and printed.

January 9, 1893, the Senator from Rhode Island [Mr. ALDRICH] offered a substitute, reaffirming our purpose to maintain the parity in the value of gold and silver coins and United States notes and for the issue of bonds—here is the milk in the cocoanut—to be sold for gold to maintain such parity, and the suspension of purchase of silver bullion in the discretion of the President, and repealing the purchasing clause if there was no international bimetallic agreement, before January 1, 1894.

But to go back a little to show the interest of the distinguished Senator from Ohio [Mr. SHERMAN] in anything that squints of international bimetallism or international monetary conferences: July 14, 1892, the Senator from Ohio introduced and had referred to the Finance Committee, Senate bill 3423, for the repeal of the clauses of the law of July 14, 1890, for the purchase of silver bullion and issue of Treasury notes in the purchase, to take effect January 1, 1893.

July 6, 1892, the distinguished Senator from Iowa [Mr. ALLISON], as chairman of the Committee on Appropriations, had reported the sundry civil appropriation bill, with an amendment, providing for the international monetary conference that met at Brussels last year, and of which he was a member. That was on July 6. Immediately, on July 14, the distinguished Senator from Ohio brings in his bill to repeal his own protégé and wipe it out of existence, in ample time to have its proper effect on the proceedings of the international monetary conference to be held at Brussels, and to be referred to in their proceedings, as it was.

I will read that now, to see how our representatives over there talked to those clad in the purple robes of authority—kingly regal authority.

THIRD QUESTION—

This is by Mr. Cannon—

The present policy of the United States, in regard to the purchase of silver, was defined by Mr. Cannon in the following terms:

"The United States has seriously taken into consideration the idea of repealing the silver-purchase act of 1890: the two political parties as well as—

Oh, yes; "as well as"—

the great bankers of New York have advised this repeal, and if during this conference some arrangement is not attained, it is more than probable that America will not continue disposed to buy annually 54,000,000 ounces of silver at the market price.

Was it not peculiar that just as soon as any indication of an international monetary conference was visible upon the horizon by a proposed amendment in the sundry civil appropriation bill, the senior Senator from Ohio, claiming to strongly favor bimetallism, should come in with a bill for the destruction of his own offspring.

On January 17, 1893, Senate bill 3423 was reported from the Finance Committee by the Senator from Ohio [Mr. SHERMAN], amended by changing the repeal from January 1, 1893, to January 1, 1894, and adding a new section authorizing national banks to issue notes to face value of bonds.

Now, Mr. President, remember this bill was introduced on the 14th day of July, 1892. Congress was in session for some time afterwards. It convened again in December. Not until January 17, 1893, did the distinguished Senator from Ohio bring back his own bill for action in the Senate. He must have been exceedingly anxious for the passage of the bill, considering the long time he consumed before reporting it back. Then what was it when reported back? It repealed the purchasing clauses after January 1, 1894, and then added a new section authorizing the issue by national banks of dollar for dollar of their circulation, the very identical kind of a bill that the distinguished Senator from Indiana, the chairman of the Finance Committee, has already reported to the Senate and is now pending on the Calendar. That amendment was exactly in the language almost of the present bill. It gave the banks the power to issue up to the full face value of their bonds.

January 19, 1893, the senior Senator from Colorado [Mr. TELLER] offered a substitute for free coinage of silver.

January 19, 1893, the junior Senator from Colorado [Mr. WOLCOTT] offered a substitute for coining all silver purchased and to be purchased under said act, differing in that respect. It was simply to compel the coinage of all the silver purchased and to be purchased under that act.

February 6, 1893—now we are in the present year—my colleague [Mr. VEST] offered an amendment restoring the Bland-Allison law of February 28, 1878, as a substitute.

February 6, 1893, the distinguished Senator from New York [Mr. HILL] made a speech, and moved to consider the bill reported by the Senator from Ohio [Mr. SHERMAN].

The junior Senator from Indiana [Mr. VOORHEES] moved to lay that motion on the table. That was ruled out of order on a point made by the Senator from Massachusetts [Mr. HOAR]. The motion was then voted on; yeas 23—12 Democrats, 11 Republicans; nays 42—20 Democrats, 20 Republicans, and 2 Independents.

Mr. President, that was only last February. Now, if our Republican friends were so exceedingly anxious for the repeal of the act of 1890 why did they not repeal it when they had the President, the Senate, and the House? Why did they not make more determined efforts when they had the power and the responsibility? Did we see any of them turning somersaults trying to get a vote upon a repeal clause? Not a bit of it, Mr. President. They were not half as anxious to repeal that act under a Republican Administration as they are to repeal it under a Democratic Administration. For many years they had borne the odium of the gold standard they had established in 1873, and they were not willing under their own Administration to unconditionally repeal the law of 1890 and re-establish the gold monometallism of 1873; but they are willing to do it under a Democratic Administration. Wonderful patriotism! Wonderful disinterestedness!

But, Mr. President, what has been done under the so-called Sherman law of July 14, 1890? Up to September 1, 1893—I did not have time to get the data up to October 1—up to September 1, 1893, $151,804,170 in the United States Treasury notes therein authorized have been issued in the purchase of 163,047,664 ounces of fine silver of the coinage value of $210,809,100; and 36,087,185 standard silver dollars—costing for the bullion $29,110,116.25, the seigniorage being $6,977,068.75—have been coined. If all the bullion purchased up to September 1, 1893, were coined the number of silver dollars in excess of the Treasury notes then outstanding would be $60,318,741.

Probably about fifty millions of the Treasury notes have been redeemed in gold, and very little in silver dollars. Over $150,000,000 have been added to the volume of our money circulation.

Why have $50,000,000 in gold been paid out in the redemption of these Treasury notes instead of silver dollars? The law of July 14, 1890, says that these notes "shall be redeemable on demand in coin," and "that upon demand of the holder * * * the Secretary of the Treasury shall, under such regulations as he may prescribe, redeem such notes in gold or silver coin at his discretion, it being the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio, or such ratio as may be provided by law." And that after July 1, 1891, "he," the Secretary of the Treasury, "shall coin of the silver bullion purchased under the provisions of this act as much as may be necessary to provide for the redemption of the Treasury notes herein provided for, and any gain or seigniorage arising from such coinage shall be accounted for and paid into the Treasury."

These words I have quoted are all parts of the same law—must be construed together and according to their clear intent. The first clause makes the Treasury notes redeemable in *coin*—the standard silver dollar is coin—is money absolute—a full legal tender in payment of "all debts and dues public and private, except where otherwise expressly stipulated in the contract."

The Treasury notes are debts of the United States—are public dues. There is no express stipulation in the law for their payment in gold. Why, then, have they been redeemed in gold?

It is claimed that the declaration "it being the established

policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio" so controls the action of the Secretary as to prevent his exercising the discretion nominally vested in him if by such action the parity between gold and silver may be disturbed. The law says nothing about the parity between gold and silver. It says to maintain the two metals on a parity with each other.

Has the Secretary maintained the two metals, gold and silver, on a parity with each other by redeeming the Treasury notes in gold? It is absurd to claim that he has, while with the very Treasury notes he has been purchasing silver bullion at about 56 to 64 cents on the 412½ grains standard silver. He has utterly failed to maintain the two metals on a parity with each other. While the law gives the Secretary the right to "redeem such notes in gold or silver coin at his discretion," yet in the very next sentence it tells him expressly and unequivocally, and not nominally, how he shall exercise that discretion, namely:

He shall coin of the silver bullion purchased * * * as much as may be necessary to provide for the redemption of the Treasury notes herein provided for.

It does not say for a part of such notes, or such part of them as may not be redeemed in his discretion in gold, but for the redemption of the Treasury notes herein provided for; for the redemption of every Treasury note authorized to be issued by him by said act. Manifestly, then, a refusal by the Secretary to pay these notes in gold if demanded would not destroy the parity between the two metals—gold metal and silver metal—and would not establish a discrimination in favor of gold, but, on the contrary, does actually establish a discrimination against the silver dollar just as fully and effectually as if on demand he should redeem silver certificates issued for silver dollars in gold.

Mr. President, I confess that I have been greatly astonished to be informed, as I believe reliably, that under the present Democratic Administration silver certificates calling for so many silver dollars deposited in the Treasury to be returned on demand have on presentation been paid in gold.

Mr. McPHERSON. Does it weaken them?

Mr. COCKRELL. Does it harm them? It is a breach of trust, a breach of faith. It is yielding to a dishonest and a dishonorable demand. It is bowing the knee to gold monometallism. It is acknowledging and establishing gold as the single standard. It is degrading the money of the world and the money of the United States, the silver dollar, and making it a subsidiary coin worth nothing by itself until it is redeemed in gold.

Mr. GEORGE. Is there any law authorizing the Secretary to pay silver certificates in gold?

Mr. COCKRELL. There is not on the face of any book of law in the United States an act authorizing the Secretary of the Treasury on the demand of any king or potentate or representative of any foreign syndicate or gold syndicate to redeem silver-dollar certificates in gold coin. No man can show it. Read your silver certificate, if you have one in your pocket. There is no question about what it means. I have here a little one, but it is just as good as a big one, I presume.

This certifies that there has been deposited in the Treasury of the United States one silver dollar payable to bearer on demand.

"One silver dollar payable to bearer on demand;" and yet I am told that our Secretary of the Treasury has upon the demand of the holders of these silver-dollar certificates paid them in gold. I say he has no right to do it. I say it is not in pursuance of the Democratic policy of the United States, maintained from the foundation of our Government up to this day. I say it is in violation of every principle and policy which our Government has ever proclaimed. We have made silver money as absolutely and unqualifiedly irredeemable without price as we have made gold; and he had no right when a man came to him with an illegal, unjust, infamous, and iniquitous demand, made for ulterior ends and ulterior purposes, to force this country to a single gold standard, to bow to any such demand and pay out any such gold dollars.

Mr. PEFFER. Here is the law.

Mr. COCKRELL. There is no question about it. It is simply a certificate that so many silver dollars have been put there and they are kept on deposit to be returned to the holder. Now I will read the law.

Section 3 of the Bland act provides—

That any holder of the coin authorized by this act may deposit the same with the Treasurer or any assistant treasurer of the United States, in sums not less than $10, and receive therefor certificates of not less than $10 each, corresponding with the denominations of the United States notes. The coin deposited for or representing the certificates shall be retained in the Treasury for the payment of the same on demand. Said certificates shall be receivable for customs, taxes, and all public dues, and, when so received, may be reissued.

As a matter of course, any banker or any gentleman having financial transactions with a friend would, if that friend came and asked that he might have gold in lieu of silver certificates, or in lieu of fractional money, or in lieu of greenbacks, or anything of the kind, give it to him; but when a man comes with silver certificates and makes a legal peremptory demand upon any United States Secretary of the Treasury or subtreasurer that they must be redeemed in gold, I care not whether he is the representative of the Rothschilds of England, or of Great Britain itself, or of Germany, or any other nations or kindred on earth, he has no right to be paid the gold.

Mr. McPHERSON. Will the Senator from Missouri permit me to ask him a question?

Mr. COCKRELL. With a great deal of pleasure.

Mr. McPHERSON. This morning we listened to a very severe criticism by the honorable Senator from Alabama [Mr. MORGAN], in which he found much fault with the Committee on Finance for striking from the House bill a certain provision, which I will read:

And the faith and credit of the United States—

Mark the language—

And the faith and credit of the United are hereby pledged to maintain the parity of the standard gold and silver coins of the United States at the present legal ratio, or such other ratio as may be established by law.

I should like to know whether the Senator from Alabama or the Senator from Missouri best represents the contention of the silver advocates in the Senate. The Senator from Alabama criticises us for striking from the bill a provision of law which would require a demand that the Treasury of the United States shall redeem the silver coin in a way to preserve the parity. The Senator from Missouri now declares that it is contrary to law; that it is a degradation of silver, and the Secretary of the Treasury has no right to redeem it in gold. Who represents the contention of the silver advocates here, the Senator from Missouri or the Senator from Alabama?

Mr. COCKRELL. I can answer that we both represent it; and we both represent that grand old party which has maintained it organization for over a century amid all the storms and political upheavals that have driven every other political organization out of existence. We represent the system of money that it maintained until that system was supplanted by the Republican policy of 1873, establishing the gold standard. I wanted the Senator to ask me that identical question, because we shall have much to do with it hereafter. Does the maintenance of two metals at a parity demand that one of them, just as absolute and as irredeemable as the other, shall be redeemed in the other? No, sir. That is a false interpretation of the law. I have quoted it. I have shown that the pretended claim that the Secretary of the Treasury had to redeem these Treasury notes in gold to maintain the parity is false. There is not a particle of foundation for it, in my judgment. He violated the spirit of the law. It is true he has the option, but that option is further governed by the declaration that he shall coin of the bullion purchased with Treasury notes a sufficient amount to redeem the Treasury notes—every one of them.

Mr. McPHERSON. Let me ask the Senator from Missouri what is to assist the silver coin to keep step with gold in exchanges and maintain the parity if it be not an exchangeability into gold?

Mr. COCKRELL. Oh, that has nothing to do with it. Money is without price and is irredeemable. We have made silver money. We have not made it a limping leg to gold. We have not made it subordinate to gold. Anyone who undertakes to interpret the law in such a way that the silver dollars coined under the law are redeemable in gold is the worst kind of a gold monometallist.

No, Mr. President, I care not who it is, I do not stand with anyone upon that kind of bimetallism. The silver dollar is money, absolute money. It is irredeemable in anything on earth, or above it, or beneath it. It is the equal of gold in every respect. We do not seek to maintain silver in the light in which the Senator from New Jersey speaks of it. We say let it walk side by side with gold. It will do it if you just let it alone. It will walk with it as it has always done. It commanded a premium in your cowardly gold metal right in the markets of New York during the recent panic. Yes, sir, it has always maintained it. You can take your silver dollar and go into any market in the United States and buy with it just as much as you can buy with the gold dollar.

Mr. McPHERSON. Will the Senator yield to me for another question?

Mr. COCKRELL. With a great deal of pleasure.

Mr. McPHERSON. In respect to the attitude of the silver advocates in this body a great panic has unquestionably been maintained; and I want to say to the Senator that a well-executed counterfeit would have commanded a premium sometimes during the panic.

Mr. COCKRELL. It would do it now if nobody could discover it. No, Mr. President, this panic has not been produced by the

silver dollar. It has had nothing more to do with producing the panic than the gentle evening zephyrs. This panic has been growing for years; and the conditions were in such a state of progress that the bankers intended to force this country to redeem all its money in gold, just as the Senator is wanting to do, and whom he is representing, and the aristocratic nations of Europe have joined them. They say we will have the single gold standard and we will have the money of the world redeemable in that single gold standard. That is the battle we are fighting now.

That is the enemy we are contending against now. He is covered behind the breastworks of distinguished citizens here and taking refuge behind them and their opinions, but that is the real enemy we are fighting. When this Government goes to redeem absolute money with any other money, particularly when that is silver, and demanding that it shall be done, it is degrading the silver. You do not redeem money, absolute money, metallic money. You may redeem legal-tender paper currency, but you do not redeem gold and silver. A man goes to the bank of France with a million or a billion dollars of silver francs and demands gold. Does he get it?

Mr. McPHERSON. Why?

Mr. COCKRELL. Simply because they do not intend to degrade silver by making it subsidiary to gold.

Mr. WHITE of Louisiana. May I ask the Senator a question?

Mr. COCKRELL. With infinite pleasure.

Mr. WHITE of Louisiana. Is not every dollar of silver in circulation to-day by express terms redeemable in gold?

Mr. COCKRELL. Not one of them.

Mr. WHITE of Louisiana. The Senator and myself differ on that point.

Mr. COCKRELL. I challenge the Senator to show one line of law authorizing any United States officer to redeem a silver dollar in gold.

Mr. WHITE of Louisiana. I do not speak of the United States, but of France. The Senator was referring to France.

Mr. COCKRELL. Oh, I beg the Senator's pardon.

Mr. WHITE of Louisiana. I ask the Senator whether every French silver dollar extant to-day is not redeemable in gold?

Mr. COCKRELL. Not one of them.

Mr. WHITE of Louisiana. By the terms of the Latin Union?

Mr. COCKRELL. Not by the terms of the Latin Union.

Mr. WHITE of Louisiana. By the terms of the Latin Union each respective nation agreed that it would redeem and exchange every silver dollar outstanding in the hands of a citizen of every other country for gold.

Mr. COCKRELL. Yes; but that is not silver in France, and the Senator knows it. He knows that is a miserable subterfuge.

Mr. WHITE of Louisiana. The Senator uses harsh language when he says it is a miserable subterfuge.

Mr. COCKRELL. I mean no offense.

Mr. WHITE of Louisiana. I am accustomed in debate to be civil. If we are to bandy approbrious epithets, if the Senate is to degenerate into mud-slinging, I think, with all due respect to my venerable friend, that I could sling as much mud as he.

Mr. COCKRELL. Undoubtedly, and more.

Mr. WHITE of Louisiana. But my sense of propriety and decency would prevent me.

Mr. COCKRELL. When I said it was a subterfuge I meant simply in argument, and the Senator knows it is a subterfuge.

Mr. WHITE of Louisiana. I know nothing of the kind.

Mr. COCKRELL. I will show him that it is.

Mr. WHITE of Louisiana. I believe the contrary.

Mr. COCKRELL. I will show the Senator. He is a strong lawyer, and he knows what it is to dodge around a point.

Mr. WHITE of Louisiana. Let me tell the Senator I never dodge half as much as he does. I think he is as artful a dodger as I ever met in my life.

Mr. COCKRELL. Now, let us see what the Lation Union is. We all know about that. The Latin Union binds France to redeem its coin held by other nations.

Mr. TELLER. Not the individuals.

Mr. COCKRELL. It does not relate to the redemption of silver coin circulating in France, and my good friend from Louisiana, whom I love so tenderly, will admit it. There is no use talking about that.

Mr. WHITE of Louisiana. Will the Senator from Missouri allow me?

Mr. COCKRELL. With a great deal of pleasure.

Mr. WHITE of Louisiana. If my answer to the question which the Senator has made does not affirm the proposition which I stated, then I do not know how a proposition can be affirmed. If silver is outstanding issued by the French Government and the French Government has entered into an obligation not treating it as ultimate money, but that every dollar of it outstanding held by another nation shall be redeemed in gold, the existence of that obligation renders every dollar redeemable in gold, because the man who desires to redeem the silver in gold has only to put it into a position where it comes under the obligation which forces it to be redeemed in gold.

Mr. COCKRELL. That does not relate to silver in circulation in France, as the Senator knows. I say that silver money circulating in France and in the hands of the people within its territorial dominion is not redeemable in gold.

Mr. WHITE of Louisiana. Ah, yes, if the Senator will allow me; but the faculty and power to put a dollar in a position where it has a right to demand gold follows that dollar in the hands of every individual in the world, and gives it an attribute which makes it as good as gold.

Mr. COCKRELL. How can the citizens of France, with 600,000,000 silver dollars, place that silver coin in the hands of a foreign government?

Mr. WHITE of Louisiana. Very readily, when the time comes.

Mr. COCKRELL. The idea that six or seven hundred million of coined legal-tender dollars in France, equal there to gold in the payment of the national debt, and in the payment of taxes, and in the payment of the personal obligations and the purchase of millions and billions of dollars' worth of products there, is going to be sent to some foreign government, Belgium, Switzerland, Italy, or Greece, forming the Latin Union, and given into the hands of those governments, in order that they may come back to France and demand under the Latin Union that those coins shall be redeemed in gold, is an impossibility.

Mr. TELLER. I ask the Senator if he will allow me to make a suggestion in reference to the statement made by the Senator from Louisiana?

Mr. COCKRELL. With pleasure.

Mr. TELLER. The Latin Union provides that when France shall have Italian money, and Italy has French money, that they shall strike the balance, and if it shall be found that France has more of the Italian money than Italy has of the French money, that that shall be redeemed in gold. That is the Italian money which will be redeemed, which is circulating out of the country in which it is coined. Under no provision of law or any practice in France has a single French 5-franc piece ever been exchanged for gold, and it can not be done by law.

Mr. McPHERSON. Why not?

Mr. TELLER. The Senator from New Jersey asks why not. Because there is no law requiring it. I do not mean to say that a Frenchman may not, if he chooses, exchange a 5-franc piece, or a number of them, for gold, but there is no policy in France for redeeming silver in gold; and if any Senator makes such a statement he is making that which he can not sustain.

Mr. WHITE of Louisiana. If the Senator from Missouri will allow me one moment, I will make clear the statement I made. The Senator from Missouri made a broad statement that any money which was redeemable was not ultimate money.

Mr. COCKRELL. Metallic money, I mean.

Mr. WHITE of Louisiana. Metallic money. Then he went on and referred to the Latin Union, and I immediately called attention to the fact that the very states that form the Latin Union found it necessary in order to form it to enter into an agreement among themselves that this money should be redeemed in gold.

Mr. TELLER. If I may suggest, the contract was this: As long as Italy had French money she redeemed French money in French money.

Mr. WHITE of Louisiana. She redeemed it in gold.

Mr. TELLER. Not at all. She struck the balance, and when she could no longer redeem it in silver, because she had not French silver, then she was obliged to redeem it in gold.

Mr. WHITE of Louisiana. Then I say this was not ultimate money, and they provided that she should get gold for it by the terms of the Latin Union. My argument is that the faculty of redeeming that money in gold, however remote that faculty was, gives the attribute to the money which makes it equivalent with gold resulting from that very stipulation; and that, in my judgment, is what enabled the Latin Union to keep the silver afloat which it has kept afloat.

Mr. COCKRELL. That is a contingency so far remote that it does not have upon the circulation of the francs of France within the territorial dominions of that great Republic even the influence that ordinary moonshine would have upon it. It is simply mythical. It has grown up in the vivid imagination of the distinguished Senator from Louisiana.

Mr. McPHERSON. Now, if the Senator from Missouri will yield to me for a single moment, I want him to be exactly correct in his speech here, which he is soon to publish, I suppose, and judging from the amount of references that he has before him he has camped here for a week or two, and therefore it will be no interference.

Mr. COCKRELL. It never is any interference, whether I am making a long or a short speech.

Mr. McPHERSON. The agreement made between France and the states of the Latin Union is an agreement which relates only to intercourse between those nations and must end at the termination of the period of time for which the agreement was made. If there is an Italian coin or Belgian coin in her possession, Italy and Belgium are required to pay her in gold, and vice versa. The Senator is quite right, however, when he says that France is not obliged by law to compel the redemption of silver coin in gold coin to maintain the parity; but that she does it in practice is obvious and certain. No man who goes to the Bank of France, or to any bank in France, and asks for the exchange of a certain amount of silver coin or silver francs in gold coins, Napoleons, if you please, is turned away empty.

Mr. COCKRELL. As a matter of course not.

Mr. McPHERSON. Silver—the silver franc being the unit and standard of value in France, the charter of the Bank of France requires the bank to receive these coins on deposit and pay them out to those who deposit them; that is, the public. Therefore, the silver coins stand alone; but in practice France does exactly what the Government of the United States does. It always redeems the coin in gold when gold is asked for, not in sums suited for export, because upon export gold they demand a slight premium. The premium is very slight, for the reason that if gold can not be exported, commodities must be exported to take the place of gold; and if a high premium is put upon it, it bears very heavily upon the exchange of commodities.

Mr. COCKRELL. There is no doubt but that a banker in the United States or anywhere else who had a spirit of accommodation and any of the milk of human kindness about him would exchange a few dollars of gold for a few dollars of silver, or anything of that kind. But I say if a citizen of the United States were to go to the Bank of France and present any considerable number of silver dollars for gold and demand them as his right he would be quickly turned out of the Bank of France.

Mr. McPHERSON. If the Senator will allow me a moment longer, I was going to ask him a further question. The Bank of France to-day has some $250,000,000 of gold coin. I speak in round numbers.

Mr. COCKRELL. That is about right.

Mr. McPHERSON. The Treasury of the United States has $100,000,000 of gold coin standing under and behind her $1,000,000,000 of silver money and paper money. The Bank of France is abundantly able to make exchanges as she pleases; and there is no condition, no pledge, and no law requiring the exchange. The Government of the United States, upon the other hand, is confronted by a positive law which says that you must maintain the parity between the two metals. With $100,000,000 of gold in our Treasury to redeem a thousand or eleven hundred million dollars of paper and silver, and to maintain the parity between the different kinds of money, certainly there is a wide difference between the situation of France and the situation in this country.

Mr. COCKRELL. I understand the Senator, and will he permit me to answer his question in the Yankee fashion of his own State by an interrogatory? The Senator holds that the silver dollars, the silver certificates, the United States Treasury notes issued for the purchase of silver bullion, and the greenbacks are redeemable in gold?

Mr. McPHERSON. I mean that we have Treasury notes issued to the extent of $150,000,000, and under the law which authorizes their issue for the purchase of silver that it is provided that they shall be redeemed in gold at the discretion of the Secretary of the Treasury, and there is no discretion left with him. And I say if he fails to pay in gold those notes with which he is expressly required and commanded to maintain the parity, then all the silver issues of the Government stand practically upon the same foundation.

Mr. COCKRELL. In other words, then, all the silver dollars are redeemable in gold?

Mr. McPHERSON. Not at all.

Mr. COCKRELL. This is a very important question, and I want to know exactly where we are. The Senator contends that the United States Treasury notes issued under the law of July 14, 1890, in the purchase of silver bullion under the Sherman law are redeemable in gold or silver, at the option of the Secretary of the Treasury, and if gold is demanded he must pay gold. Now, what relation does that have to the silver certificates issued for the silver dollars coined under the Bland act?

Mr. McPHERSON. If that money itself is discredited by the failure of the Secretary of the Treasury to maintain the parity it affects in like manner every silver issue by the Government, because the contention of people to-day is that the Government has proceeded in the direction of injecting silver into the circulation to such an extent that it is impossible to maintain the parity and we are fast drifting to a silver basis. That is the contention.

Mr. COCKRELL. Mr. President, the people of the United States do not make any such contention. A few Bull Run panic-stricken bankers of New York may make the prediction that they are scared to death over silver dollars. The masses of the people in New Jersey, the toiling masses, are not sending up their petitions here telling you and me that they are afraid to receive silver dollars. This panic made to order has demonstrated beyond the shadow of a doubt the unbounded illimitable and unlimited confidence the masses of the people have in the standard silver dollar. You may search the United States from Maine to Texas, and from Florida to Alaska and you can not find a man, woman, or child who will refuse to receive the silver dollar just as quickly as the gold dollar, the silver certificate just as quickly as the gold certificate, and to receive the greenbacks or any of them.

The people of the United States are intelligent and patriotic enough to know that every dollar of money issued by authority of Congress is just as good as any other dollar, and they treat it as such. It is only the bankers who have lost confidence, and that is done because of their overnervousness and their fears and apprehensions of what may come to pass in the future, based upon the ulterior object of establishing a single gold standard, and that is the aim of my friend. He has said enough here to convince me that he stands for the single gold standard and for everything in the shape of money in the United States to be redeemable in gold—the silver dollar and the silver certificate. I have, then, truthfully said that the battle waging in the Senate is between the bankers and the plutocrats of the world on one side for a single gold standard, in which all other moneys shall be redeemable at their sweet will and pleasure, and the people on the other side for the maintenance unimpaired of the monetary functions of silver as an equal money with gold, whatever amount may be coined by our Government.

I am very glad this colloquy has come up. It is a question that I intended to discuss further on, and I am glad that it has been developed now. We know where the friends of this bill stand. We know the battle that is before us. We know the objects to be attained. We know the interest our toiling masses have in this great struggle; and we propose to stand by them and defend their interests against the combined powers of the plutocrats of the United States and of every nation, kindred, and tongue on earth; and you shall not succeed.

But, Mr. President, I was criticising the distinguished Secretary of the Treasury, for, as I was told by a distinguished Senator, the holders of these silver coin certificates had demanded gold, and he had yielded to that demand. I say it was wrong. I say furthermore he has a perfect right in equity and justice, under the law, to redeem the United States certificates that were given in payment of the purchase of bullion in silver coin, and while the law gives him nominally the right to redeem in gold or silver at his discretion, yet under that right his discretion is modified. Now, I will read that clause of the law.

Mr. TELLER. I wish to interrupt the Senator to know if I understood him aright.

Mr. COCKRELL. I will yield with pleasure.

Mr. TELLER. Did the Senator from Missouri state that the Treasury Department had redeemed silver certificates proper in gold?

Mr. COCKRELL. Silver coin certificates. That is my information.

Mr. TELLER. I will state that a few days ago—not more than twenty—I called on the Treasurer of the United States and made that inquiry, and he informed me that they never had redeemed the silver certificate proper in gold. I do not mean the Treasury notes, but the silver certificates. He said they never had redeemed them in gold, and I venture to say now there never has been a dollar of them redeemed in gold.

Mr. COCKRELL. My colleague gave me the information.

Mr. TELLER. It is a mistake.

Mr. COCKRELL. I understood my colleague to say expressly that silver coin certificates—not the United States Treasury notes issued for the purchase of bullion—had been redeemed in gold.

Mr. TELLER. No.

Mr. VEST. At the time that the first million dollars was drawn out in gold from the United States Treasury for exportation it was stated in the press, and I have always understood it to be true, that a large amount in silver certificates was included in the million dollars, and that the Treasury Department paid out gold indifferently upon any of the paper circulation of the United States. I so understood from the President's declaration at the time it was made. I do not remember the exact date, but it was a formal declaration made by the President to the effect

that every dollar issued by the United States in any sort of obligation (I suppose, of course, that it referred to the paper obligations of the Government) should be paid in the coin which the holder demanded. If reference can be made to that statement, which I have not at command, I think it will be found to amount to that.

Mr. TELLER. Will the Senator from Missouri allow me?

Mr. COCKRELL. Certainly; I only want to get at the facts. It was in conversation with my colleague that I got this information, and I am glad that he has explained it just as it is. I do not want to do injustice to any human being on earth.

Mr. TELLER. The $1,000,000 referred to by the junior Senator from Missouri were not silver certificates, but Treasury notes. Since that time I have put on record a letter from the Treasurer and a letter from the Secretary. The Secretary of the Treasury replied to a Senate resolution declaring that no silver certificates have been redeemed in gold.

The editor of the Century Magazine, in an article about three months ago, declared that all the silver certificates were redeemable in gold, and that is why they continue to circulate as money. A friend of mine in Colorado, a distinguished lawyer of the State, addressed him a courteous letter, saying that he thought he was mistaken, and called his attention to the documents I had had presented to the Senate on that point. The editor replied in a brief letter (declining to publish the gentleman's letter, as the class of people who make such charges always do, without knowing anything about it) that "no matter what Mr. Foster has done, I have the evidence that Mr. Carlisle is redeeming them in gold." So when I came here I went to the Treasury Department, rather than put in a resolution of inquiry, and asked the present Treasurer, Mr. Morgan, whether that had been done, and he informed me that it had not been done. If it has been done at all it has been done since the 4th of March, and I do not believe it has been done at all.

Mr. PALMER. Will the Senator from Missouri allow me to ask the Senator from Colorado a question?

Mr. COCKRELL. With pleasure.

Mr. PALMER. The Senator from Colorado says the notes he describes have not been redeemed in gold. Have they been redeemed at all, any of them?

Mr. TELLER. They have not. In reply to the resolution of the Senate the Secretary answered about a year ago, that they had not been redeemed in gold nor in any paper that drew gold or could command gold. They have been redeemed, of course, in silver coin.

Mr. PALMER. Is it an established fact that they have been redeemed in silver coin?

Mr. TELLER. It is an established fact that they have been redeemed in silver coin. Quite a quantity have been redeemed in silver coin.

Mr. VEST. If it does not interrupt my colleague——

Mr. COCKRELL. No, certainly not.

Mr. VEST. I wish simply to make one suggestion. It seems to me rather an immaterial point so far as this discussion is concerned whether the silver certificates have been paid in gold by the Treasury or not, because the bullion notes, as they are called, the Treasury notes issued under the Sherman act in payment of silver bullion purchased by the Government, unquestionably are paid in gold, and under the terms of those notes they are payable in silver, because there is a lien upon the silver bullion that is purchased for the payment of those notes, and the discretion is given to the Secretary of the Treasury to coin all the bullion that he deems necessary to redeem those outstanding bullion notes. So, in point of fact, it makes very little difference logically as to whether the Treasury Department has paid the silver-coin notes in gold or not.

Mr. COCKRELL. Mr. President, there is a vast difference in the legal effect of a certificate calling for so many dollars, stating that so many dollars have been issued returnable to the holder on demand, as to whether it is to be paid in a different kind of coin or not. That is a material question. I do not withdraw one solitary word I said about anybody who would redeem those silver-coin certificates in gold simply upon demand and not simply as a mere accommodation, because he has no right to do it in the world; but when it comes to the United States Treasury notes issued under the law of July 14, 1890, in the purchase of silver bullion, the law expressly gives to the Secretary the right to redeem them in gold or silver coin at his discretion. There is no question but that it is in his discretion; but it is contended that certain clauses in that law compel him to pay gold.

Mr. GEORGE. That it takes away the discretion?

Mr. COCKRELL. That it takes away the discretion. On the contrary, I say that certain clauses in that law ought to control and limit his discretion.

Mr. GRAY. What clause?

Mr. COCKRELL. The last clause.

Mr. GRAY. The parity clause.

Mr. PEFFER. The clause requiring only coin enough to redeem them.

Mr. COCKRELL. Here is the provision I refer to; that after the 1st of July, 1891—

> He shall coin of the silver bullion purchased under the provisions of this act as much as may be necessary to provide for the redemption of the Treasury notes herein provided for.

That follows after the parity clause, and after the provision for redemption in the discretion of the Secretary in gold or silver.

Mr. GRAY. May I ask the Senator from Missouri, then, what relation in his opinion the parity clause in the law of 1890 has to the duty of the Secretary of the Treasury in redeeming those notes in coin, or whether it has any or not?

Mr. COCKRELL. That parity clause was put in in conference. It is the provision of the distinguished Senator from Ohio, and it is a peculiar makeshift. It is made to catch going either way. Now let us look at it:

> That upon demand of the holder of any of the Treasury notes herein provided for the Secretary of the Treasury shall, under such regulations as he may prescribe, redeem such notes in gold or silver coin, at his discretion, it being the established policy of the United States to maintain—

What?—

> the two metals on a parity with each other upon the present legal ratio, or such ratio as may be provided by law.

Now, shall the Secretary of the Treasury, beginning under Secretary Foster and continued under Secretary Carlisle, by redeeming these Treasury notes in gold bring up a metal containing 412½ grains of standard silver equal to the gold? That is the question. That is what the law says. It says the metal. I say that the Secretary did not accomplish it. It is a mere subterfuge, a pretext to say that that law, which is impossible of execution, has compelled him to do anything of that kind. Oh, no, Mr. President. You can not interpret that law to mean that he shall keep the gold and silver metals on a parity with each other by redeeming the silver coin in gold. It does not say anything of the kind.

Mr. GRAY. If I do not interrupt the Senator——

Mr. COCKRELL. Oh, no.

Mr. GRAY. I wish to ask him, if he will allow me, whether he thinks that the Secretary of the Treasury in construing his duty under the last paragraph of the second section of the act of July 14, 1890, ought to exercise his ingenuity to see how he could evade the obvious, apparent, perfectly plain meaning of that clause by a verbal construction which would transfer his duty in maintaining a parity between the two metals to merely a duty to maintain the parity between the two metals as bullion without regard at all to the obligation to maintain the two metals at a parity as coin? Whatever we may say and however nice we may be in our distinction between metal in bullion and metal in coin, undeniably metal in coin is as much metal as metal in bullion, and the only metal that he could possibly maintain the parity of with gold was the metal in coin.

Mr. COCKRELL. Metal in coin ceases to be metal and becomes money.

Mr. GRAY. Oh, well, metal in bullion ceases to be metal and becomes bullion.

Mr. COCKRELL. There is no money unless it is coined.

Mr. GRAY. It is precisely the same as to say that metal in bullion ceases to be metal and becomes bullion.

Mr. PALMER. May I ask the Senator from Missouri a question?

Mr. COCKRELL. Certainly.

Mr. PALMER. What does he do with the ratios? They are to be maintained at the present or at some other ratio. Has not that ratio relation to coinage alone and not to the metal or the coin?

Mr. COCKRELL. The Senator from Ohio, who fathered the amendment in conference, has never yet been able to explain exactly what it meant or what it does mean. I do not know that it was intended that it should be plain. It was passed in an emergency. It was passed in order to kill the free-coinage bill which had been passed by the Senate, and which, if the conference committee report had been rejected, would have become a law or would have been vetoed by the President at that session. This provision was put in in conference, and it was a makeshift. It could not be anything else, because it says the notes shall be redeemable in coin; and then it goes on and says that they shall be redeemable in gold or silver coin at the discretion of the Secretary, and then they inject a little stump speech and a little promise into the law, such as is proposed to be injected into this bill, and then they set that up as a pretext for doing just what they want to do, and that is, to establish the single gold standard.

Mr. McPHERSON. Will the Senator yield to me a moment?

Mr. COCKRELL. Certainly.

Mr. McPHERSON. I want the distinguished Senator to understand that so far as I am individually concerned, and as I understand it so far as those who think and vote with me upon this question are concerned, we resist no contention on the part of the Senator from Missouri or any other Senator which proclaims that it is the intention, the desire, the determination of this Government, whether you like it or not, whether you wish it or not, to maintain all the money of this country, whether it be paper money or silver money, whether it be in bullion or in coin, on a parity with gold. Now, let us have no controversy on that subject.

Mr. COCKRELL. I do not occupy that position. I am for good money. I am for honest money. I am for one kind of money and only one kind of money, and that is a full legal-tender money, good money; good for the bondholder and the banker, good for the soldier and the citizen, good for the millionaire and the toiling laborer alike; paying a thousand million dollars of indebtedness or buying a dollar's worth of groceries. I want the same kind of money maintained by the sovereign power of the United States as absolute and irredeemable money whenever it is made out of metal. I want the paper money redeemable in the metallic money. You have my financial system—gold and silver unlimited in amount and irredeemable in quantity, absolute money in the hands of the people, and no paper that is not redeemable in either gold or silver. To-day there is not a dollar issued by the sanction of the United States within its territorial limits that is not just as good as any other dollar.

Mr. GRAY. Why not?

Mr. COCKRELL. Because it is a legal tender by the power of the Government. It is law that gives it money value, pure and simple.

Mr. GRAY. How maintained?

Mr. COCKRELL. Maintained because everybody wants it to pay debts. It will buy anything a man wants. This despised and abused silver dollar even among the gold plutocrats of New York commanded a premium of 3 and 4 per cent, and some of the gold monometallist bankers made a handsome profit in selling the silver dollar as full money. I understood from the newspapers that one broker there made nearly $1,000,000 in selling silver money.

Mr. GRAY. If the Senator will permit me, do I understand his proposition to be that the declaration of the Government that both coins shall be full legal tender is all that in his opinion is necessary to maintain that parity which he talks so much about?

Mr. COCKRELL. I think it is.

Mr. GRAY. How does he account for the fact (for I would really like to know) that at the time of the demonetization of silver in 1873 you could not exchange at a parity five gold dollars for five silver dollars when they were both full legal tender?

Mr. COCKRELL. There was none coined.

Mr. GRAY. There was an absolute premium of about 3 per cent.

Mr. COCKRELL. There was a premium on silver over the gold. If you have a silver dollar and the silver in that dollar in some other place is worth 3 cents more than the gold dollar, and you have a neighbor who is so obliging as to want to make 3 cents out of you and is going to such other place and proposes to give you a gold dollar, I do not suppose you would refuse it to him. The metals in the silver and gold dollars were above the coining value. I admit that up to 100 cents the silver dollar could not pay any debt in the United States better than the legal-tender dollar.

Mr. GRAY. The Senator and I agree precisely as to the fact, and the cause of that fact, it seems to me, would settle the question I asked.

Mr. COCKRELL. Not at all; it does not settle it. The value was not as money. The value by the Government remained unchangeable. The metal in the coin may be far more valuable before coinage than its money value after being coined into money, and the silver metal of 412½ grains is worth 103 cents, while when coined it is as lawful money worth only 100 cents.

Mr. GRAY. I ask the Senator, if it does not disturb him, whether the same reasoning would not apply to the greenback as it was in 1865 and the gold and silver dollars when they were both legal tender and full legal tender.

Mr. COCKRELL. The gold dollar paid no more than the silver, the silver dollar no more than the gold, and the greenback as much as either one of them in legal tender. When you intervene between individuals and the payment of debts then your gold would buy more because then we had no specie resumption. We were not on a metallic basis at all. To-day your silver dollar is worth just as much as your gold dollar. You can not make any distinction between them.

Mr. GRAY. Then I agree with the Senator, and the reasoning would apply of course if you made a dollar out of 412 grains of copper.

Mr. COCKRELL. Mr. President, I was criticising the construction placed upon the law of July 14, 1890. When it is said that it compelled the Secretary of the Treasury to redeem in gold, I say when the whole of it is taken together with the last clause, which says that the Secretary shall coin of the bullion purchased by the notes issued under this act a sufficient amount to redeem the Treasury notes, it means what it says, that the Secretary has a perfect right under that provision to coin every solitary dollar of the silver bullion which is now in the Treasury, and he has the right whenever one of these Treasury notes is presented for redemption to pay it in a coin dollar, and in my judgment he ought to do it. It would not destroy the parity between the coined silver dollar and the gold dollar, but it would establish and maintain that parity. As it is, preference is given to gold and silver is made inferior. Silver is not held up side by side with gold, and silver ought to be paid in the redemption of those notes.

Mr. McPHERSON. If the Senator will allow me, in considering the instructions found in the law of 1890, does he draw a distinction between the right to do and the power to do?

Mr. COCKRELL. Mr. President, I do not know that there is any great difference between them. I would construe the law for the purpose of maintaining silver and not for the purpose of degrading it. I would make silver as respectable as gold, and whenever a man came and demanded gold I would make him take some silver, and I would show him that in my estimation silver was the equal of gold. That is done in France: we have the right to do it here; but we are the only nation in the world, so far as I know, that bows the knee to every foreigner or anybody else who wants gold.

Mr. McPHERSON. Rather than degrade silver, as the Senator states it, he would allow the parity to take care of itself and silver to travel alone. That is the idea.

Mr. COCKRELL. The Senator can have his own idea of it. Every silver dollar now in circulation and every silver dollar to be coined under existing law is absolute money, and I say that it is a proper subject for the redemption of any outstanding obligation of the Government except the gold certificates. There is not a bond of the Government to-day which can not be paid honestly, justly, and equitably in standard silver dollars—not one.

The very object that these foreign bankers and brokers and money loaners have had in coming to the Treasury under Secretary Foster and demanding of him the redemption of the Treasury notes in gold, was to degrade and debase silver and establish the single gold standard practically in this country. In my humble judgment, when the late Secretary Foster yielded to the importunate demands of the gold ring and the gold brokers of New York for the redemption of United States Treasury notes in gold; he failed in administering and executing that law fairly and justly, established an unwise and unjust precedent, and gave into the hands of the gold brokers and bullion speculators unjust and dangerous privileges and powers. It gave them the weapons and the pretexts for demanding the issue of gold bonds and the repeal of the Sherman law.

Had he executed the law in a friendly spirit and coined the bullion and redeemed the Treasury notes issued in its purchase in the standard silver dollar, not a dollar of gold would have left this country more than did leave it, and the people of the country would have rejoiced with exceeding great joy to see the standard silver dollar in the eyes of the law the full equal of the gold dollar in legal-tender and debt-paying power, so recognized and proclaimed by the Government and by the new incoming Democratic Administration. The precedent he established should have been held up "not as a pattern to emulate, but as an example to deter," and should never have been followed. I think that very fact had a good deal to do with the scare and with the panicky fears which have been engendered in the minds of doctrinaires.

Mr. McPHERSON. Will the Senator permit me a moment right on that point, for I know he is exceedingly good natured always?

Mr. COCKRELL. I yield to the Senator.

Mr. McPHERSON. I know the Senator means to get at the exact facts of this case. I want to ask the Senator, suppose the Secretary of the Treasury had acted upon the proposition just now made by the Senator and had not redeemed the Treasury notes, as he did redeem them, in gold, but had made those notes or obligations payable in silver, what would have been the result upon the panicky condition of the country? It was feared that the Secretary was going to do that very thing, and he came very near doing it because of the want of free gold to do other-

wise. What would have been the effect, as I said, upon the panicky condition of the country to know that we had gone upon a silver basis?

Mr. COCKRELL. My judgment is that we should have had no panic. My judgment is that then there would have been no reason for manufacturing the scare which holds the distinguished Senator from New Jersey. We should have had none of it. That added to the intensity of the panic. Why? I am not quoting dates, and I am not in the habit of referring to newspapers for authority, but it has been quoted time and again, and I believe it has been quoted here in the Senate, first, that the Secretary had intimated that he was going to redeem these Treasury notes in silver dollars, and it did not produce any panic. Afterwards the President issued his pronunciamento, in which it was stated again—I do not know whether the President said it or not; I am not responsible for the statement, for I am not responsible for all the newspapers say—but the newspapers reported, apparently by authority from the White House, that the President had stated that all the obligations of the Government should be redeemed in gold.

Up to that time the only paper currency in the United States redeemable in gold or silver were the United States legal-tender notes, the greenbacks. They were expressly redeemable in gold or in silver. Then the greenbacks stood upon the silver coinage and upon the gold coinage. That was their metallic base. It gave a wide and substantial base sufficient to have held a superstructure of a billion dollars.

Mr. MCPHERSON rose.

Mr. COCKRELL. I hope the Senator will wait a moment and let me answer his question. He thinks he knows what I am going to say, but I am not going to stop until I answer his question.

Mr. MCPHERSON. Very well.

Mr. COCKRELL. There was the base. Three hundred and forty-six million dollars in greenbacks were outstanding and over $150,000,000 of United States Treasury notes issued for the purchase of silver bullion under a law which certainly, beyond any question, gave the Secretary the right to redeem in silver. The President proclaimed to the world that all these obligations should be redeemed in gold. The silver coin was knocked from under the financial body, and it began to totter and sway here and there, because, instead of $346,000,000 in greenbacks resting upon the silver and the gold, it had the whole amount resting upon the gold, with the addition of $350,000,000 of silver coin certificates and $150,000,000 of United States Treasury notes. The bankers of Europe saw it, the financiers of this country saw it, and they said this mass all thrown upon the one gold base can not be supported by that one golden leg, and all the other props and foundations have been ruthlessly torn away from under the fabric by the proclamation of the President.

What occurred? Foreign bankers refused to continue their advances to make investments. They said, "You can not hold up that great fabric on this one golden leg of $100,000,000." Hence came the demand for bonds, then came down the representatives of the foreign bankers, and they had the audacity to demand of Secretary Carlisle, as I read in the speech of the distinguished Senator from Kentucky [Mr. BLACKBURN], the issue of $150,000,000 of gold bonds to add to the strength of this one golden leg, trying to support this mass which was making it wave here and there like a broken reed.

Here was the pretext. Then they said, "Now is the golden opportunity; we will force the United States to come to a single gold standard and to continue to redeem all its obligations, silver dollars and all, in gold coin; we will force them to issue bonds to get the gold; we shall have the selling of those bonds, with the interest, commissions, and brokerage, and we shall have that much of a safe fund in which to invest the money that we secure through our banking operations." No, no, Mr. President. There it was they commenced squeezing. The New York bankers joined them. I do not mean all the bankers, but the leading ones there, who are interested in foreign exchanges, the Heidelbachs, the Ickelheimers, and other foreigners here who are speculating off the world's exchanges. They had a right to do that; but they had no right to come and ask the Government of the United States, the grandest nation on earth, to bow to their infamous and imperious demands.

They then commenced the squeezing process, and they kept on extending it. They intended to extend it only far enough to scare the Senator from New Jersey and the rest of us. This is just what they wanted to do. Then they commenced the process of sending to every organized community wherever they had the name of a man, or a registry, or a city directory, or a county directory, circulars telling them to telegraph the President to call Congress together to repeal the Sherman law, or the country is going to hades. They sent telegraphic messages by the cartload and Congress has been convened; and here we are [laughter], and there is not yet unconditional repeal at the demand and behest of the foreign gold rings and syndicates.

This is the best time this country has ever had to establish a permanent financial system. We have no election coming on this fall, we have all an abundance of leisure on our hands, and I am convinced that we are better informed upon the financial question to-day than the Senate ever has been or will be again. Now is the accepted time; now is the day of salvation. [Laughter.] We had for years a monetary financial system independent of the systems of any nation, kindred, or tongue upon the earth. Less than four millions strong in 1776, we proclaimed ourselves entitled to be a free and independent nation, and for eight long years we resisted the power of the mistress of the seas, old England, established our independence politically, socially, civilly, and in every other way, and entered upon a financial system without having once conferred with England.

We paid no more attention to old England when we established our financial system than we did to the Hottentots. As an independent nation, endowed with all the attributes of sovereignty, we proclaimed to the world our system without calling on them. Great Britain undertook to thrash us and make us yield to the imperious demands of her empire that "once a subject of Great Britain, always a subject;" that when one of her citizens came to the United States and became panoplied with the rights and authority of American citizenship, she still had a right to take him upon the high seas and impress him back into her service. It was under a Democratic Administration that this infamous demand was resisted. The war of 1812-1814 followed. We were only in our teens, in our minority, comparatively with other nations, but we whipped old England and drove back the old lion to his island lair, and we have made him stay there, closely confined, ever since. [Applause in the galleries.]

The VICE-PRESIDENT rapped with his gavel.

Mr. COCKRELL. We have no favor to ask of any nation when it comes to establishing our financial system. They do not ask any favors of us. Think of the miserable position in which we are placed. Mexico established her financial system and never sent any monetary commissioners to confer with us. Guatemala, Nicaragua, Costa Rica, and what not, all over the world, England, France, Austria, Russia, Italy, Turkey, Portugal, all of these countries established their financial systems, and we have never been honored with a monetary delegation from any nation on earth sent at its own request; and yet we must not move a peg; we must stand still and wait for an international agreement. I am tired of it; I am sick of it. I want to see the Senate rise to the dignity and the power which the people in their sovereign capacity have confided to it in the Constitution. I want to see it establish a monetary policy for the United States and maintain it; and when any syndicates or combinations or rings come here and undertake to juggle with our finances, with our Secretary of the Treasury, and try to intimidate him and drive him to grant their requests, we will have it in the code of the United States that they are to be shown the door with the tip of the boot.

Mr. VEST. Mr. President, if my colleague is not interrupted too much I should like to recur to the point in regard to the payment of the silver certificates in gold. I did not think I was mistaken about the construction the Secretary of the Treasury put upon the power conferred upon him. As to whether he has actually paid any of these silver certificates, of course I make no issue of fact, and his statement will be conclusive, but that a silver certificate must be paid in gold, if demand is made upon him by the holder, is unquestionably the declaration of the President and the Secretary. I hold in my hand a letter from Mr. Carlisle, published some months since for the purpose of informing the people of the United States as to the policy of his Department. Referring to the Sherman act he uses this language:

> By the terms of the act the Secretary was required to pay for all silver bullion purchased by the issue of new United States Treasury notes, payable in coin, and it provided that upon demand of the holder of any such notes they should be redeemed in gold or silver coin, at the discretion of the Secretary, "it being," in the language of the act, "the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio, or such ratio as may be provided by law."

Now, says the Secretary——

Mr. TELLER. From what does the Senator read?

Mr. VEST. From Secretary Carlisle's letter published in the Washington Post.

Mr. GEORGE. What is the date?

Mr. VEST. I do not see the date.

Mr. TELLER. It was published some time ago.

Mr. VEST. It was published in July, some three months ago. It was published at the time this so-called panic commenced, before this session of Congress was called.

Now, I come to the material part of it:

> In the execution of this declared policy of Congress it is the duty of the Secretary of the Treasury, when the necessity arises, to exercise all the

powers conferred upon him by law in order to keep the Government in a condition to redeem its obligations in such coin as may be demanded, and to prevent the depreciation of either as compared with the other.

That does not apply to the Treasury notes alone, but to all the obligations of the Government, and it is beyond any sort of question whatever. The fact is it has been placed in practical operation, and this Administration has declared, both through its President and its Secretary of the Treasury, that holders of silver-coin certificates will be paid in gold if they demand it. If that is not the meaning of this language, then the English language has ceased to mean anything.

Mr. TELLER. Will the Senator from Missouri allow me?

Mr. COCKRELL. Certainly.

Mr. TELLER. On the 10th day of March, 1892, the Senate passed the following resolution:

Resolved, That the Secretary of the Treasury is hereby directed to inform the Senate what amount of Treasury notes has been issued under the provisions of the act of July 14, 1890.

The amount of silver dollars coined under the provisions of said act.

The amount of silver bullion now in the Treasury purchased under the provisions of that act.

Whether the silver dollars coined under the provisions of that act were available for the ordinary expenses of the Government or whether they are held for the redemption of Treasury notes.

Whether silver dollars or silver certificates have been redeemed or exchanged for gold, and, if such redemption or exchange has been made, the amount thereof.

Whether silver dollars and silver certificates that are received for public dues are used in the discharge of Government obligations; and, if so, what class of obligations are discharged with silver certificates and silver dollars.

I need only read the reply of the Secretary as to the redemption of the silver certificates, that being the only matter in discussion. I quote from his reply of the 22d day of March, 1892, the following:

Respecting redemptions or exchanges of silver dollars and certificates, I have to state that the Department has not redeemed silver dollars or silver certificates in gold or gold certificates, nor has it exchanged silver dollars or certificates for gold or gold certificates.

That seems to be explicit on that point. On February 13, 1892, I received from the Treasurer of the United States, in answer to a letter which I had addressed to him, the following:

TREASURY OF THE UNITED STATES,
Washington, February 13, 1892.

SIR: I have the honor to acknowledge receipt of your favor of the 12th instant, in which you ask whether silver certificates have been redeemed in gold coin, in what amount, and on what authority.

I have to state in reply thereto that, so far as this office is concerned, it has never been done, nor have any of the subtreasury offices been authorized to do so, and no departmental instructions have been issued to that effect.

Respectfully, yours,

E. H. NEBEKER,
Treasurer United States.

Hon. H. M. TELLER, *United States Senate.*

On the 7th of December, 1892, the Secretary of the Treasury addressed the following letter to me, in answer to a letter of mine to him:

TREASURY DEPAREMENT, *Washington, December 7, 1892.*

MY DEAR SIR: I have your favor of December 7. I beg to inform you that silver dollars are not in law or in practice exchanged for gold or for paper that calls for gold.

Very respectfully, yours,

CHAS. FOSTER.

Hon. H. M. TELLER,
United States Senate.

To that I have nothing to add, except the statement that I was recently informed by the Secretary that the same practice prevailed, of paying the silver certificates only in silver dollars, not in gold.

Mr. HARRIS. Does the Senator mean the present Secretary?

Mr. TELLER. Not the present Secretary. I have never conversed with the Secretary on the subject, and know nothing about what he may think on the subject.

Mr. MCPHERSON. The Senator from Missouri on my right [Mr. VEST] will please note that in the letter which he has read from the Secretary of the Treasury, the Treasury does not recognize the silver certificates as an obligation of the Government. The Government coins money; it coins silver dollars. The Government does not redeem its coins, unless it may be to call them in for abrasion or something of that character. For the convenience of the people of this country it issues a certificate which stands before the coin dollar, and does serve us as money. The certificate calls for its own redeemer under the law. It may be surrendered at the Treasury, and the Government is obligated to pay to the holder a silver dollar in exchange for his certificate issued. It is not an obligation of the Government in the sense used in the letter, and as distinguished from the obligation of the Government based upon the deposit of bullion and the bullion certificate.

Mr. VEST. I should like to see where that is stated in the letter from which I have read.

Mr. MCPHERSON. The law states it for itself. The law makes no obligation upon the Treasury to redeem a silver certificate in gold. The Government itself proposes to accept the silver dollar and the coined dollar for all debts, obligations, taxes, revenue, and everything due to it. The Treasury of the United States redeems them every day through the custom-house. They are received in New York for customs dues; they come to the Treasury, and the Treasury redeems them. That is the redemption which the Treasurer of the United States gives the silver dollar or to the silver certificate; but in the sense employed by Secretary Carlisle, he does not treat it as an obligation of the Government; that is, as he treats Treasury notes, of which he was speaking in the same letter.

Mr. VEST. We have had a great many surprises in this debate, but I must confess that this confession is the most surprising of all. I rather think when the Senator from New Jersey convinces the people of the United States, and especially the capitalists of New York and elsewhere, that the silver certificates are not an obligation of this Government, he will find them rapidly discredited.

What is an obligation of this Government? It is a promise to do something; it is obligatory on the Government to do something. What is a silver certificate? It says that the Government of the United States shall pay a certtin amonnt of standard money, silver dollars, to the holder of that certificate. Is not that an obligation of this Government? Upon whom rests any obligation at all as to the silver certificate if not on the Government of the United States?

More than that. If it did not interrupt my colleague too much, I could go on and read from Mr. Carlisle to show his argument that all these silver certificates rest upon so much gold. Again and again the New York newspapers and all the advocates of the policy which the Senator from New Jersey has been so conspicuous in urging upon us have claimed that one defect, and one great defect, in our system was that we had an enormous pyramid of silver resting upon a small pedestal of gold. If the silver certificates are not part of that pyramid, I confess that I am enlightened to a very large extent.

Mr. MCPHERSON. If the Senator from Missouri on my left [Mr. COCKRELL] will bear with me a moment, I want the Senator from Missouri on my right [Mr. VEST] to understand that I contend that the Government of the United States is impliedly bound to keep every obligation of this Government, gold, silver certificates, and all, I do not care what they may be, in coin or paper, on a parity with gold.

Mr. VEST. That is all of it.

Mr. MCPHERSON. I was speaking of the Secretary's letter, and I say that there is no law which will require the Secretary to redeem that obligation. What is it? Let us read it:

This certifies that there has been deposited in the Treasury of the United States one silver dollar, payable to the bearer on demand.

How payable? The law steps in and tells you that the holder of that silver certificate is entitled to a silver dollar at the Treasury of the United States or at a subtreasury of the United States. It is nothing more nor less than a warehouse receipt, under the law. Therefore, I say that the Secretary of the Treasury in the letter from which the Senator read, unquestionably, in speaking of the obligations of the Government, did not treat the silver certificate as an obligation of the Government which it was required to redeem in gold, under the law.

Mr. VEST. I differ with the Senator as to what the Secretary of the Treasury means. I think, upon asking the Secretary, the Senator will find that the Secretary did include the certificates.

I should like to ask the Senator another question as to a higher authority than the Secretary of the Treasury. I ask him if the President of the United States five months ago did not state further that every obligation of this Government and every dollar issued by it of every description should be payable in the coin demanded by the holder?

Mr. MCPHERSON. I do not recall the exact language. If the Senator has the letter of the President and has quoted the exact language, I should like to see it. I assume that the President of the United States gave utterance to some such declaration; but I want the Senator to understand that the contention I make in this matter—and I presume it is the same contention made by the President, because I do not think I differ very much with the President in regard to these matters—is that very obligation of this Government in the form of money of whatever nature or character, be it silver dollars or paper dollars, it is the duty of this Government to maintain upon a parity with the very best money of the world.

Mr. VEST. The Senator is unquestionably clear enough upon that point. I think, too, the President has been clear enough upon it. I am not attacking the sincerity of the Senator or the President or the integrity of their intentions in that regard at all. It has passed into current political and financial history that for a time the impression prevailed in the city of New York

amongst the speculators and capitalists, that if Mr. Carlisle, the Secretary of the Treasury, reached his $100,000,000 reserve, as it is called, which is the proceeds of the sale of bonds under the act of 1875, to make good the use of greenbacks, he would then refuse to pay gold except upon greenbacks or gold certificates.

The stock market fell from 6 to 10 points under that rumor. It was believed in New York that the subtreasurer, Mr. Jordan, had received instructions not to pay out any gold except upon greenbacks after that reserve was reached; and it is notorious that this became a subject of discussion in the Cabinet, and that 20 minutes after 2 o'clock on that eventful day Mr. Carlisle telegraphed to the subtreasurer to pay out the gold. At any rate, if I am inaccurate as to details, the New York capitalists held that every obligation of this Government, including silver certificates, would be paid in gold. I was therefore most profoundly astonished to hear from the Senator from Colorado [Mr. TELLER] this afternoon that the Treasury Department had informed him by implication that that was not the policy of this Government.

Mr. TELLER. I did not say that the Treasurer said it was not the policy of the Government. I simply asked him if the Department was redeeming silver certificates in gold, and he stated to me that it was not. That is as far as he went. He did not say anything about the policy of the Government.

Mr. VEST. I am responsible for the word "implication." I understood the meaning of that communication to be that they were not paying for silver certificates in gold. Here is the question—and there is no use of evading it—suppose I go to the subtreasury or to the Treasury here in the city of Washington to-morrow, present a silver certificate, and demand gold, would it be paid in gold or not? Without undertaking to answer for the Administration—for I have no right to do so—I have no question that it would, or else the declaration of Mr. Cleveland as President, in which he declared that every obligation of this Government would be paid in gold, would be negatived. I have no idea that the Treasury would take refuge behind the construction that we hear to-day for the first time from the Senator from New Jersey, that silver certificates are not obligations of this Government.

Mr. McPHERSON. I assume that the Senator from Missouri has no disposition to do me an injustice in the broad statement he has made.

Mr VEST. Not the slightest.

Mr. McPHERSON. I think he has not quoted me exactly correct. I do say—at least if I did not so say, I intended to say—that a silver certificate was not an obligation of this Government, in the sense in which Mr. Carlisle was speaking of it in his letter, nor was it an obligation of this Government in the sense that the Treasury was compelled to redeem it in gold.

Mr. PALMER. If the Senator from Missouri will allow me to proceed for a moment perhaps he may be able to give me the information I am seeking.

Mr. COCKRELL. I yield to the Senator.

Mr. PALMER. I find in the report from the Treasury on the 1st day of October that there was in circulation of silver certificates $326,849,827. I have believed that they were a part of the Government's indebtedness, which was redeemable at the Treasury and payable in gold. Now, I wish to ask if any Senator will furnish me the information, whether it is true that there is in circulation now $324,955,134 which is understood to be redeemable in silver—I mean according to the practice of the Department—or whether it is not the practice of the Treasury to treat the silver certificates as a part of the indebtedness to be provided for in gold? I ask for information.

Mr. COCKRELL. To what does the Senator refer?

Mr. PALMER. I am reading a statement. I have the official Treasury statement. I refer to the fifth item in the list—silver certificates.

Mr. COCKRELL. In circulation?

Mr. PALMER. In circulation, $324,955,134.

Mr. COCKRELL. Those were silver certificates issued under the Bland law, which I will read.

Mr. PALMER. Without discussing the question, I desire to ask the Senator, with his permission, for specific information, whether that amount is regarded by the Treasury Department as redeemable in silver?

Mr. COCKRELL. I can not speak for the Treasury Department. I know that for every dollar of these silver certificates outstanding there is a coin dollar in the Treasury of the United States, and I was astonished when informed by my colleague that those certificates had been redeemed in gold.

Mr. PALMER. The Senator from New Jersey referred to the $324,000,000 a moment ago, but, as a matter of fact, I desire to know whether it is true that that amount is regarded by the Treasury as so far distinct from other Government issues, that the other Government issues are redeemable in gold while this amount is redeemable in silver?

Mr. McPHERSON. Allow me to answer the Senator in this way: In practice, yes. The Treasury maintains a parity. Under the law there is no requirement upon the Treasury to redeem the silver certificates in gold or to redeem them in anything except the standard silver dollars which are in the Treasury for the purpose of making those redemptions upon demand. The Sherman law, as the Senator is aware, does provide for the parity to be maintained as between the two metals. Prior to the passage of the Sherman law there was never any obligation, as I understand, on the part of the Government as to silver issues that should be redeemed in gold.

Mr. PALMER. The Senator does not quite meet my question, whether, as a matter of fact and practice, this amount of $324,000,000 in silver certificates is treated as redeemable by the Treasury.

Mr. McPHERSON. I repeat, practically, yes; as a matter of law, no.

Mr. TELLER rose.

Mr. COCKRELL. I yield to the Senator from Colorado to offer a resolution.

Mr. TELLER. I ask to offer a resolution in order to settle the question whether the Government is redeeming in gold or not. I will read it because I think I can read it better than it can be read at the desk:

Resolved, That the Secretary of the Treasury be, and he is hereby, directed to inform the Senate whether silver dollars or silver coin certificates have been redeemed or exchanged for gold or paper that are by law or practice of the Government redeemable in gold.

I desire to ascertain whether they have been exchanged for gold, or greenbacks, or Treasury notes.

Mr. McPHERSON. The Senator ought to say "redeemed by the Treasury." He has not stated that.

Mr. VEST. I will state to the Senator from Colorado that that does not exactly meet the point which we are discussing. I understand that the Treasury has already informed him that they have not redeemed silver certificates. The point I should like to be informed about is whether the holder of a silver certificate can obtain gold upon it now, under existing laws, from the Treasury.

Mr. VANCE. I desire to remind Senators of the fact that a few weeks ago the Senator from Arkansas [Mr. JONES] introduced a resolution calling upon the Secretary of the Treasury to say whether or not applications which had been made at the Treasury for silver had been refused; and if so, why. My recollection is that the answer of the Secretary of the Treasury was that there had been applications made, which had been refused for the reason that the silver in the Treasury by law was required to redeem the certificates outstanding against it. Perhaps some Senator may remember when that was, and remember correctly if I have erred in my statement.

Mr. COCKRELL. The Senator is correct about that. The answer was made, and it is printed as a document, to the effect that the Department had not issued silver certificates in exchange for gold because the silver in the Treasury was required to meet the silver certificates outstanding.

Let the resolution offered by the Senator from Colorado be passed.

Mr. McPHERSON. I desire to call the attention of the Senator from Colorado, before the resolution is acted upon, to a fact which seems very apparent to everybody, and that is, since the present Administration came into power—and I assume that this is addressed to the present Secretary and to his administration——

Mr. TELLER. Certainly.

Mr. McPHERSON. There had been then no free gold in the Treasury, and the Secretary was working upon the reserve. Therefore, if it had been the practical policy of this Government in the past, say, during the former Administration, when there was an abundance of gold to do it, I assume that that ought to be brought out by the resolution, because I take it that since this Administration came into power there has been no gold whatever with which to redeem any silver.

Mr. TELLER. We have in the neighborhood of $100,000,000 of gold. It ran down, I believe, to $92,000,000, but has not been below that.

Mr. VEST. We have had free gold in the Treasury within the last three weeks.

Mr. TELLER. Certainly. I now ask for the present consideration of this resolution as I have modified it.

The VICE-PRESIDENT. The resolution will be read as modified.

The Secretary read as follows:

Resolved, That the Secretary of the Treasury be, and he is hereby, directed to inform the Senate whether silver dollars or silver coin certificates have been redeemed by the Treasury Department or exchanged for gold or paper that are by law or the practice of the Government redeemable in gold.

The resolution was considered by unanimous consent, and agreed to.

Mr. COCKRELL. Mr. President, I have passed in review the legislation up to the act of July 14, 1890. I come now to the question, what is proposed to be done by the pending bill? Let me give its history.

House bill No. 1, to repeal a part of the act of July 14, 1890. In the House of Representative August 28, 1893, on the free-coinage amendment at present ratio the yeas were 124—100 Democrats, 13 Republicans, 11 Populists; nays 227—116 Democrats, 111 Republicans. On free coinage at 20 to 1—yeas 122; nays 222. On the restoration of the Bland-Allison law, yeas 136—110 Democrats, 15 Republicans, 11 Populists; nays 213—103 Democrats, 110 Republicans. On the final passage, yeas 240—139 Democrats, 101 Republicans; nays 110—76 Democrats, 23 Republicans, 11 Populists.

In the Senate, August 28, 1893, House bill No. 1, referred to the Finance Committee: August 28, 1893, reported by Mr. VOORHEES with an amendment substituting Senate bill 570. This report of the substitute by Mr. VOORHEES represents the majority of the Finance Committee of the Senate, composed of 11 Senators—6 Democrats and 5 Republicans—and is favored by 2 Democrats (Messrs. VOORHEES and MCPHERSON) and 4 Republicans (Messrs. MORRILL, SHERMAN, ALLISON, and ALDRICH), and is opposed by the minority, 4 Democrats (Messrs. HARRIS, VANCE, VEST, and JONES of Arkansas) and by 1 Republican (JONES of Nevada).

The bill proposes the repeal of the clauses of the law of July 14, 1890, authorizing the purchase of silver bullion and the issue of United States Treasury notes for its purchase, and declares our policy to continue the use of both gold and silver as standard money, and to coin both gold and silver into money of equal intrinsic and exchangeable value, such equality to be secured through international agreement or by such safeguards of legislation as will insure the maintenance of the parity in value of the coins of the two metals and the equal power of every dollar at all times in the markets and in the payment of debts; and further declares that the efforts of the Government should be steadily directed to the establishment of such a safe system of bimetallism as will maintain at all times the equal power of every dollar coined or issued by the United States in the markets and in the payment of debts.

Suppose the bill passed and became a law, what would be our monetary condition? We would have in our Treasury silver bullion of the coinage value of $176,990,207, and the only authority for its coinage into standard dollars would be the words in section 3—

He shall coin of the silver bullion purchased under the provisions of this act as much as may be necessary to provide for the redemption of the Treasury notes herein provided for.

How much would be coined without any additional legislation? This is a material and vital question, considering the past and the statement of the President in his message to this session.

This declaration—

Referring to the established policy to maintain the two metals at a parity—

so controls the action of the Secretary of the Treasury as to prevent his exercising the discretion nominally vested in him, if by such action the parity between gold and silver be disturbed.

And that—

A refusal to pay these notes in gold, if demanded, would discredit and depreciate obligations payable only in silver, destroy the parity between the two metals by establishing a discrimination in favor of gold.

It seems to me almost absolutely certain that no more silver bullion would be coined. I can not reasonably come to any other conclusion. There would be left in the Treasury a hoard of silver metal of the coin value I have just stated.

While I firmly believe the Secretary of the Treasury would still have ample authority to coin all the bullion into standard dollars, yet it seems to be absolutely essential that there should be added to the bill express requirement to coin all such bullion into standard dollars. Without such coinage of the bullion on hand we would have $383,245,365 coined under the laws of February 28, 1878, and $36,087,185 coined under law of July 14, 1870, making a total of 419,332,550 standard silver dollars added to our money currency, having full legal-tender power in the payment of all debts, public and private, and before the law and in the confidence of the honest toiling masses the equal in every respect of the precious, cowardly, idolized gold dollar and bearing the sacred inscription "In God we trust," "first used by our National Mint in issuing the 2-cent copper coins in 1864, during the depths of the late rebellion. The subsequent use of the motto on all our larger coins, both of silver and gold, was expressly authorized by the act of Congress of March 3, 1865. These solemn words, so full of historic significance, are now permanently interwoven as a vital portion of our national coinage." quoting the language of Hon. Samuel R. Ruggles. Now we are tantalized and ridiculed by the enemies of silver because we have that sacred and consecrated inscription placed upon the silver dollar. They say to us, You want us to trust in that motto for the 20 or 25 cents that the silver dollar lacks of being equal to the gold dollar.

These would be the only fruits of our twenty years' struggle in behalf of silver as the money of our Constitution. The passage of the pending bill "would absolutely demonetize silver as to the future coinage, and leave it supported by not one word of legislation," and "absolutely sweep from under the silver currency every vestige of law." It would restore in full force and vigor the despised and abused law of February 12, 1873, demonetizing the silver dollar, stopping its further coinage, and establishing the single gold standard.

For twenty years the Democratic party has denounced from every house top, in every highway and by way the crime of 1873, and has struggled in Congress—beginning in 1876 with the first Democratic House of Representatives elected since 1860—to expunge it from our records and substitute for it laws rehabilitating silver as money equal with gold. I have given the record of these fierce struggles during this period. With singular unanimity our party passed the free-coinage bill in November, 1877, but in consequence of the Senate being Republican we had to yield to the Bland-Allison act. Even that was vetoed by a Republican President and was passed over his veto.

The record shows the struggles our party made for a better law, and in the great contest of 1890, with the President, Senate, and House Republican, the Republican House passed the bullion purchase bill, repealing the purchasing and coining provisions of the Bland-Allison law over a solid Democratic vote. In the Senate a free coinage substitute was passed, receiving 28 Democratic votes and 15 Republicans, with 3 Democratic votes and 21 Republican votes against. The Sherman law did not receive a Democratic vote in either the House of Representatives or the Senate.

Mr. DOLPH. If the Senator will yield to me for a question, I desire to ask him if the Democrats have possession of both branches of Congress, the Senate and House of Representatives, and the Administration besides, why do they not pass a free-coinage law?

Mr. COCKRELL. We will if we can.

Had that bill been an unconditional repeal of the Bland-Allison law, and thereby have restored the law of 1873, I believe I am justified in saying not a Democratic Senator would have voted for it. Is there one who would?

If there is one I will thank him to answer. I pause for a reply.

Our Republican friends in full control passed the Sherman law—not as good a law as the Bland-Allison law—but infinitely better than the law of 1873. We were then unwilling to substitute it for the Bland law, and I reiterate every word I then uttered against it. Every prediction I made in regard to its execution by unfriendly executive officers has been verified. Were it pending to-day, as it was then, I would repeat the speech I then made, and the Senator from Indiana would doubtless do likewise. It is not pending as a measure in lieu of the Bland law

That is the proposition, pure and simple. You can not avoid it, you can not run around it. There it is. Whether you intend it or not, you accomplish it. The pending measure is to repeal it, and with it the Bland law, and restore the crime of 1873, the demonetization of silver and the establishment of the single gold standard.

I shall never vote to restore the odious law of 1873. Yet I am asked to so vote. My answer is given in the eloquent language of the senior Senator from Indiana—spoken with so much force and emphasis on this floor on February 17, 1893, as follows:

I should vote to-day for the coinage of all the American product of silver. I would go further. I would vote as Thomas Jefferson advised, for free coinage of silver the same as gold. I would vote, in the language of the Democratic platform laid down at Chicago last June, that "We hold to both gold and silver as the standard money of the country, and to the coinage of both gold and silver without discrimination against either metal and without charge for mintage," only stipulating, as we did in that great platform, that the two dollars, the one of silver and the other of gold, shall be of equal intrinsic value and purchasing power.

I should have voted, the other day to take up what is known as the Sherman act, and for its repeal, but for the fact that its passage would absolutely demonetize silver and leave it supported by not one word of legislation. I thought the measure was audacious. I thought it an outrage to ask men like myself and others to absolutely sweep from under the silver currency every vestige of law. That is not what we meant at Chicago; that is not what the people mean.

I should vote for the repeal of the Sherman act simply because it is vicious in principle, but it must be in connection with something better. You might as well authorize a circulating medium based upon tobacco by the hogshead, or cotton by the bale, as upon silver in its bullion shape. It must be coined into money, and such is the position of the Democratic party as declared in national convention.

And still I am asked to vote for this bill and thereby vote to restore in full force and effect the crime of 1873. Again, my answer is in the forceful language of Kentucky's most gifted

son, Hon. John G. Carlisle, uttered in the House of Representatives on February 21, 1878:

> According to my view of the subject, the conspiracy which seems to have been formed here and in Europe to destroy by legislation and otherwise from three-sevenths to one-half of the metallic money of the world is the most gigantic crime of this or any other age. The consummation of such a scheme would ultimately entail more misery upon the human race than all the wars, pestilence, and famine that ever occurred in the history of the world. The absolute and instantaneous destruction of half the entire movable property of the world, including houses, ships, railroads, and all other appliances for carrying on commerce, while it would be felt more sensibly at the moment, would not produce anything like the prolonged distress and disorganization of society that must inevitably result from the permanent annihilation of one-half of the metallic money of the world.

I can never vote for restoring such a law, the result of such a conspiracy, and surely entailing the dire results therein so graphically portrayed.

But, say the Democratic advocates of repeal, we do not propose to stop with the simple repeal. After that is secure we promise and solemnly declare "that the efforts of the Government should be directed to the establishment of such a safe system of bimetallism as will maintain at all times the equal power of every dollar coined or issued by the United States in the markets and in the payments of debts."

That is a futile promise. It is already an accomplished fact. Every silver dollar coined by our mints to-day has equal power with any other dollar—coined or issued by us—in the payment of debts and in the purchase of articles in our markets. The standard silver dollar to-day has equal debt-paying and purchasing power with the gold dollar within our domain, and in all our markets—the only markets over which we have any control—legislative or otherwise.

Why then this pretext in this bill of promising something which already exists and to the strength of which no supplementary law we can enact will add anything?

Again our friends say that is not our only promise. We declare expressly that it is—

> the policy of the United States to continue the use of both gold and silver as standard money, and to coin both gold and silver into money of equal intrinsic and exchangeable value, such equality to be secured through international agreement or by such safeguards of legislation as will insure the maintenance of the parity in value of the coins of the two metals and the equal power of every dollar at all times in the markets, and in the payment of debts.

You say this is the promise of our last national platform. I admit it; but I ask by whom, by what body was that platform promise to be redeemed, and how? Your only answer must be by Congress and by Congressional legislation, and not by mere Congressional promises. Think of the absurdity, the ridiculousness of the pretense of redeeming a platform promise by a Congressional repetition of such promise! Is this the redemption the voters in November last expected and voted for?

We can make no legislative promises binding any subsequent Congress. If such promises bind at all, they can only bind us, this Fifty-third Congress.

Why, then, shall we make this promise without any effort whatever to redeem it? Why not strike out the promise and do now what we promise? When shall we have more time? When shall we understand the situation, the monetary conditions, any better? Think of the abundant leisure we shall have from now on until the close of this Fifty-third Congress, on the 4th of March, 1895. Here we are, robust, healthy, capable of the vastest physical endurance—sixty hours if you want. Why should we not do it now?

How, in what manner, by what legislative process or otherwise, do you propose to redeem this promise? If by Congressional action, then why not make it a part and parcel of this measure? No, Mr. President, there will never be such a glorious opportunity for the Congress of the United States to establish its financial system as it has to-day. We know more than we have ever known before; we have more leisure than we ever had before; we are all in a better humor than we have ever been before; we are all more patriotic and less partisan, because we behold a majority of the Republican party in the front ranks of the Administration, leading the Democratic Administration to victory! [Laughter.] It is a glorious spectacle, and what a splendid time for nonpartisan and patriotic legislation, with our Republican friends coming over and helping us, and all bimetallists! There is not a Senator here who does not declare himself a bimetallist except my distinguished friend from New Jersey [Mr. MCPHERSON], who, I believe, is the only one who has not planted himself squarely upon bimetallism. Why can we not get together? Why can we not, as sensible men, enact a financial system for this great country?

But some Senators who favor this bill say that we as a nation can only maintain bimetallism with a perfect equality of gold and silver, with unlimited coinage and full legal tender, by international agreement with the leading commercial nations of Europe. I ask, why not? Senators will doubtless reply because the value of silver has so largely depreciated that we as a nation, independently of other leading nations, can not open our mints for the free and unlimited coinage of the silver dollar of 412½ grains and maintain it at a parity with gold; that that quantity of silver is only worth in the markets of the world from 54 to 65 cents on the dollar.

In response to this statement I beg the indulgence of the Senate to present in detail the reasons why, in my judgment, an international agreement with European nations is absolutely impossible now, and the causes which have produced the depreciation of silver as a metal.

[At this point the honorable Senator yielded for a motion to proceed to the consideration of executive business.]

Tuesday, October 10, 1893.

Mr. COCKRELL. Mr. President, in my rejoinder to the reply of our opponents that we can not independently of other nations open our mints for the free and unlimited coinage of silver, I beg the indulgence of the Senate to present in detail the reasons why, in my judgment, any international bimetallic agreement with European nations is impossible now, and the causes which have produced the depreciation of silver as a metal.

I assert these propositions: That the United States by the misrepresentations and unfounded statements of our citizen and official representatives have caused the discriminating legislation of European nations and our own nation in favor of gold and against silver, and that this discriminating legislation alone has caused the depreciation of silver measured by or relatively to gold; and that our own conduct, the actions of our representatives, have made such international bimetallism impossible now. International agreement upon the relative value or ratio of the coinage of nations and the unity of coins has been the dream of doctrinaire statesmen for years past.

Under a joint resolution of Congress of February 26, 1857, the Secretary of the Treasury, Howell Cobb, appointed Prof. J. H. Alexander, of Baltimore, a commissioner to confer with the functionaries of Great Britain relative to some plan "of so mutually arranging, on the decimal basis, the coinage of the two countries as that the respective units shall hereafter be easily and exactly commensurable."

Prof. Alexander visited England in 1857 and 1858 and made known his mission. He was referred by the lords of the treasury to the master of the mint, and was finally informed by Malsbury, of the foreign office, that Her Majesty's Government was not prepared to invite a conference on a project requiring parliamentary action and not considered by the public nor discussed in Parliament, but would confer and consider with him on any proposal which he might be instructed to make. Prof. Alexander, in his report, says:

> This conclusion expressed with a caution that is, I believe, habitual with the Government of Great Britain in contemplation of any change in existing institutions or establishments there, is in reality all that could be arrived at under the conditions of my instructions.

Nothing was accomplished.

What were the causes leading to and influencing the discriminating legislation in favor of gold against silver? It is astonishing to me that among all the writers upon the financial troubles beginning after 1865, no one of them has undertaken to show the moving causes which induced so many nations in Europe to change from the single silver to the single gold standard and to abandon bimetallism. There was some cause for these things. This no one can doubt. Why have these economic writers not gone to the foundation and ascertained what caused Germany to change from a single silver standard to a single gold standard? She had, under the excitement of an overflow of gold in 1857, changed to a single silver standard to avoid an overflow of money. In 1871–'73 she changed to a single gold standard. Other nations did the same. What were the motives which led them to enact this discriminating legislation? I say it is remarkably strange that no economic or financial writer has ever attempted to trace these causes.

Take the monetary status of 1860. Great Britain, Portugal, and Turkey were the only three European nations having a single gold standard. Great Britain had maintained the double standard at the ratio of 15.2 to 1 from 1717 to 1797, when specie payments were suspended and continued up to 1821, and on June 22, 1816, during this specie suspension, adopted the single gold standard, which was the first discrimination by law of any important commercial nation against silver, and in her markets the price for silver, a mere commodity, has ever since been regulated by the value of her single-standard legal-tender gold coins.

The cause prompting England in establishing her single gold standard is manifest. Specie payments were suspended, and she had a great mass of worn, clipped, and mutilated coin, current and legal tender, and yet varying greatly in metal value and weight, and was looking forward to the early resumption of

specie payments, and was a great creditor nation, having vast commercial transactions with the civilized countries, and was practically the money center of the world, with the nations paying tribute to her and interest in money on loans, and desired to unify her coinage in the interest of her creditor-ruling classes and increase the purchasing power of the dollar, its value, and hence adopted the single gold standard, and yet retained a subsidiary silver coinage with legal tender for 40 shillings for the transaction of the vast amount of business among her masses, and established the grand central market in London for the sale and disposition of the entire silver products of the world, as a mere metal or commodity, to be there measured by her own gold legal-tender coins.

In 1860 all Asia used silver as the standard money. Austria-Hungary, The Netherlands, Sweden, Norway, Denmark, Spain, and Russia had the single silver standard. France, Belgium, Switzerland, and Italy had the double standard with free coinage and full legal tender at the ratio of 15.5 to 1. Germany had the single silver standard at the ratio of 15.5 to 1, adopted on January 24, 1857.

Such was the condition of coinage in 1860.

Now, let us trace our own action; let us see what influence we, through our Representatives, one of whom, the senior Senator from Ohio [Mr. SHERMAN], is upon this floor to-day—have had in bringing about the present condition. In 1862, the Commissioner of the General Land Office of the United States, Hon. J. M. Edmunds, in his annual report to the Secretary of the Interior, described—

the great auriferous region of the United States * * * embracing portions of Dakota, Nebraska, Colorado, all of New Mexico, with Arizona, Utah, Nevada, California, Oregon, and Washington Territory, and other mountain ranges.

And then said—

These mountains are literally stocked with minerals, gold and silver being interspersed in profusion over this immense surface and daily brought to light by new discoveries. The precious metals are found imbedded in mountains of quartz, rich washings marking the pathway of rivers and floods. Besides their wealth in gold, no part of the world is so rich in silver mines as Nevada and New Mexico, and yet these may be estimated as only in proportion to the gold fields, which are in process of development with amazing results.

The recent discoveries in the Colorado or southern portion of California, and in the regions stretching thence away up to and north of the Salmon River in Washington Territory, are every day stimulating the mining enterprise of our people. Prior to the gold discoveries in 1848, at Sutter's race in California, the gold product of the world was only an average of eighteen millions. In 1853 the yield of California was seventy millions, about four times the aggregate gold product of the world prior to 1848, and that sum may be set down as the present average from that State alone. If we compare the known gold fields elsewhere in our domain with the yield of California, we would have, if an equal ratio of labor was applied, an annual value of between three and four hundred millions. That an adequate amount of labor to this end will be at hand when peace returns is not to be doubted.

He then suggests that an immense revenue may be readily obtained by subjecting the public mines there to lease under quarterly payments. Mark the language, because it has been misleading in Europe ever since.

An immense revenue may be readily obtained by subjecting the public mines there to lease under quarterly payments, or quarterly tax, as seigniorage upon the actual product.

And then states the amount of the public debt, and that—

A tax of some 8 per cent on the whole yield of the mines * * * would pay off the interest.

And then says:

The yield of the precious metals alone of this region will not fall below $100,000,000 the present year, and it will augment with the increase of population for centuries to come. The value of these mines is absolutely incalculable. * * * Within ten years the annual product of these mines will reach $200,000,000 in the precious metals alone.

There is a distinct statement that these mines were public mines belonging to the Government, upon which a tax could be levied, and that statement has been thrown in the face of our delegates to almost every international monetary conference we have had.

He asserts that while his estimate may be somewhat extravagant he believes "experience will demonstrate that the estimate is too low."

The Secretary of the Interior, Hon. Caleb B. Smith, in transmitting this report to the President, quoted from it and said:

The present annual production in California is estimated to average $70,000,000, and the commissioner after extensive inquiry from all available sources estimates the production of gold the present year at $100,000,000.

And then said:

If an amount of labor relatively equal to that expended in California had been applied to the gold fields already known to exist outside of that State, it is believed that the production of this year, including that of California, would have exceeded $400,000,000.

Four hundred million dollars in one year, and you ask me how did these exaggerations and misrepresentations of our officials have any weight or influence with foreign nations? I answer: In September, 1863, at Berlin, an international statistical congress was convened for the express purpose of considering the question of weights, measures, and coins, and was composed of delegates from Australia, Belgium, Denmark, France, Great Britain, Holland, Italy, Norway, Portugal, Prussia, Russia, Spain, Sweden, Switzerland, Turkey, and many other nationalities and provinces, and our Goverment was there represented by Hon. Samuel B. Ruggles, duly appointed and accredited by the President of the United States.

On September 11, 1863, Mr. Ruggles, as our representative, presented to that congress a written statement in which he quoted from the official report of the Commissioner of the General Land Office of 1862, the parts which I have just read, and then added:

From the documents and other evidences now before the international statistical congress, it must be apparent that the auriferous regions of the United States are destined sooner or later to add materially to the supply of precious metals, and thereby to affect the currency of the world, especially if taken in connection with the capacity of the auriferous regions of Russia, Australia, and British America, and the possibility of increased activity in the mines of Mexico.

He then suggested the appointment of a commission—

To collect such facts as may be gathered from authentic sources in respect to the probable future production of gold and silver, and to present them for consideration to the international statistical congress at the next or some future session.

It is easy to imagine with what alarm, apprehension, and consternation these glowing descriptions, exaggerated statements, of the rapidly approaching avalanche of gold and silver must have been received, considered, and digested by these assembled doctrinaires from the nations of the earth in their efforts to solve the question and to determine and agree upon the weight and standard for the coinage of such masses of the precious metals.

These exaggerations were continued from year to year. They were all spread before the representative men of every nation in the world, the men who were delegated by their governments to represent them in considering the question of weights, measures, and coinage. As a matter of course those reports were made back to every one of the governments represented just as a full report was made to our Government here. But I shall go on and show that these exaggerations continued from year to year.

The Secretary of the Treasury, in the finance report of December 4, 1862, in speaking of the metalliferous regions of the United States, said:

This product of gold and silver during the current year will not, probably, fall very much, if at all, short of $100,000,000, and it must long continue gradually yet rapidly to increase. If this product be subjected to a reasonable seigniorage as suggested by some, or if, as suggested by others, the mineral lands be subdivided and sold in convenient parcels with proper reservations in favor of the miners now in occupation of particular localities, a very considerable revenue may doubtless be obtained from these regions without hardship to the actual settlers or occupiers.

Here is another intimation that these are public mines.

The Director of the Mint, in his report of October 27, 1862, to the Secretary of the Treasury, described in glowing colors the gold and silver yield of our country, and said:

Adding together all these sources of supply of both gold and silver, we may safely estimate an annual yield in these times of $175,000,000, or seven times the amount produced annually for some years prior to the year 1815.

The Director of the Mint, in his report of November 23, 1864, quotes from the report of the Commissioner of the General Land Office of 1862, and then goes on to describe the probable yield of the precious metals in this country, and says:

I anticipate a production of gold and silver for the year 1866 of $200,000,000.

He also estimated the yield of 1865 at $120,000,000, and then said:

In submitting the above estimates of the annual production of gold and silver I concur with the Commissioner of the General Land Office, who computed the yield of the precious metals in 1862 at $100,000,000, although I am not unaware that the computation of the San Francisco press greatly reduces the aggregate.

The Director of the Mint, in his report of September 29, 1865, said:

The reports from the gold and silver mining portions of the United States are of the most encouraging character. The developments of the past year prove the supply of these minerals to be inexhaustible. * * * It is not easy to obtain any other reliable statistics than those officially appended to the report of the Director of the Mint, but these do not assume to give the amount of the entire production of the precious metals. The shipments to other countries must be large.

For example, we are vaguely assured that the silver mines of Nevada average a shipment of one ton daily, which would equal $12,000,000 annually. * * * We have had frequent opportunities for conversation with persons who travel or reside in the various mining regions of the United States and of contiguous provinces, and it is interesting to hear their accounts of the vast development of wealth and prospects of profitable industry. We also have an interesting statement, and one particularly so at this juncture of our national affairs, from a proprietor in the gold region of North Carolina, that "the system of paid labor is likely to show its just and natural effects in the increased return of gold."

In order to ascertain with accuracy our productions of gold and silver, Congress, in the sundry civil appropriation law of July 28, 1866, appropriated $10,000 to enable the Secretary of the Treasury to collect reliable statistical information concerning the gold and silver mines of the Western States and Territories. Mr. J. Ross Browne was appointed the special commis-

sioner for the collection of the mining statistics, and on November 24, 1866, submitted his preliminary report, accompanied by many statistical and special reports, and said:

Assuming the estimate of the product of bullion as above given to be approximately correct, it will be seen that the States and Territories on the Pacific Slope produce annually upwards of $100,000,000 of the precious metals, a quantity more than four times as great as the total product of the world less than thirty years ago. The improved processes for the extraction of these metals from their ores made within the past two years and the constantly increasing area over which gold and silver mines are being developed furnish strong guaranties that there will be no abatement of the product for years to come * * * The approximate estimate already given of the gold and silver product of the Western States and Territories for 1866 shows a total of $106,000,000, or nearly double the combined bullion of the Government and all the banks of the country.

Much consideration is given to the celebrated Comstock lode, and Mr. Browne quotes from a report made by Baron Richtofen in 1866 on the Comstock lode, its character, and the probable mode of its continuance and depth, in which he said:

In winding up these considerations we come to the positive conclusion that the amount of nearly $50,000,000 which have been extracted from the Comstock lode is but a small proportion of the silver awaiting future extraction in the virgin portions of the vein from the lowest level explored down to indefinite depth; but that, from analogy with other argentiferous veins as well as from facts observed on the Comstock lode, the diffusion of silver through extensive deposits of middle and low-grade ores is far more probable than its accumulation in bodies of rich ore.

On March 5, 1868, Mr. Brown submitted a full and final report under said appropriation, in which he said:

No uneasiness need be felt as to a decrease in the source of supply. After many years of travel through the mining regions I feel justified in asserting th t our mineral resources are practically without limit. Explorations made by competent parties during the past year in many parts of the mineral region hitherto unknown demonstrate that the area of mineral deposit is much larger than was ever before supposed.

And then, referring to the probable production in Mexico, said:

The production should rise to $60,000,000 or $100,000,000 a year, and those companies which could get possession of the best mines should make princely fortunes for all their shareholders.

And then, speaking of the yield throughout the world, said:

A great increase in the production of gold and silver is probable. In California, Australia, and Siberia gold-mining is now conducted under many disadvantages.

And, in speaking of the results of the mining, discussed how individuals are enriched by mining and how nations are enriched by mining and how the precious metals fall in value, saying:

A third effect of the production of the precious metals in large quantities is that the prices of other articles generally are affected. We want gold and silver for coin and for use in the arts, and the smaller the supply relative to the demand, the higher the value.

And then says:

But whatever may be the relative position of the two metals, it is certain that the time is not far distant when the price of the two as compared with other products of human labor must fall. They are now increasing far more rapidly than is the demand for them, and at the present rate of increase they would soon have to begin to fall perceptibly. But the production will become much greater than it is. The vast improvements that have been made both in gold and silver mining in the last twenty years are applied to only a few mines, and the reward for those who introduce them into other parts of the world is so large and so certain that the introduction can not be delayed to any remote period. If all the argentiferous lodes of Mexico, Peru, and Bolivia known to be rich were worked with the machinery used at Washoe their yield would really flood the world. * * * The inevitable fal. in the value of precious metals will be of benefit to mankind generally. It will reduce the wealth of the rich and the debts of nations. Those national debts now existing will be reduced 20 or 30 per cent, the interest as well as the principal.

All these statements have been published abroad throughout Europe and are as familiar to the citizens and financiers there as here—in fact, are far more generally known there than here.

While we were thus appalling the nations of Europe and their learned doctrinaires with these fairy tales of the inexhaustible and incalculable production of gold and silver—an overwhelming flood—our officials were not idle in demanding and pleading for the single gold standard and the demonetization of the standard silver dollar, the utter destruction of our Democratic constitutional bimetallic system maintained from the foundation of our Government.

I will throw a little light now upon the demonetization act of 1873, as to how it came to be passed.

The Director of our Mint, in his report of October 10, 1861, said:

The gold dollar of the United States, conforming in standard value and decimal character to all the gold and silver coinage of the country except the silver dollar, has been properly selected and should be retained for the standard of value for all coins used or employed in commercial or governmental transactions with other nations.

The silver dollar of the United States, differing as it does in commercial or decimal value from the other silver coins in our country, can not, without disturbing our decimal system and producing confusion in the relative value of our gold and silver coinage, be used as a standard. * * * As the dollar, which is the unit of our money, is represented in gold coin, it would seem desirable not to have any other dollar in any other metal; but, if this is inadmissible and the silver dollar should be retained, then it should be reduced to eight-tenths of an ounce to be in true relation to our other silver coins. * * * The reason for its retention having ceased, either we should cease to coin the silver dollar or it should be made to conform in weight and value to our lesser silver coins.

The Secretary of the Treasury, in his finance report for 1862, says:

In his last report, the Secretary took occasion to invite the attention of Congress to the importance of uniform weights, measures, and coins, and the worth of the decimal system in the commerce of the world. He now ventures to suggest that the present demonetization of gold may well be availed of for the purpose of taking one considerable step toward these great ends. If the half eagle of the Union be made of equal weight and fineness of the gold sovereign of Great Britain, no sensible injury could possibly arise from the change; while, on the resumption of specie payments, its great advantages would be felt in the equalization of exchange and the convenience of commerce. This act of the United States, moreover, might be followed by the adoption by Great Britain of the Federal decimal divisions of the coin, and thus a most important advance might be secured toward an international coinage, with values decimally expressed.

The Director of the Mint, in his report of October 21, 1863, says:

Permit me again to refer to the anomalous character of the silver dollar of the United States and to the remark on this subject in my report for the fiscal year ending June 30, 1861. The dollar is our unit of value, but the value of the gold and silver dollars under existing laws is not the same, and therefore we have no certain or determined standard of value. Gold, being more fixed and certain in its valuation, is not only better than silver as a standard of value in our monetary system, but better expresses the equivalent value of foreign coin in our currency, and therefore the gold dollar should be by law adopted as the unit of value of our money.

The Director of the Mint, in his report of October 3, 1864, says:

Permit me again to refer to the anomalous character of the silver dollar of the United States and to the observations on this subject in former reports. The whole dollar should be made in weight and value the exact multiple of our fractional silver currency, and the gold dollar should be by law declared to be the unit of the value of our money.

The Director of the Mint, in his report of October 25, 1867, speaking of international coinage, says:

The first claim that meets us is the fact that in some commercial countries gold is the principal medium of trade, in others silver. To maintain these at a steady relation may be given up as an impossibility. We must therefore calculate or assume that as the world grows richer one nation after another will fall into the wake of those which have taken the lead in adopting gold as the standard, using silver only for subsidiary purposes. * * *

Gold for the civilized, intelligent, aristocratic classes, and silver for the toiling millions, the masses of the people; and that, too, to be a subsidiary silver coinage, limited according to the laws of England to $10 of legal tender!

Nearly five years ago (December 31, 1862) a letter on this subject was addressed to the Treasury Department from the Mint, in which the precise ground was taken which has lately been agreed upon by the Paris conference. * * *

I will come to that directly.

If the proposed international coinage of gold should become a law of the United States the reduced weight would call for a recoinage; and this would be a proper moment to introduce an improvement which the progress of counterfeiting loudly calls for.

In connection with these exaggerations and falsehoods let us trace their effect. What effect did they have? Here are causes, falsehoods, misrepresentations, but believed to be true, and when believed to be true having just as much effect as if true.

On the 23d day of December, 1865, France, Belgium, Italy, and Switzerland united in the monetary treaty "to regulate the weight, title, form, and circulation of their gold and silver coins," whereby they agreed to coin of gold only the pieces of 100, 50, 20, 10, and 5 francs in weight, standard, tolerance, and diameter, and of silver only the five-franc pieces of standard weight and fineness, with unlimited coinage and legal tender for such coins; and further agreed to coin in amounts as herein prescribed for each State, silver coins of 1 and 2 francs, 50 and 20 centimes, of reduced fineness and limited in legal tender to 50 francs; and that any nation could join the convention by adopting its monetary system in regard to gold and silver coins, and that the convention should remain in force until January 1, 1880.

In this convention, known generally as the Latin Union, Belgium, Italy, and Switzerland strongly favored a single gold standard, with subsidiary silver coins under 5 francs.

What induced this convention and the formation of the Latin Union?

The minister of finance, in his report in 1866 to the Emperor of France, concerning a bill relating to this monetary treaty, for it was necessary in order to carry out the provisions of the monetary treaty that act should be passed by the Corps Legislatif, says:

For ages the yield of silver has been greater in value than that of gold.

Since 1846 the proportion between the values of the quantities of the two metals annually extracted from the mines has been reversed. * * * These great quantities of gold, coming for the most part from California and Australia, have thus rendered this metal far more abundant in the issues of coin in all the countries which admitted it, either as principal money, as, for example, England, Portugal, Brazil, the city of Bremen, or as money concurrently with silver, as did France and Italy. The abundance of gold has even caused the introduction of this metal into the monetary system of countries which lately rejected it, as, for example, Switzerland, Belgium, and English India.

And states to the emperor that the silver 5-franc pieces were either exported or melted down and replaced by gold, the cheaper metal, and the object was to reduce the fineness of the silver

coins and retain them in circulation. Here we see a scare, a dread, and an excited apprehension of an avalanche of gold to the banishment of silver.

The States of the Church on June 18, 1866, and Greece and Roumania in April, 1867, joined this Latin Union.

In March, 1865, the Government of France called the attention of our Government to the project of the Paris Universal Exposition of 1867, and our Government agreed to participate, and appointed Hon. N. M. Beckwith commissioner-general for the United States, who, on July 17, 1866, transmitted to Secretary of State Seward Document No. 216, containing the project of a law submitted to the Corps Législatif for a coinage as proposed by the Latin Union, and giving reasons in favor of that monetary treaty, and detailing the proceedings, wherein it was stated that "the opinion in regard to a single standard is still divided, both in the financial and scientific world."

A number of sensible men believed "that while Australian and Californian gold inundates European markets the double standard is useful in making the value of silver sustain the value of gold."

And some go so far as to say that, with the double standard in commercial and financial crises, one metal serves as a counterpoise to the other. And for the same reason they say we must not expect silver to go out of circulation, for the discovery of new mines, improved methods of working them, and the return of silver coin accumulated in the East, caused by the introduction of gold as money in those remote and unopened regions, will restore the former abundance of that metal.

Mr. Beckwith also transmitted Document No. 282, being "Report of the committee to examine a bill relative to a monetary convention passed between France, Belgium, Italy, and Switzerland." This report approved the monetary convention and submitted a bill for carrying it into effect, which was duly passed into law.

The committee discussed the question of double standard as follows:

A question of another nature arose in the committee. As the two monetary standards have long been a source of annoyance, why did we not adopt gold as the only standard, like England and many other nations, and thus settle it definitely at once? The committee was not in favor of it. We certainly can not say what the future may have in store for us, but nobody can say but what the measure may be soon adopted. It is too soon yet. Though theory and logic may be for a single standard, facts show that the double standard offers great advantages in practice.

The two help each other, and in time of crises one serves as a balance to the other. The use of both metals moreover facilitates our commercial relations with other countries by allowing our merchants a choice of the coin best suited to the stranger. Does a difference of the value between the two metals of late years give a sufficient cause for such a radical reform? If silver is preferred to-day, the preference may change by the discovery of vast silver mines or a great reflux of silver from the East by reason of the sale of our manufactures in those countries. The proposed law prudently confines itself to present necessities without pretending to look into the future.

Mr. Beckwith also transmitted a copy of the monetary convention of December 23, 1865. We now see clearly the actual scare and apprehension of a continued deluge of gold; and that the convention, the Latin Union, was formed primarily for the protection and preservation of silver as money, then so scarce compared with gold, and the maintenance of bimetallism:

ARTICLE 12. Any other nation can join the present convention by accepting its obligations and adopting the monetary system of the Union in regard to gold and silver coins.

Here is international bimetallism established by France, Italy, Belgium, Switzerland, and Greece. France alone had maintained bimetallism ever since October, 1785. Now Italy, Belgium, Switzerland, and Greece join this bimetallic league. There is no question of their ability to maintain it. But we see what caused this monetary conference. It was to keep silver in their countries and not have it entirely expelled by the overabundance of gold with which they were being flooded. To do that they reduced the quantity of silver in the minor coins and left the five-franc (the dollar) with full legal tender, unlimited and free in coinage.

At this very time, as I stated before, France was preparing for the Paris Universal Exposition, to begin in April.

In March, 1865, she had called the attention of our Government to it, and Mr. Lincoln had appointed Mr. N. M. Beckwith, commissioner-general. An advisory committee had also been appointed in New York, of which Mr. Samuel B. Ruggles—this same man who was in the Berlin statistical congress of 1863—was a member, and chairman of group 5, on mines, metallurgy, etc.

On October 9, 1866, Hon. Samuel B. Ruggles was designated by Secretary Seward to take charge of that branch of the representation at the exposition relating to uniform weights, measures, and coins.

Now, Mr. Ruggles gets himself appointed as the representative of our Government to the Paris Universal Exposition on the subject of weights, measures, and coins.

Meetings, composed of members of the scientific commission, the imperial commission, and the foreign commissioners at Paris, for consultation regarding measures for drawing public attention to the subject of uniformity in weights, measures, and coins, were held.

I want to show just exactly the connection of Mr. Ruggles, and how he, in connection with the distinguished Senator from Ohio [Mr. SHERMAN], manipulated the proceedings to be had in the international monetary conference of 1867.

I do this to show what position he was in, and how he could use that position.

On January 4, 1867, Mr. Berthemy, envoy of France to the United States, submitted to Secretary Seward a copy of the monetary convention of December 23, 1865, and invited the United States to become a party to it.

That is the only time the United States was ever offered an opportunity to become a member of an international bimetallic union. Here it is. I want the Senate to understand it, and I want the country to know why we did not accept it. Here was a bimetallic system upon the ratio of 15½ to 1 maintained by France since October 30, 1785, and all we had to do was simply to subscribe to it. There was no international complication connected with it; nothing to do but simply subscribe to it, and agree that we would coin certain coins. In order to come to that, we only had to strike out about 12½ grains of our standard silver dollar, reduce it to 400 grains, and thus bring it down to the ratio of 15½ to 1.

I want to read to the Senate from the documents before me, because I propose to show that this was an opportunity, an invitation, to the United States to join an international bimetallic union of Europe, and the distinguished Senator from Ohio and Mr. Ruggles prevented it. Never was such a chance had before, and never has there been such a chance since. Here was the standard perfected, tested for nearly a hundred years, already agreed to, with an open clause, with an open door for any nation to join in it; and that great nation, France, once our ally in our sore trouble, the nation which helped give us our independence from Great Britain, the nation which has stood by us closer than any other foreign nation, came with the friendly offering of international bimetallic coinage, the thing we have been talking about ever since 1873.

I shall read from these documents a few passages so that we may understand exactly the situation. I do not desire to do an injustice to anyone, but I think the distinguished senior Senator from Ohio has never been given credit—so called—for the very efficient part he took in bringing about a single gold standard.

I quote now from Senate Executive Document No. 14, Fortieth Congress, second session, the message of the President of the United States in answer to a resolution of the Senate transmitting a report from the Secretary of State concerning the international monetary conference held at Paris in June, 1867. This is the letter of Mr. Berthemy, representing France, to Mr. Seward:

SIR: I have the honor to transmit herewith to your excellency a copy of the text of the monetary convention, concluded December 23, 1865, between France, Belgium, Italy, and Switzerland.

As you will see, Mr. Secretary of State, this act went into force the 1st of August last, reconstituted, under the guaranty of an international contract, a monetary union which had existed in fact between these four states, but which diverse measures, adopted without preliminary understanding, had broken up during late years. These measures, adopted successively in Switzerland, in Italy, and in France, had a sole object, that of putting an end to the abnormal disappearance of fractional silver money, or standard change money, indispensable for payments of trifling amounts. To the same evil they opposed the same remedy, the lowering of the standard, but according to different rules and proportions. The Swiss pieces, for instance, coined at the standard of eight hundred thousandths fine, while those of France and of Italy were at the standard of eight hundred and thirty-five, had to be refused in the public treasuries of the Empire as well as in those of the Kingdom of Italy.

The inconvenience of this state of things was not long in becoming apparent, and causing, perhaps more keenly than in past time, the appreciation by the populations of the four bordering states, of the advantages of the monetary communion by which they had been formerly benefited. For the purpose of satisfying the just claims and pressing interests of trade the government of the Emperor last year proposed to Belgium, to Italy, and to Switzerland, to intrust to a mixed international commission the care of reestablishing the ancient uniformity by taking account of facts accomplished, and of the new conditions of the monetary circulation of Europe. Commissioners appointed by these different states assembled at Paris under the presidency of M. de Parieu, vice-president of the council of state, and, in stating the causes for the convention of the 23d December last, they have fully met the immediate end which was assigned for their labors, according to the expression used by the minister of finance of Belgium, on submitting to the Belgium Chamber the project of law intended to sanction the convention: "This act contains in effect, within itself, saving the unity of stamp, a monetary system, complete for moneys (coin), properly so called, to the exclusion of *billon* (base coin)."

At this time the gold and silver coinage of these four States is conducted under conditions that are identical. In what relates especially to fractional silver of the piece of five francs for real change of standard money, which alone can meet the demand for small transactions, the standard of eight hundred and thirty-five thousandths has been definitely adopted. This is the figure which, already adopted in France and in Italy, has seemed best to satisfy the conditions of the problem which was in discussion for a solution—that is to say, to give to fractional metallic coins of the Union the

highest intrinsic value and the qualities of a good alloy, at the same time doing away with the premium they had reached from the relative depreciation of gold, which allowed speculation to melt them up and export them at a profit.

Express provisions limit, moreover, the emission of this legal small change, and serve also as the corrective of the lowering of the standard value. Precise rules reduce to the smallest possible figures the allowances for cost of fabrication, so as to maintain the money of the Union in a constant normal condition. In fine, you will remark, Mr. Secretary of State, a clause which is detached from the rest of the stipulations, exclusively destined to determine the monetary regulations of the four countries. I desire to say something of the accession which article 12 guarantees to any other State. This clause may be considered as the manifestation of a wish that sprung up in the proceedings of the international conference, and has not been without influence on the happy issue of the negotiations. After having brought about the disappearance of divergencies of which they recognized the inconveniences, the delegates of France, of Belgium, of Italy, and of Switzerland, seeing a population of 70,000,000 of souls thenceforth endowed with the same monetary system, must quite naturally have been led to fix attention on an interest more general. Without entering on the examination of a question which it was not their mission to solve, they expressed in the name of their governments the desire—

The desire—

to see the Union, as yet restricted to four countries, become the germ of a union more extended, and of the establishment of a general monetary circulation among all civilized states.

Mr. President, here it was; and here we are urged to become a party to it, which we could have done without sacrificing one particle of honor, one particle of convenience, or the sustaining of one nickel or a penny of cost.

I read further:

The Government of the Emperor would be very happy to see this proposition well received, but, at the same time can not dissemble the difficulties and objections it might encounter.

* * * * * * *

If for the moment objections too weighty prevent the Federal Government—

Pleading with us now—

If for the moment objections too weighty prevent the Federal Government from adhesion to the convention of 23d December, the Government of the Emperor would not the less attach special value to being informed of these obstacles, and to learn what observations may have been drawn forth by the examination of that international act.

* * * * * * *

Thus also, in case the Federal Government, without wishing to accede to the union actually constituted, should be disposed, either to enter into arrangements destined to establish equations between some of its monetary types of gold or silver, and those which the convention may determine, or to take part in an international conference at which might be discussed the means of arriving at a more extended monetary understanding, the Government of the Emperor will entertain with readiness the overtures which might be addressed to it in this view.

Now, Mr. President, we see the offer. We see the pleading of this great nation. Now let us trace the progress of it.

Mr. Seward, February 13, 1867, says:

Having consulted the Secretary of the Treasury upon the subject, I have the honor to state in reply to your note that this Government, both in its legislative and executive departments, has repeatedly manifested its interest in the question of international unification of monetary standards; that the importance of a standard unit of equal value in all commercial countries for the uses of account and currency is fully recognized and appreciated; and that the ideal object presented in your communication being acceptable, it only remains to be decided how the desired result may be brought about.

It is to be hoped that neither the quadripartite convention nor the proceedings already adopted by the four governments under its provisions, will be held to preclude any of those governments from entertaining considerations in favor of its modification which may be offered by other governments in the interests of a system universally acceptable.

Mr. Berthemy replied May 27, 1867, to Mr. Seward's letter, and after stating the preliminaries, says:

In consequence, a formal proposition has been transmitted through the diplomatic medium to divers governments in order that they might cause themselves to be represented in a commission which should meet at Paris on Monday, the 17th of June next, at the hotel of the department for foreign affairs. This conference would be presided over conjointly by the minister for foreign affairs and the minister of finance.

When our replies were received the French Government determined then to hold an international monetary conference so that we could have a full opportunity of discussing this question and entering into it. I will read further from what Mr. Berthemy said. I have just read from page 5 giving the notice to our Government that the monetary conference had been called. I now read from page 6:

There is no need to add that the commissioners will assemble without any programme arranged in anticipation—

Now, mark you; this is very important—

There is no need to add that the commissioners will assemble without any programme arranged in anticipation. They will thus be able to look more freely for a solution of the difficulties which would oppose an assimilation between the systems actually in operation. This mode of proceeding, which has already received so happy application at the conferences of 1865, appears at this time of greater utility, inasmuch as different countries, while appreciating the importance of the object to be attained, would have the means of recurring to divergent opinions. The conference proposed has not otherwise any immediate object than to call out an interchange of views and discussion of principles; in a word, to seek for the basis of ulterior negotiations.

That conference was to meet on June 17, 1867, and Mr. Seward appointed Mr. Ruggles as the representative of the United States to that international monetary conference. But before the monetary conference met Mr. Ruggles, who was already the commissioner of the United States to the Universal Exposition on the subject of weights, measures, and coinage, was there getting in his work, in direct violation and disregard of what the French Government had said should be the meeting of the conference, no programme laid out, or anything of the kind. Mr. Ruggles, as a member of the preliminary international committee on the uniformity of coinage organized by the imperial commission, had been at work. For what? For the single gold standard.

Mr. ALLISON. How was that preliminary committee arranged?

Mr. COCKRELL. The preliminary committee was arranged by the commissioners of the different nations to the Universal Exposition. The several representatives got together and formed a preliminary committee, and this preliminary committee had gotten together and determined in their wisdom to anticipate the action of the convention and have a cut-and-dried platform for the convention to act upon when it met. It was just like when a political meeting is to be held a few gentlemen get together and draw up the resolutions that must be adopted.

Now, somebody else was aiding Mr. Ruggles in this important work of representing the United States. He had in that important work the potential influence of the distinguished senior Senator from Ohio, Hon. JOHN SHERMAN, then chairman of the Finance Committee of the Senate. Now, mark you, we were invited to join the Latin Union for bimetallism. What were our representatives there doing? Invited to a feast to partake of bimetallism, and our representatives go there with a dish of their own and say, "Not one of the dishes you have invited us to partake of will we partake of. No, no. We must have our own diet." I want to read the letter of Senator SHERMAN. Remember this monetary conference was to meet on the 17th of June. On the 17th of May, just a month before it was to meet, Hon. Samuel B. Ruggles addresses a letter to Senator SHERMAN in which he invites him to give some expression of his views, etc., and Senator SHERMAN replies as follows:

HOTEL JARDIN DES TUILERIES, *May 18, 1867.*

MY DEAR SIR: Your note of yesterday, inquiring whether Congress would probably, in future coinage, make our gold dollar conform in value to the gold 5-franc piece, has been received.

There has been so little discussion in Congress upon the subject that I can not base my opinion upon anything said or done there.

The subject has, however, excited the attention of several important commercial bodies in the United States, and the time is now so favorable that I feel quite sure that Congress will adopt any practical measure that will secure to the commercial world a uniform standard of value and exchange.

The only question will be, how this can be accomplished?

The treaty of December 23, 1865, between France, Italy, Belgium, and Switzerland, and the probable acquiescence in that treaty by Prussia, has laid the foundation for such a standard. If Great Britain will reduce the value of her sovereign 2 pence and the United States will reduce the value of her dollar something over 3 cents; we then have a coinage in the franc, dollar, and sovereign, easily computed, and which will readily pass in all countries, the dollar as 5 francs and the sovereign as 25 francs.

This will put an end to the loss and intricacies of exchange and discount. As the gold 5-franc piece is now in use by over 60,000,000 of people of several different nationalities, and is of convenient form and size, it may well be adopted by other nations as the common standard of value, leaving to each nation to regulate the divisions of this unit in silver coin or tokens.

If this be done France will surely abandon the impossible effort of making two standards of value. Gold coins will answer all the purposes of European commerce. A common gold standard will regulate silver coinage, of which the United States will furnish the greater part, especially for the Chinese trade.

I have thought a good deal of how the object you propose may be most readily accomplished.

Now, here is the gist of it:

It is clear that the United States can not become a party to the treaty referred to—

That is the language. This is the reason given—

They could not agree upon the silver standard; nor could we limit the amount of our coinage as proposed by the treaty. The United States is so large in extent, is so sparsely populated, and the price of labor is so much higher than in Europe, that we require more currency per capita. We now produce the larger part of the gold and silver of the world, and can not limit our coinage, except by the wants of our people and the demands of commerce.

Here the Senator writes a letter one month before this monetary conference is to be held to one of the delegates to that conference, who is also representing and manipulating another intermediate or preliminary committee.

It is clear that the United States can not become a party to the treaty referred to. They could not agree upon the silver standard.

That is, they would not agree upon the bimetallic standard of the Latin Union. They must have the silver part of the bimetallism stricken out.

You may ask how did that letter have any influence? Was it published? Did it fall into the hands of anybody? In order to show exactly how Mr. Ruggles manipulated and used the influence of Senator SHERMAN, I quote from page 7.

Mr. Ruggles to Mr. Seward, May 30, 1867.

Remember, Mr. Ruggles had gotten Senator SHERMAN'S let-

ter on May 18. He refers to Mr. Berthemy transmitting to our Government the Latin Union conference, and says:

To that treaty the United States are now invited to become a party, in the communication from M. Berthemy, minister of France at Washington, to the Secretary of State of the United States, a copy of which, forwarded from Washington by the Department of State, reached the undersigned on the 29th of May, instant.

He then goes on and states that he had suggested to M. de Parieu the necessity of a modification in the common unit of gold coin, and then that he had been introduced to the French Emperor; and I read now from page 8 what he says:

Upon that occasion the Emperor, after expressing very cordially his gratification that the United States of America had shown their willingness to aid in unifying the coin of the world, proceeded in a straightforward, business way to ask, "What do you wish France to do in aid of the work?" To that interrogatory it was answered, first, that much could be done by distinctly recognizing in the official documents and discourses of the Government the international unification of coin, as a result of cardinal importance to be attained at the Universal Exposition.

Then he goes on and says:

It was further urged that the United States of America, politically, commercially, and geographically had a peculiar interest in the subject, etc.

* * * * * * *

In answer, the Emperor asked, in a kindly tone—

No doubt, as Mr. Ruggles had proposed nothing and asked for nothing, but told about the desire of our country and its greatness and grandeur—

Can France do anything more in aid of the work?

A very pertinent question.

To which it was replied, France can coin a piece of gold of 25 francs, to circulate side by side on terms of absolute equality with the half eagle of the United States and the sovereign, or pound sterling, of Great Britain, when reduced, as they readily might be, precisely to the value of 25 francs. The Emperor then asked, "Will not a French coin of 25 francs impair the symmetry of the French decimal system?" To which it was answered, "No more than it is affected, if at all, by the existing gold coin of 5 francs;" that it was only the silver coins of France which were of even metric weight, while every one of its gold coins, without exception, represented unequal fractions of the meter.

It was then stated to the Emperor that an eminent American statesman, Mr. SHERMAN, Senator from Ohio, chairman of the Finance Committee of the Senate of the United States, and recently in Paris, had written an important and interesting letter, expressing his opinion that the gold dollar of the United States ought to be and readily might be reduced by Congress, in weight and value, to correspond with the gold 5-franc piece of France; that the letter was now before—

Before—

the international committee having the question of uniform coin under special examination, to which letter, as being one of the best interpretations of the views of the American people, the attention of the public authorities of France was respectfully invited. The Emperor then closed the audience by repeating the assurances of his gratification that the important international measure in question was likely to receive active support from the United States.

The letter of Mr. SHERMAN, above referred to, dated the 18th of May, 1867, originally written in English, was presented in a French translation a few days afterwards to the international committee in full session, where it was received with unusual interest and ordered by the committee to be printed in both languages. A copy is herewith transmitted for the information of the Department of State.

Now, I read from page 13, the letter of Mr. Ruggles to Mr. Seward of July 18, 1867. He says:

The undersigned is gratified to learn, by the communication from the Department of State of the 21st of June last, that the steps thus taken for securing the uniformity of money are approved by his Government; that he "is warranted in encouraging the expectation that the United States may give its adhesion to a conventional arrangement which may be susceptible of termination within a period to be specified in such arrangements," and that "the views so ably set forth" in the letter of Mr. SHERMAN "will be so far approved by the public sentiment, the Congress, and the Executive of the United States as to secure a concurrence of the Government in any reasonable plan for producing the desired reform."

Now, you must remember that this is the preliminary conference before which he laid this letter. What does he say?

The subject of a uniform coin did not actually come into discussion, either in the international committee or the subcommission on coins, until early in the month of May.

Now—

On the 17th of May the undersigned presented to the international committee the letter of Senator SHERMAN in a French translation, which was received with lively interest, and forthwith ordered, with the approbation of the imperial commission, to be published both in French and English. It is but due to the history of the unification of money to state that the earnest and active agitation of the subject in a practical form on the part of the United States exerted its full share of influence in leading the Government of France to adopt the decisive measure of inviting in diplomatic form an authoritative "conference" of delegates, duly accredited, from all the nations of the European and American world practically accessible to meet at Paris on the 17th of June, not merely for an exchange of views or a discussion of general principles, but "practically to seek for the basis of ulterior negotiation" between the nations.

The importance of this step had become evident at an early day to the French authorities, and especially to Monsieur Esquirou de Parieu, first vice-president of the "conseil d'etat," preëminently distinguished by his long and well-directed labors in the cause of monetary unification, adorned by his learned and eloquent writings, replete alike with accurate knowledge and classic taste. He was one of the delegates on the part of France who successfully negotiated the quadripartite monetary treaty of the 23d of December, 1865, between France, Belgium, Switzerland, and Italy, the beneficent effects of which enlightened measure are now illuminating continental western Europe from the German Ocean to the Mediterranean, carrying, in his own graphic language, "a common coin of equal value from Antwerp, across the mountains of the Oberland, to the classic coast of Brundusium."

As early as the 21st of April last the undersigned had argued and urged upon M. de Parieu the importance which would be attached by the United States of America to the coinage by France of the gold piece of 25 francs, and the consequent necessity of modifying that portion of the quadripartite treaty which would prevent the issue of a coin of that denomination.

[At this point the honorable Senator yielded to Mr. ALLEN.]

Mr. COCKRELL. I was reading from the letter of Mr. Ruggles, transmitting these reports and commenting upon it, which gives the insight into the *modus operandi* by which the preliminary programme for the monetary conference of 1867 was cut and dried and presented to it, and the influence and power that the distinguished Senator from Ohio exerted. I am going to state what occurred. He tells what he did himself. He says on page 16:

On this occasion the very important question of abolishing the double standard of money, retaining only gold, was elaborately discussed, and with singular ability and ingenuity by distinguished French economists holding opposite opinions. On putting the question to the vote of the numerous and intelligent audience, the single standard of gold was adopted by a large majority. The question of the gold unit then coming up, the English delegates—

Now, mark you—

the English delegates earnestly opposed the proposition of the international committee adopting as the unit the gold 5 francs, and urged the substitution of 10 francs in its stead, expressing their belief that the Government of Great Britain would consent to issue for the purpose a gold coin of that amount to be denominated a "ducat." This substitution was opposed by the undersigned in behalf of the United States, on the ground that their half eagle when reduced to 25 francs, would be an even multiple of the 5-franc unit but not of the 10; that he dollar, whenever made precisely equivalent and equiponderant to the 5 francs, would be practically if not nominally the monetary unit, and the actual denomination in which money contracts embracing different countries or distant quarters of the globe would or might be payable; that the more important and higher issue soon would be, not between the 5 francs and the 10 francs as the unit, but between the dollar, decimally and easily divided, and the sovereign (or pound sterling), not decimally but most inconveniently divided in shillings, pence, and farthings, but which, by that very peculiarity had hitherto maintained an undue predominance in the money payments of the world. The debate was closed by the Prince president submitting the question to the vote of the meeting, which resulted nearly unanimously in favor of the unit of 5 francs.

It is proper to add that the Government of Great Britain was not represented as such at this reunion, nor in any discussion at any previous meeting of the international committee, but duly appeared by accredited delegates at the international monetary conference.

Thus before the international monetary conference had met this preliminary committee, an international committee, had cut and dried the whole programme of a single gold standard. Mr. Ruggles goes on and says:

The advocates of a uniform coin cherished the belief that the Government of the United States is not to be discouraged or discomposed by the temporary delay or hesitation of any government in Europe to participate in the widespread work of monetary unification, destined sooner or later to become the crowning civic achievement of modern times.

In the earlier agitation of this subject at the International Statistical Congress at Berlin in 1863, the delegate from the United States found a large and influential delegation from Great Britain zealously engaged in the great endeavor to unify the money of the world. In the present effort of the assembled nations "not for a day, but for all times," the clear good sense and sterling liberality of the English people will not allow their Government to lag or linger much benind. The fire but recently kindled is rapidly diffusing its light throughout the world.

The farsighted negotiators of the quadripartite monetary treaty of 1865, though seriously embarrassed by the fallacy of a double standard, now generally discarded, succeeded in establishing a uniform system not only of gold, but of silver, over a large and populous portion of Europe, since increased by the adhesion of the pontifical states and of Greece; thus including by a singular felicity in this newly enlightened region of the globe the two great seats of ancient civilization.

Now, I wish to read from what one of the English delegates said in that monetary conference, a gentleman who has figured in almost every other conference since then, Mr. Rivers Wilson. I read from page 55:

The English Government was obliged to accept the cordial invitation from the Government of the Emperor to participate in this conference, because a refusal would have shown a want of courtesy, and would have made it liable to accusations of prejudices upon this very important question.

Indeed the English nation is in a position much more independent upon this question than most continental nations.

So long as public opinion has not decided in favor of a change of the present system, which offers no serious inconveniences either in wholesale or retail trade, and until it shall be incontestibly demonstrated that the new system offers advantages sufficiently commanding to justify the abandonment of that which is approved by experience and rooted in the habits of the people, the English Government could not believe it to be its duty to take the initiative in assimilating its coinage with those of the countries of the Continent. But the English Government will be always ready to aid and attempt to enlighten and guide public opinion in the appreciation of the question, and facilitate the discussion of the means by which such an assimilation so advantageous in theory may be effected.

Thus, while consenting, then, to be represented in this conference, the English Government has found it necessary to place the most careful restrictions upon its delegates; their part is simply to listen to the different arguments, to study the situation as developed in discussion, and to report to their Government.

The attitude of Germany was that at that time she was considering herself a political programme which might include her local monetary question, and therefore she would not be bound by anything that was done.

Baron de Hock submitted report No. 4 on the unification of coinage, and the recommendation was the adoption of the series of gold coins now in use in France, adopted by a large part of

the population of Europe, and recommending this as the basis of the uniform system sought.

It is extremely desirable that the system of two different monetary standards should be discontinued wherever it still exists.

That the gold standard should be adopted.

I read the remarks of Mr. Meinecke, of Prussia, on page 34 of this report. The German Empire had not then been formed, and Prussia was represented by Mr. Meinecke. He said:

He did not pretend to ask the sympathies of the conference in favor of the Prussian monetary system, for he thinks that the standard of gold in the countries which have adopted it can not be replaced by the standard of silver in force in Prussia only. Prussia, then, must renounce its standard if she wished to rally under a general monetary union. However, Prussia is content with a silver standard; the monetary circulation of which it is the basis is excellent, and there is no urgent reason for introducing there a change so considerable as that which would result from the change of this standard. On the other hand, the difficulty of adopting the gold standard is much greater for Prussia than for any other country. Nevertheless without having the thought of modifying at this time its monetary system, the Prussian Government would not fail to take the matter into consideration if the labors of the conference should aim at establishing a basis for a general monetary arrangement.

The international monetary conference continued in session until July 6, 1867, when it adjourned. During its discussions, on page 36—

Mr. Ruggles said it would be as impossible to abolish the expressions of the dollar in the United States as that of the sovereign in England, but that both might be retained in reducing their intrinsic values. For the sovereign it would be a reduction of only 20 centimes; for the dollar, on the other hand, the reduction would be 3½ per cent on its value. The United States were ready to make this sacrifice in view of monetary unification; such was the opinion of the American people, and after the next winter a general reminting of coin, however considerable, might commence.

Mr. Ruggles further said, as the representative of our Government, that the double standard had never practically existed in this country, and said—now listen:

The original act of Congress, which was passed at a time when we were less enlightened than to-day, either by study or experience, sought to establish a double standard by giving to gold coin and silver coin equal legal currency in payments, whatever might be the amount of the debt.

Less enlightened than now! Jefferson and Madison, and Hamilton and Washington were ignorami on the financial question; they amount to nothing; they imagined that they could establish a double standard, but they had failed. Now, what further does he say:

And that we have sufficiently learned that the system of a double standard is not only a fallacy, but an impossibility, in assuming a fixed relation between the values of two different products, gold and silver. The value of each of these depends upon the quantity produced, and this quantity is beyond the power of legislation. A diminution of value is and ever will be the inevitable result of the increase of supply.

I want to read a little further from Mr. Ruggles. Says he on page 41:

It is true that the silver dollar is still retained as lawful money for debts of any amount, but of a total silver coinage of $136,351,512, 4,366,340 only are in dollars, while $131,985,472 consist of subdivisions of the dollar.

Almost all the divisional pieces which had been coined before the passage of the law of 1853 have disappeared, in obedience to the fundamental and inexorable law of demand and supply, which sets at naught all attempts made to fix by legislation the relative values of the two metals. The legislators and the people of the United States have sufficiently learned, if not by study, at least by experience, that the system of a double standard is not only a fallacy, but an impossibility, in assuming a fixed relation between the values of two different products, gold and silver. The value of each of these depends upon the quantity produced, and this quantity is beyond the power of legislation.

During the fifty-six years which immediately preceded the year 1850 the United State coined in gold dollars $85,588,038, and in silver $78,322,969, which represents a supply of about 1.12 of gold to $1 of silver. From 1850 to 1856 inclusive, the coinage of gold has been $759,648,453 and of silver $59,027,843, which represents about $12.50 in gold to $1 of silver.

Admonished by so great a change in the relative supply of the two metals the United States now share without reserve the conviction more and more extended through the civilized world that it is impossible to establish a double standard which must presuppose a fixed relation between the values of the two metals.

In a written argument presented to this international monetary conference on June 23, 1867, he discussed the probable yield of gold and silver in the United States, and said—I want the Senate to note this:

Its annual product, now nearly $100,000,000, may eventually reach three hundred or four hundred millions. The money of the world must be unified now or never. * * * It is moreover to be considered that the United States and Great Britain may continue to add for many successive periods of fifteen years, the gold to be produced in America and Australia, which will probably fall little short for each period of $655,352,325 for the United States and $455,235,695 for Great Britain, the amounts respectively coined during the fifteen years just elapsed. We will not dwell upon what can not be forgotten, the possibility of a still more enormous product that would result from the more extensive developments and discoveries in the vast auriferous interior of the United States, a field as yet only partially explored.

Without going too far in measuring the gigantic monetary future in reserve for the world, we will simply say that the work of unification can not begin too soon.

I could read many other extracts here.

This international monetary conference after discussing the various monetary systems, utterly ignored the monetary conference of December, 1865, the Latin Union.

No wonder, Mr. President, that this international monetary conference recommended the establishment of the single standard of gold, with silver as a subsidiary minor coin, when they were enlightened by such exaggerations as I have just read, coming from officials of our own Government professing to be statisticians and to know the facts they presented!

This international monetary convention unanimously decided against the adoption of the single silver standard, and in favor of the single gold standard exclusively, The Netherlands alone dissenting on the gold standard, and unanimously affirmed that it was "more easy to realize monetary unification by mutual coördination of existing systems, taking into account the scientific advantages of certain types and of the numbers of the populations which have already adopted them."

Now, I want to repeat to the Senate, here was an international bimetallic union composed of France, Italy, Switzerland, Belgium, Greece, and Roumania, maintaining a bimetallic standard at the ratio of 15½ to 1, and that ratio had been maintained from October, 1785, down to that date by France with slight coöperation from the other governments, notwithstanding the overflow of gold from California and Australia from 1850 to 1860. These nations had agreed upon a bimetallic system, and France, the great nation of Europe which had aided us in securing our independence, had sent us a formal and cordial invitation to come and become a member of that international bimetallic union; we sent Hon. Samuel B. Ruggles as a representative there to represent us; and the distinguished Senator from Ohio was there, not authorized by the Government, but introduced and presented as the chairman of the Committee on Finance in the United States Senate; and they discarded and rejected every overture of bimetallism presented and demanded the single gold standard and that silver should be stricken down.

We now see the germination and the budding of the monetary policy produced by the distinguished Senator from Ohio and Mr. Ruggles, which is now throughout the world aggressive and brutal. It is a single gold standard, the only money of ultimate redemption, with silver and all other money and coin and paper merely subsidiary and redeemable in gold. The only time that has ever occurred in the history of the world where an international bimetallic agreement could have been made was when France offered to us that bimetallic system, and the Senator from Ohio more than any one man is responsible for its rejection.

But now let us trace out this determination to have a single gold standard.

On January 6, 1868, Senator SHERMAN introduced S. 217, in relation to gold and silver coinage. Referred to Finance Committee.

On June 9, 1868, Senator SHERMAN, from that committee, reported the bill back to the Senate with proposed amendments, reducing the weight of the gold coins, and also of silver half dollar, quarter, and dime, and making such silver coins a legal tender for $10, and prohibiting the coinage of the standard silver dollar.

This was in 1868, and the Senator from Ohio [Mr. SHERMAN] then proposed to strike down the standard silver dollar and coin only half dollars, quarter dollars, and dimes of less intrinsic and coining value and make them a legal tender for only a small sum, comparatively.

He made a written report to accompany that bill. I have the report here before me. There was a majority and minority report, Senate Report 117, Fortieth Congress, second session, the majority report made by Senator SHERMAN and the views of the minority submitted by Senator Morgan, of New York. Now listen to the report of the majority:

The United States is the great gold-producing country of the world, now producing more than all other nations combined, and with a capacity for future production almost without limit. (See reports of Mr. Ruggles and J. Ross Browne.) Gold with us is, like cotton, a raw product. Its production here affects and regulates its value throughout the world.

The United States is a new nation, and therefore a debtor nation. By placing ourselves in harmony with the money units of creditor nations we promote the easy borrowing of money and payment of debts without the loss of recoinage or exchange, always paid by the debtor.

He then indorsed the recommendations of the Paris International Monetary Conference of 1867, and said:

The single standard of gold is an American idea, yielded reluctantly by France and other countries where silver is the chief standard of value.

All the provisions of the plan proposed are in harmony with the American system of coinage. They are either already adopted or may be without inconvenience.

France, whose standard is adopted, makes a new coin similar to our half eagle. She yields to our demand for the sole standard of gold.

Here we have conclusive proof of the indorsement of the highly exaggerated statements of the productions of the precious metals in our own country made broadcast in Europe by Mr. Ruggles in 1863 and 1867, and our other officials from 1862 to 1868, and the world is told that we demanded the single gold standard, and to secure it were ready and willing to debase and reduce the value of our gold dollar 3½ cents. Why? For the honorable, noble, and unselfish reason that our country was the

great gold-producing country, and would deluge the world with gold, and, being a creditor nation, could pay our debts more easily in such debased, reduced coinage (!)

The Latin Union coined gold pieces of 5, 10, 20, 50, and 100 francs, and silver 5 francs, ratio 15½ to 1, or about 400 grains of standard silver in each 5 francs.

Upon this bimetallism we were asked to unite with the states of the Latin Union.

We answered through Senator SHERMAN and Mr. Ruggles by proposing to reduce the gold in our dollar 3½ cents to correspond with the five-franc gold piece, and peremptorily refused to consider even recognition of silver as full legal tender, when, if we had agreed to reduce the silver in our dollar, then worth 3 cents more than the gold dollar and more when the gold was reduced 3½ cents, we would have had bimetallism at the ratio of 15½ to 1. Our bimetallist-now Senator, would not consent, and bimetallism failed and he is the responsible party.

Now, Mr. President, I want to put this matter beyond any doubt. I continue the proofs to sustain the proposition.

On April 25, 1870, the Secretary of the Treasury transmitted to Senator SHERMAN, "A bill revising the laws relative to the Mint, assay offices, and coinage of the United States," with a lengthy report of John Jay Knox, Deputy Comptroller of the Currency, explaining the bill and the reasons for it, published in Senate Miscellaneous Document No. 132, Forty-first Congress, second session.

In this report, with draft of a coinage law, Mr. Knox says:

SILVER DOLLAR—ITS DISCONTINUANCE AS A STANDARD.

The coinage of the silver dollar piece * * * is discontinued in the proposed bill. It is by law the dollar unit, and assuming the value of gold to be fifteen and one-half times that of silver, being about the mean ratio for the past six years, is worth in gold a premium of about 3 per cent (its value being $1.0312), and intrinsically more than 7 per cent premium in our other silver coins, its value thus being $1.0742. The present laws consequently authorize both a gold-dollar unit and a silver-dollar unit, differing from each other in intrinsic value. The present gold dollar is made the dollar unit in the proposed bill, and the silver-dollar piece is discontinued.

On June 25, 1870, in response to a House resolution of June 4, the Secretary of the Treasury transmitted to the Speaker a report of Mr. Knox, giving copies of a voluminous correspondence between the Department and officers of the different mints, assay offices, and other persons, touching the bill and report submitted April 25, 1870. In this correspondence some favored and others opposed the proposed discontinuance of the silver dollar.

The Government of Sweden and Norway instituted a commission known as the Swedish Commission on Coinage, and in July, 1870, our minister there submitted to this commission copies of a letter from our Secretary of State, of June 13, 1870, "on the subject of promoting a common unit and standard of international coinage."

This commission in 1870 submitted their report containing about 300 pages, and in it discussed, with great particularity as to dates, names, etc., every step then taken in regard to a universal coinage, referring to the statements and reports of Mr. Ruggles, Senator SHERMAN'S letter to Ruggles, his report and bill in 1868, to which I have just referred, and the proposal of our Government, and rejected it. But the next year they adopted it. Germany, which had adopted the single silver standard in 1857, over a scare produced by the overflow of gold from California and Australia, December 4, 1871, then flushed with her victories over France and the indemnity of $1,000,000,000 and the consolidation and unification of all her different provinces into one grand empire, desiring to unify the coinage, introduced a new coinage of gold based upon gold, the mark as the unit, and that single gold standard was perfected in 1873.

Denmark, Norway, and Sweden in pursuance of the convention of Sweden and Norway discarded their single silver and adopted a gold standard. In connection with the acts of Denmark, Sweden, Norway, and Germany, the United States the 12th of February, 1873, demonetized the standard silver dollar. These things occurring in rapid succession the nations of the Latin Union had to limit the amount of pieces to be coined by each, and another convention was held in 1875 and a limited coinage continued, and finally the mints of the Latin Union were closed to the coinage of silver. In 1876 Russia changed to a silver standard; that is, she stopped the coinage of silver on private account and only allowed it to be coined for export to China.

Now, here are these data. They show cause and effect. The exaggerated statements and misrepresentations of our own officers and representatives in regard to the production of gold, and our own determination to honor and magnify gold, establish the single standard, debase and degrade silver, caused the legal discrimination to be enacted by other nations.

How ridiculous some of these misrepresentations are I will illustrate by our monetary commission of 1876, of which the senior Senator from Nevada [Mr. JONES] was a member.

Among the witnesses whose testimony was taken and reported was Hon. Edward Atkinson, who testified in regard to the yield of silver, and said:

I should question the evidence as to the total production of silver, partly on the ground of what I saw in the centennial exhibition from Mexico.

Remember, Mr. President, that the world was to be deluged with gold and silver, with from $200,000,000 to $400,000,000 annually. These exaggerated falsehoods and misrepresentations were continued until when? Until the nations had come to a single gold standard, until gold monometallism had been established in the United States and the friends of silver began efforts for its rehabilitation. From that time on to this there has been no talk of any overflow from gold, no flooding of the world with gold, but the flooding of the world with silver. The talk has all been directed to silver.

Mr. Atkinson says in reply to the question as to what he had seen at the Centennial in Philadelphia:

A very curious mass of silver, thick in the center and thin at the edge, as if it had been cast in an earthen pan. It was afterward explained to me how it was obtained: that there were cliffs containing veins of metals, against which piles of combustible materials were placed and set on fire, and the production was collected in what might be called an earthen pan, and this was alleged to be a rough production by this process. I at once inferred in relation to silver production that statistics might be fallacious.

This is the statement of a distinguished statistician, which has been published all over the world, of mountains of silver and the silver so soft that a pile of combustible material set up against the side of it and set on fire causes it to pour down in a stream.

Mr. President, I have thus traced, in as consecutive chronological order as possible the facts and figures in regard to the fabulous, mythical exaggerations of the probable production of gold and silver in the United States, in such amounts as to literally flood, deluge the world and seriously impair the currency value of these metals, especially of gold; and in regard to the representations and efforts of Senator SHERMAN, Ruggles, and other officials and representatives of our Government, made to secure the single gold standard in this country, and their bold proposal to the nations of the world to debase and reduce our gold dollar 3½ cents in value because of the excessive production of gold and its depreciation; and then in regard to the actions and legislation of European governments changing their coinage and their discrimination in favor of gold and against silver, in order that we might correctly see the producing causes and the resulting effects.

Beyond question in my mind, the statements and actions of the representatives of our country, which I have shown, caused, forced the discriminating legislation of European nations in favor of gold and against silver, and all combined have caused the change in the ratio of gold to silver.

The actions and legislation which I have stated, abandoning the single silver standard and adopting the single gold standard, and abandoning the double standard by adopting the single gold standard, and by stopping the coinage of full legal-tender silver and continuing the unlimited coinage of gold with full tender, have necessarily and unavoidably caused an enhanced demand for gold and thrown upon the markets of the world an enhanced supply of silver, and very largely decreased the demand for silver, and have broken the connecting link forged and maintained by law for so many years previously at a fixed ratio with very slight changes, and have stricken down silver as a money metal of the world and debased it from money to a mere commodity, a mere metal, like nickel and copper, in the markets, and consequently, when measured by the full legal-tender gold metal, silver has fallen in value.

In further support of my propositions I will quote from the final report of the royal commission of Great Britain—appointed in 1886 to inquire into the recent changes in the relative values of the precious metals—made in 1888. This commission examined fully into all the facts, and in their unanimous report say:

189. Looking then to the vast changes which occurred prior to 1873 in the relative production of the two metals without any corresponding disturbance in their market value, it appears to us difficult to resist the conclusion that some influence was then at work tending to steady the price of silver and to keep the ratio which it bore to gold approximately stable.

190. There is another fact to which we have already drawn attention, pointing decidedly in the same direction. Prior to 1873 the fluctuations in the price of silver were gradual in their character and ranged within narrow limits.

192. * * * Now undoubtedly the date which forms the dividing line between an epoch of approximate affinity in the relative value of gold and silver and one of marked instability is the year when the bimetallic system which had previously been in force in the Latin Union ceased to be in full operation; and we are irresistibly led to the conclusion that the operation of that system, established as it was in countries the population and commerce of which were considerable, exerted a material influence upon the relative value of the two metals. So long as that system was in force we think that, notwithstanding the changes in the production and use of the precious metals, it kept the market price of silver approximately steady at the ratio fixed by law between them, namely, 15½ to 1.

193. Nor does it appear to us *a priori* unreasonable to suppose that the existence in the Latin Union of a bimetallic system with a ratio of 15½ to 1, fixed between the two metals should have been capable of keeping the market price of silver steady at approximately that ratio.

The view that it could only affect the market price to the extent to which there was a demand for it for currency purposes in the Latin Union, or to which it was actually taken to the mints of those countries, is, we think, fallacious.

The fact that the owner of silver could, in the last resort, take it to those mints and have it converted into coin, which would purchase commodities at the ratio of 15½ of silver to 1 of gold, would, in our opinion, be likely to affect the price of silver in the markets generally, whoever the purchaser and for whatever country it was destined. It would enable the seller to stand out for a price approximating to the legal ratio, and would tend to keep the market steady at about that point.

* * * * * * *

198. To sum up our conclusions on this part of the case, we are of opinion that the true explanation of the phenomena which we are directed to investigate is to be found in a combination of causes, and can not be attributed to any one cause alone. The action of the Latin Union in 1873 broke the link between silver and gold, which had kept the price of the former, as measured by the latter, constant at about the legal ratio; and when this link was broken the silver market was open to the influence of all the factors which go to affect the price of a commodity. These factors happen since 1873 to have operated in the direction of a fall in the gold price of that metal, and the frequent fluctuations in its value are accounted for by the fact that the market has become fully sensitive to the other influences, to which we have called attention above.

Remember, Mr. President, that these are the conclusions, after a thorough investigation, of gold-monometallist Englishmen. Suppose, now, that all this discriminating legislation had been against gold and in favor of silver, where would gold be to-day compared with silver? It would be much less valuable, measured by silver, than silver is to-day measured by gold.

Can any sane man doubt that, if we had agreed to the bimetallic system of the Latin Union in 1867, as we were invited to do, that the market value of silver throughout the world would be to-day equal to gold at the ratio of 15½ to 1, or that the European nations would not have adopted the discriminating legislation in favor of gold and against silver, which I have shown.

Certainly they would not. Can any sane man, can even the Senator from Ohio, doubt to-day that his own actions and representations, coupled with the exaggerated statements and misrepresentations of Mr. Ruggles and our own Government officials as to the enormous yield of gold from our auriferous regions and their refusal to enter the Latin Union for bimetallism, and their demand for the single gold standard—the American idea—have caused the European nations to enact the discriminating legislation against silver and the depreciation in the relative value of silver as a metal measured by gold as money, and have practically made international bimetallism now an impossibility?

In my judgment there can be no question of it. I think I have conclusively proved the propositions I asserted. But "to make assurance doubly sure" and to remove any lingering doubt in any man's mind we will trace the record further.

As soon as the discriminating legislation referred to had been secured in Europe and the United States enthroning gold, the idol, and demonetizing and degrading silver to the condition of a mere commodity, the necessary inevitable result, the depreciation of silver as a metal, a commodity measured by gold as money followed.

Then our bimetallist friends insisted upon international agreements. Oh, yes, after international agreements were made impossible, then the opponents of silver, whenever any legislative effort has been made for its rehabilitation, have interposed some project for international bimetallism. When the Bland bill of November, 1877, for the free and unlimited coinage of silver was passed by the Democratic House of Representatives and came to the Senate, the Senator from Iowa [Mr. ALLISON] insisted upon limiting the coinage and inviting the governments of Europe to an international monetary conference at Paris, to be held in August, 1878.

It was doubtless hoped by him and those who agreed with him that European governments might agree to some bimetallic system. I do not intend to cast any reflection upon the honesty and sincerity of any one who then held or who may now hold to the possibility of such a chimera or delusion. They were then, as now, mistaken in my judgment, and the very measure of limiting the coinage instead of unlimited coinage was a hindrance and an obstacle to the possibility of such a project.

Messrs. Fenton, Groesbeck, and Walker were our delegates, with Mr. Horton as secretary. The principal nations of Europe, except Germany, were represented. Germany declined to send any delegate.

At the first meeting on August 10, 1878, Dr. Broch, of Sweden and Norway, laid before the conference certain tables, from which I read, on page 11:

Mr. SHERMAN, as Senator of the United States, proposed as an international coin a piece of gold of 125½ troy grains nine-tenths fine; it will weigh 8.135868 grams, and will contain 7.322281 grams of fine gold.

It will be in fact the English sovereign recoined at the fineness of nine-tenths; it will only differ from it by one three-hundredths of an English penny.

Mr. SHERMAN proposes to accept it as $5, although, in comparison with the American eagle of $10, it is only worth $4.8065.

This showing that they had before them all the documents which we have published in regard to coinage.

At the second meeting this same Dr. Broch laid before the conference the views of the delegates of Norway, Denmark, and Sweden, that they could enter into no agreement which would be binding.

Mr. Groesbeck, as our representative, on page 20, addressing the conference, said:

Mr. Groesbeck then directed attention to an error, a prejudice, which it appeared had found its way to many minds. It was said that the United States had taken the initiative in the conference because they were a silver-producing country, and that they had as a state peculiar interest in the monetary question. This was not correct. The United States as a state had no interest in the working either of silver or of gold mines.

Now you see the effect of the falsehood stated in the report of the Commissioner of the General Land Office and the Secretary of the Interior about these public mines and the levying of a tax upon them, which would yield dividends enough at 8 per cent to pay the interest on the national debt, thus connecting the whole matter link by link. All these things were known to them.

And besides, were the United States, he asked, as great producers of silver as had been represented? Here was another error which he also desired to rectify. In the last quarter of a century the yield of gold mines in the United States had been four times as great as that of the silver mines. The yield of the gold mines had, it was true, decreased, and that of the silver mines increased in enormous proportions. But it was well that it should be understood that in the great Comstock lode, which was the most productive of all, such a depth had now been reached that the time was near when the working would have to be suspended, unless it should be extremely remunerative.

* * * * * * *

The remonetization of silver is therefore in no sense an enterprise undertaken by the United States selfishly with a view to private profit; nor is it a new undertaking. They have been in the use of the two metals from the time the Government was organized. It is no new system which they propose to establish; it is the old system, that under which they have long lived and prospered, to which they are returning. From 1792 to the day when, by a sort of inadvertence, in 1873, the silver standard was suppressed not a merchant, not a banker, not a manufacturer, not an establishment nor an interest of any kind could be cited as having raised any objection to the simultaneous use of the two metals. Bimetallism is therefore in the United States not only a tradition of the law, but has entered deeply into the habits of the people.

Here was another error which he also desired to rectify. Why were these errors there? Why did not Mr. Groesbeck in a manly way tell them, "Yes, our representatives made misrepresentations when they came here in 1853, 1865, and 1867, and represented to you and to the nations of the world that we were about to produce from $200,000,000 to $400,000,000 of the precious metals and would flood the world with them; they have made untruthful statements, they were mistaken"? Why did he not do that? These misrepresentations and unfounded statements have been thrown in our teeth in every monetary conference that has been held.

But here is something amusing. Mr. Groesbeck said:

In 1873, in a law which did not very accurately carry out its purpose, silver was made to disappear through inadvertence, rather than intentionally, by an omission to say anything about it.

That is a very elegant description of the crime of 1873! But did they swallow that explanation? Was it satisfactory? We shall see. I quote now from Mr. Feer-Herzog, of Switzerland. He remarked that—

long before the law of 1873 silver had disappeared from circulation in the United States. The actual circulation consisted of gold and paper money.

Gold and paper in 1873!

During the long period of time of which Mr. Groesback spoke, from 1792 to 1873, there had only been coined about 8,000,000 silver dollars—

How much like the Senator from Ohio [Mr. SHERMAN] and the Senator from Vermont [Mr. MORRILL] that sounds! They are the same things that we have been hearing ever since 1878, thrown back in our faces. Mr. Feer-Herzog continued:

while in the three or four months that had succeeded the passage of the Bland bill an equal amount of these dollars had been coined.

As to what Mr. Groesbeck had said of the "inadvertence" in consequence of which the law of 1873 had been passed, and of the surprise which the effects of this law were supposed to have provoked in consequence, Mr. Feer-Herzog laid upon the table documents relating to the preliminary preparation of that law—documents published by the Government of the United States. It appeared, he said, from these documents, that it was not by a mere accidental oversight, but voluntarily and with reflection, that the suppression of the silver standard was determined upon. It was expressly stated that gold was to be in the future the sole monetary standard of the United States, and that silver should cease to be a standard. (Exhibit D, second session.)

It is, therefore, said Mr. Feer-Herzog, difficult to admit that there was any inadvertence.

No, no. There was not any inadvertence upon the part of Senator SHERMAN and probably two or three in the Senate—not more than that—and I do not believe there were three who understood exactly what was in that bill of 1873.

Now, as I said in regard to the views of Senator ALLISON, insisting upon the limit of coinage and with limited coinage operating against the possibility of bimetallism, I quote from the remarks of Mr. Say, president of this monetary conference:

Mr. Say insisted upon the question which he had stated at the opening of the conference, namely, why did not the United States in restoring the double standard permit the unlimited coinage of silver as well as that of gold?

Why did it not? Continuing, he said:

It has been said by the Hon. Mr. Groesbeck that the restriction of the coinage of silver by the Latin Union had supplied a motive for the restriction in the United States, but this view did not seem to be well founded. It was by an amendment of the law that a limit was fixed to the coinage of silver dollars, and Mr. Say felt constrained to believe that this amendment was a mode of agreement, a compromise by means of which a majority could be obtained. The influence of the Latin Union seemed to have counted for so little in the resolution adopted by Congress on this occasion that it does not appear that there was, even for a moment, any question of conforming the American system to that of the Latin Union by the adoption of the relation of 1 to 15½.

Mr. Feer-Herzog supported the observations of the president, by calling attention to the fact that the bill in its original form permitted the coinage of silver without limit.

I read from the reply of Mr. Horton:

Mr. Horton, in reply to the points raised by the president of the conference, called attention to the fact that the majority report of the commission appointed by Congress in 1876 to investigate the silver question had recommended the adoption by the United States of the ratio of 1 to 15½ because it was the ratio of the Latin Union. The bill known as the Bland bill had been proposed in Congress in the summer of 1876. Between that time and the passage of the law in pursuance of which the conference met, the whole question had been thoroughly discussed in the United States in all its phases. In this discussion the situation of the Latin Union had not been lost sight of, but had been made the subject of special attention.

Mr. President, what was the attitude there of foreign nations?

The delegates of the European states represented in the conference desire to express their sincere thanks to the Government of the United States for having procured an international exchange of opinion upon a subject of so much importance as the monetary question.

Having maturely considered the proposals of the representatives of the United States, they recognize:

1. That it is necessary to maintain in the world the monetary functions of silver as well as those of gold, but that the selection for use of one or the other of the two metals, or of both simultaneously, should be governed by the special position of each state or group of states.

2. That the question of the restriction of the coinage of silver should equally be left to the discretion of each state or group of states, according to the particular circumstances in which they may find themselves placed; and the more so, in that the disturbance produced during the recent years in the silver market has variously affected the monetary situation of the several countries.

3. That the differences of opinion which have appeared and the fact that even some of the states which have the double standard find it impossible to enter into a mutual engagement with regard to the free coinage of silver, exclude the discussion of the adoption of a common ratio between the two metals.

After the bimetallic union had been formed and we had been earnestly invited to become a member of it and had refused, no wonder then after the European nations had, each for itself, adopted its own standard, that they have rejected all overtures made by us.

Our commissioners submitted their report, but I will only read a few lines from it:

The states which had, in the past, performed this grand service to the world appeared in the conference of 1878 with a divided opinion; and it is, we think, to the delicate relations, political and financial, of the Latin Union, that the failure of the conference to adopt any positive measures is primarily to be referred.

Switzerland appeared as the uncompromising advocate of gold monometallism for Europe.

The delegation from Belgium also was unfavorable.

* * * * * * *

France, the leading state of the Union, declared through her finance minister, the president of the conference, that, in suspending the coinage of silver, she did not incline to the single gold standard, but, on the contrary, she occupied a position in which she might await the favorable moment to reënter upon the system of the double standard.

* * * * * * *

The United States appeared at the conference at a disadvantage by reason of the belief, quite commonly entertained in Europe, that the action of Congress had been mainly determined by the consideration that the United States are largely producers of silver. This opinion exhibited not a little vitality, and your commissioners found it necessary to combat it. They showed that not only has the Government of the United States no royalty on the production of the mines of the precious metals, but that, through the absence of any accumulated stock, it has in fact far less of a special interest in the question under consideration than many or even most of the states represented in the conference; that the effect of a given decline in silver had been, and would continue to be, a more serious loss to the accumulated wealth of France, Belgium, Holland, and especially Great Britain, through its Indian dominions, than to the United States; that as a branch of industry the production of silver is but one of many occupations to which our available labor and capital have hitherto been inadequate; and that even as a debtor, the United States, a country of vast undeveloped resources, could better bear the weight which would be added to its debts by a diminution of the money supply of the world, than could other states with less recuperative power and a narrower margin for future growth.

Your commissioners have reason to think that these views, during the course of the conference, prevailed over the opinion referred to respecting the motives which had actuated the United States in the recent legislation respecting silver. They believe that the European delegates came to fully recognize the preponderating motive of that legislation as springing from a general interest in an undiminished money supply, and not from the wish to support a particular branch of American industry.

The record of that entire conference was that the nations refused to agree to international bimetallism. How could you have expected them to agree to it?

But in 1869, after the monetary conference of 1867, England and France made a little effort at international bimetallism. France appealed to England, as the United States had rejected her overtures, and was willing to join England in abandoning the silver standard, as the United States had refused to recognize bimetallism. But the distinguished bimetallist of the Senate, Mr. SHERMAN, had something to do with this monetary conference of 1878. He was then Secretary of the Treasury, and wrote a letter to Mr. Groesbeck, dated July 15, 1878. A letter, you will remember, turned up from him, addressed to the Paris Monetary Conference, which destroyed the possibility of international bimetallism at that convention. He says in this letter:

During the monetary conference in Paris, when silver in our country was excluded from circulation by being undervalued, I was strongly in favor of the single standard of gold, and wrote a letter, which you will find in the proceedings of that conference, stating briefly my view. At that time the wisest among us did not anticipate the sudden fall of silver or the rise of gold that has occurred. This uncertainty of the relation between the two metals is one of the chief arguments in favor of a monometallic system, but other arguments, showing the dangerous effect upon industry by dropping one of the precious metals from the standard of value, outweigh in my mind all theoretical objections to the bimetallic system. I am thoroughly convinced that if it were possible for the leading commercial nations to fix by agreement an arbitrary relation between silver and gold, even though the market value might vary somewhat from time to time, it would be a measure of the greatest good to all nations. My earnest desire is that you may succeed in doing this.

No one anticipated, said he, that there would be any fall in the price of silver, or any rise in the price of gold. Why? Because his financial views are based upon the idea that law had nothing to do with the values of the two metals, gold and silver. That has been the theory. It is the theory of many that law does not give to gold coin a value as money over and above its metallic value. Senator SHERMAN in his wisdom then proposed that the United States and other nations should come together and agree to demonetize silver, and it would not affect the market value of silver; that demonetizing silver and throwing all the demand for money upon gold would not increase the purchasing power of gold or cause a rise in the value of gold.

The various delegates to this international convention declared that they were not ready to abandon the systems which they then had. That looks to me like a statement which ought to have been sufficient to satisfy us that there was no earthly chance of international bimetallism, but it was not.

In 1881, under a provision in the appropriation law for the sundry civil expenses of the Government, approved March 3, 1881, the President was authorized to appoint, and did appoint, "three commissioners to represent the United States at a conference to be called to adopt a common ratio between gold and silver for the purpose of establishing internationally the use of bimetallic money and securing fixity of relative value between those two metals," namely, Hon. William M. Evarts, Hon. Timothy O. Howe, and Hon. Allen G. Thurman, with Hon. Dana Horton as secretary. This conference met at Paris, April 19, 1881.

I shall not consume the time of the Senate in reading all these extracts. I will simply refer to them in the proceedings of the International Monetary Conference of 1881.

The first is the declaration of Germany on page 29. I read this to show that those governments peremptorily refused to change their standards and said they were satisfied with them, and that they simply met us out of politeness through our invitation. That was practically the whole thing.

I read from pages 28 and 29 in regard to Germany; from page 31 in regard to England; page 31 in regard to the British Empire; page 32 in regard to Denmark; from page 32 in regard to Portugal; from page 33 in regard to Russia; from page 34 in regard to Greece; from page 35 in regard to Denmark, Norway, and Sweden; from pages 36 and 39 from Mr. Cernuschi, and France from pages 38 and 39:

DECLARATION OF THE GERMAN DELEGATES.

It is generally agreed to attribute this fall less to the sales of silver made by Germany than to the measure adopted by our Government of taking from silver its quality of legal tender, an action which led the states of the Latin Union to put a stop to their coinage of silver.

It can not be denied that this latter measure, by doing away with the compensating effect which, until then, had maintained within narrow limits the oscillations in the price of silver, removed all obstacles to a progressive and limitless fall: it is, on the other hand, but just to admit that the fear of finding themselves compelled to receive a half milliard of marks of German silver, which could not fail to depreciate in a very considerable degree their own circulation, had no little influence in the decision taken by the Latin Union.

The fall of silver would, nevertheless, not have reached the point it did if, at the same time, the production of that metal had not considerably augmented in America, while the demand in Asia was diminishing.

In view of these combined circumstances, the Imperial Government, in the month of May, 1879, resolved to suspend its sales of silver, and they have not since been resumed. This action, by giving firmness to the metal market, tended to facilitate the initiative of those powers which were interested in the rehabilitation of silver. It also had the effect of diminishing the demand for gold, a fact the more important in that the decreasing production of the latter metal, in the face of a constantly growing demand, had, within the last few years, caused a certain degree of tension in the market.

We recognize, without reserve, that a rehabilitation of silver is to be desired, and that it might be attained by the reëstablishment of the free coinage of silver in a certain number of the most populous states represented at this conference, if these states, to this end, should adopt as a basis a fixed relation between the value of gold and that of silver. Nevertheless, Germany, whose monetary reform is already so far advanced, and whose general monetary situation does not seem to call for a change of system so vast in scope, does not find herself in a position, so far as she is concerned, to concede the free coinage of silver.

Her delegates are, therefore, not able to subscribe to a proposition looking to such action.

The Imperial Government is, on the other hand, entirely disposed to do its best to second the efforts of other powers which might wish to unite, with a view to the rehabilitation of silver by means of the free coinage of this metal. In order to reach this end, and to guarantee these powers against the afflux of the German silver, which they seem to fear, the Imperial Government would voluntarily impose upon itself the following restrictions:

During a period of some years, it would abstain from all sales of silver, and, during another period of a certain duration, it would pledge itself to sell annually only a limited quantity, so small in amount that the general market would not be glutted thereby.

The duration of these periods, and the quantity of silver to be sold yearly during the second period, would form the subject of ulterior negotiations. Such an arrangement would efficiently protect the mints of the bimetallic states against the unlimited outflow of German thalers drawn from the national fund. Private individuals or the Imperial Bank (which is a private bank under special control of the Government), would not be able, on the other hand, to cause thalers to flow to the mints of the bimetallic union, except in the case of the balance of trade being against Germany, or unless the relation of 1 to 15½, established by the bimetallic union, should undergo a considerable modification in favor of siver. This last contingency appears, however, but slightly probable. (Pages 28, 29.)

DECLARATIONS OF THE DELEGATE OF GREAT BRITAIN.

Now, gentlemen, the monetary system of the United Kingdom since 1816; that is to say, for more than sixty years, has rested on gold as a single standard, and this system has satisfied all the needs of the country without giving rise to those disadvantages which have shown themselves elsewhere, and under other monetary regulations; and, for these reasons, it has been accepted by the governments of all parties and by the nation. The Government of Her Majesty could not, therefore, take part in a conference as supporting the principle of the double standard, and its answer to the invitation of France and the United States necessarily set forth the reasons which prevented it from taking part in the reunion which had been proposed. (Page 31.)

DECLARATION OF THE DELEGATES OF BRITISH INDIA—READ BY LORD REAY.

Mr. President, and gentlemen, the government of British India, in sending delegates to the conference, is not to be regarded as having, by this fact, admitted the adoption of the principle of bimetallism in the British Indies; and in order that it may be free from responsibility for the conclusions which might be reached by the conference, its delegates are not authorized to take part in the votes of that body.

Although the secretary of state, as well as the council of British India, do not believe it possible to nourish the hope, in the present circumstances, of a radical reform of the monetary system of India, they are ready to take into consideration such measures as might be proposed for introduction into India with the object of restoring the value of silver.

I have no need to assure your excellency, and you, gentlemen, that the government of India will follow with the greatest interest your deliberations and your resolutions, which may exert so powerful an influence upon the destinies of the empire of British India

DECLARATION OF THE DELEGATE OF DENMARK.

As the Danish Government has no intention of abandoning the single gold standard introduced into the country a few years ago, I have received instructions on the part of my Government to abstain from all discussion of the manner (*quo modo*) by which the bimetallic system could be regulated.

DECLARATION OF THE DELEGATE OF PORTUGAL.

Mr. President, and gentlemen of the conference, the Portuguese Government, in accepting the cordial invitation of the Governments of France and of the United States of America, represented at this conference, desired, while fulfilling a duty of international courtesy, to give to these two governments a proof, in all respects deserved, of consideration and deference; but it frankly stated to them that the Portuguese monetary system now in force would not allow of its entry into the bimetallic union now contemplated. (Page 32.)

But, at the same time, the Russian Government reserves to itself entirely its right of opinion upon this whole matter, and in nothing renounces its liberty of action by reason of any resolutions of the conference. (Page 33.)

DECLARATION OF THE DELEGATE OF GREECE.

The delegate of Greece, in presence of the declarations made by the honorable delegates of England, of Russia, of Portugal, etc., considers it his duty also to declare that, in his capacity of representative of a state which has adopted monometallism, he would not be able to join in any measure which might lead to a change in this system. He will be most happy to take part in the labors of the conference, and he will, while reserving to it full liberty of action, most willingly repo t to his Government upon any other question which may be proposed and discussed. (Page 34.)

DECLARATION OF THE DELEGATE OF NORWAY.

You are aware, gentlemen, that the Scandinavian countries have a monetary union based upon the single standard of gold; my government reserves all its rights, but has given me entire freedom to take part in the discussions, saving only my obligation to report to it finally. (Page 35.)

DECLARATION OF FRANCE.

Mr. Cernuschi, delegate of France, desired, in the first place, to convey to the conference the impression which had been made upon him by the declarations just read, notably those of the honorable delegates of Germany and of Great Britain. The conference could not fail to note the very considerable importance of these declarations.

Upon what condition, in reality, did the success of the work depend upon which the assembly was entering to-day? Upon the concord of the four great metallic powers of the globe, France, the United States, Germany, and Great Britain. The understanding between France and the United States was already an accomplished fact, of which the meeting of the present conference, called as it had been by the two Republics, might be considered the official confirmation. The success of the conference, and the fate of bimetallism, then only depended upon Germany and England. If [continued Mr. Cernuschi] these two join France and the United States, bimetallism becomes the monetary law of the whole world; if one of them should join, it would still be possible; if both should refuse their coöperation, it would be condemned to remain impracticable.

Now, what is the purport of the declarations which have just been read to the conference? It is, in the first place, that the concurrence of Great Britain is, for the time being, refused. (Pages 36, 37.)

Germany was the first to go into the experiment of gold monometallism, at a time when that monetary system was the object of a universal infatuation, amounting almost to a craze. In 1869, the chancellor of the exchequer, Mr. Lowe, was able to declare in full Parliament, on the occasion of the propositions for monetary unification made by France, that he would never treat with a country which retained bimetallism; but he expressed himself as disposed to reduce by one grain the weight of the pound sterling, in order to bring it nearer to the international piece of 25 francs, but only upon the absolute condition that France should give up the coinage of silver; and he was able to add, without being contradicted, that the French Government was inclined to subscribe to such an arrangement. At the same time, on this side of the channel, a vast monetary investigation was being carried on with éclat before the superior council of agriculture and commerce, the conclusions of which examination were favorable to the adoption of gold monometallism. An international conference, called upon the occasion of the Universal Exhibition of 1867, had already pronounced in favor of the same views; and it may be said that everything seemed to presage the early triumph of monometallism.

Immediately following upon these significant facts came Germany's proceeding in the reform of her monetary system; and it was natural enough that she took the course that seemed open to her. She did not wish by becoming a bimetallic power to run the risk of being used as a stepping-stone by the other states, which were nearly all moving towards monometallism; she did not wish to aid her neighbors to adopt gold monometallism, so that they might be able thereafter to use it against herself. Such conduct, save the error upon which it was based, seemed rational enough, but it is none the less certain that if in 1871 Germany had not felt this fear, she would have preferred bimetallism, which she acknowledges to-day to be logical and legitimate from a scientific point of view. She would thus have saved 96,000,000 marks, which the other States have gained at her expense.

In the present condition of affairs, what is the proper thing to do? We must, so to speak, blot out from history these last ten years, and return to the *status quo* which obtained before the monetary war; in a word, we must liquidate the disastrous experiment attempted by Germany.

I call special attention to Mr. Cernuschi, delegate for France, who makes the statement I have read:

Germany was the first to go into the experiment of gold monometallism at a time when that monetary system was the object of a universal infatuation amounting to almost a craze.

Why? Because of the wonderful fairy tales and unfounded exaggerations and representations of the officers and representatives of the United States in Europe that we had an auriferous and argentiferous region extending from Mexico clear up to Alaska, a region which was mountainous and filled with the precious metals which would yield annually from $200,000,000 to $400,000,000; and that the world was to be flooded. They became wild. Europe had seen the deluge that came from California and Australia, and here was another which was to be fourfold that which came from California and Australia, more gold than they ever produced annually, to continue for all time to come. These were the representations. As Germany had been scared in 1857 into establishing a single silver standard because of the surplus of gold, no wonder she was made to change from that single silver standard to a single gold standard in 1871-3 by reason of these misrepresentations and exaggerations.

We see now the effect of the misstatements and misrepresentations of Mr. Ruggles and Senator SHERMAN. I now quote from that part relating to India, on pages 266 and 267:

As to India, the great wish of the financial authorities in that country has been, if possible, to have a common monetary system with England.

Silver being impossible, on account of the English system, they must choose between bimetallism or gold, and although for the present the latter solution would be too difficult, it is certain that if the depreciation of silver continues, and if by reason of the discovery of fresh deposits of gold, or from some other cause, the opportunity should offer itself, we should only be too ready to seize it, and to return to the proposals of the commission which sat at Calcutta in 1868, and to enter, though much against our wish, into the struggle which is about to commence between the nations of the earth for the sole metal which will be left to us as the solid basis of an international currency.

Then the effects of the representations of Senator SHERMAN and Mr. Ruggles were disclosed in the remarks made by Mr. Horton, on page 305. What does he say?

The fact was thus recalled to me that a great deal had been written and said in various quarters about the United States, and about the reasons which had led my country to interest itself in the silver question, and that the press had largely reproduced these observations.

I can not say that it surprises me to observe a certain confusion of ideas with reference to the monetary policy of my country. This is the fourth time that I have come to Europe since my entry, in 1876, into monetary controversy as an apostle or advocate, in my way, of a bimetallic monetary union, and each time I have been able to recognize the same phenomenon: it is all very natural; the New World is a long way off.

And exaggerations, as a matter of course, are firmly established in the mind.

Mr. President, in this conference every one of the nations refused. They attended out of deference to the United States, and it would seem that that was sufficient to settle forever the fact that we could not have an international agreement upon that question.

I also quote from Mr. Evarts's speech, on pages 322 and 323:

Mr. Evarts, chief delegate of the United States, then addressed the conference (in English) as follows:

Mr. President and Gentlemen of the Conference, the first disturbance in what was a satisfactory condition in the working of the money market of the world, become so by either a fortuitous or a circumspect consent which had obtained between the nations theretofore; the first disturbance in that condition of things grew out of the debates, and came as a sequel of a conference that really had no function or duty in the matter which we now discuss. The conference of 1867, meeting for and undertaking to treat that important consideration of convenience and utility, the unification of the coins used in the computations and transactions of the world, naturally, under a scientific, a mathematical, a symmetrical consideration of the subject, felt as if there were but one metal money in the world, it would be easier to have a universal system of coinage. Bent, with the zeal of their work, upon accomplishing that secondary result, and finding that the reduplicated impediments grew out, both of the use of the two metals, and of the great diversity of coinage in the two, they thought that the way to get at a unity

of coinage was to have but one metal in the service of the world for its money. This was a clear subordination of the end to the means; this was a sacrifice of money that could not be spared in its volume and in its force, in order that the symmetry of the mintage might be more conveniently attained. This was in the nature of a sacrifice of the great and manifold transactions of an open commerce to the convenience and the simplicity of the bookkeeping which records it.

Unluckily, this scientific appreciation fell upon two great countries under circumstances which hid, perhaps, from their eyes the mischiefs, and made of less consideration the responsibilities of an effort toward the demonetization of silver. Germany, interested in its own unification, the great political transaction of our age, found political reasons why the unity of money in Germany was of great importance to the unity of society and of the State. Then this unhappy idea that, as the diversity was most in the silver, and the habits, antagonisms, and preferences of the people were most involved with the silver, if you would unify the money by having only the gold, the empire with its golden currency would easily master the suppression of the diversities of the inferior coinage. In the United States these ideas of the conference of 1867 reached us when we were using neither silver nor gold, and when the public mind was inattentive to the consideration of so intimate, so comprehensive, so universal an influence upon all the interests of a State as a change in their money might exert. In the presence, then, of the fact that neither silver nor gold was the practical and present money in our daily use, the money in which we, to the common apprehension, had to accommodate our relations to the other nations of the world, the movement took place by the act of 1873, a coinage act, as I understand it to have been; which, under this unlucky incident of regulating coin, has seemed to suppress one-half the intrinsic money of the State.

Now, I want to put the matter still further beyond doubt. I know some of my bimetallic monometallists will not believe anything that occurs unless it comes filtered through certain channels. I shall now read from President Cleveland's message of December 8, 1885, and I know you will believe him. In listening to the same kind of a message in behalf of the repeal of the Bland bill and picturing the consequences flowing from it, it would be very difficult for a practiced ear to distinguish between the parts of that message referring to the Bland act and the present message referring to the Sherman act. You would think they were about the same subject-matter and referring to the same time. The same evil is predicted and the same result. But I am quoting him now in regard to the possibility of an international bimetallic agreement, because that is the *dernier ressort* of the opponents of silver, and has been all the way through this fight.

He had sent delegates over there of his own choice and selection—Mr. Manton Marble, Mr. Edward Atkinson—who saw this pile of silver that had flowed out of the mountain side, and others. Mr. Cleveland says:

It may be said, in brief, as the result of these efforts, that the attitude of the leading powers remains substantially unchanged since the monetary conference of 1881, nor is it to be questioned that the views of these governments are in each instance supported by the weight of public opinion.

The steps thus taken have therefore only more fully demonstrated the uselessness of further attempts at present to arrive at any agreement on the subject with other nations.

Mr. President, I desire to read a little more of what was said in 1885. The President himself now refers to international agreement just as if there were a possibility of such a thing. I quote now from Senate Executive Document No. 29, Forty-ninth Congress, first session, being a message of the President of the United States, transmitting, in response to Senate resolution of December 9, 1885, a report of the Secretary of State, with information relative to the gold and silver coinage of Europe. This is the report of the Secretary of State transmitting letters to Mr. Manton Marble from the Secretary of State to Mr. Phelps, our minister to Great Britain, and to Mr. McLane, our minister to France, etc. They were instructed to make full inquiry. Mr. Phelps says to Mr. Bayard (No. 4, page 5):

From these, as well as other sources, I am satisfied that the British Government will inflexibly—

Now, listen, Mr. President—

From these, as well as other sources, I am satisfied that the British Government will inflexibly adhere to their past and present policy in respect to coinage; that they will not depart from the gold standard now and so long established; that they will not become party to any international arrangement or union for the creation of a bimetallic standard or of a common ratio between gold and silver, for the purpose of making both an unlimited legal tender, nor adopt such double standard or common ratio in Great Britain. On this point both political parties quite concur, and I believe that if either were to attempt to introduce such a departure from the existing money standard it would be driven out of power by the force of public opinion.

Now I quote from McLane to Secretary Bayard:

Referring to my separate dispatch, under date September 11, I have to renew the opinion therein expressed, that while France would gladly receive the intelligence that the United States would adopt the French ratio of 15½ of silver to 1 of gold, no consideration of future consequences, whether for good or evil, could induce her to adopt the American ratio of 16 to 1; still less would she adopt any higher ratio to assimilate the present commercial or market value of silver with the value of gold, nor would she consent at any ratio now to permit an unrestricted or even a limited coinage of silver at her mints, the present opinion and purpose of her Government and people being to maintain, if possible, the two metals at their present ratio of 15½ to 1 in domestic circulation and international exchange.

Now I read from Hon. George H. Pendleton to Mr. Bayard, on page 9:

The adhesion of Germany to an international bimetallic union, such as was proposed by the United States and France in 1881, can scarcely be expected, it seems to me, within any limit of time now to be predicted.

The coöperation of Germany in an international bimetallic union may be sought with fair hopes of success whenever it becomes possible to include in such a union England and Russia, the former of which seems to cleave tenaciously to her gold monometallism, while the latter staggers under the evils of a depreciated and largely fluctuating paper money. The adhesion of England at least is certainly now, and would probably for an indefinite period be, regarded by Germany as a *sine qua non*.

I will read a few more extracts from this document. There was an international monetary conference of the Latin Union held in Paris in 1885 among European nations only, at some exposition there, and Mr. George Walker was delegated by President Cleveland to represent the United States. I wish to read a few lines to show the financial standing of the Administration at that time. Mr. Walker was consul-general there, and this is his observation addressed to the delegates of the Latin monetary union assembled in conference at Paris July 20, 1885:

I am instructed to say to you that the policy of the new American Government, in respect to the continuance of silver coinage, does not differ from that of its predecessors. The newly elected President, Mr. Cleveland, on the 24th of February last, in reply to a letter addressed to him by certain members of the House of Representatives, before his assumption of office, declared his opinions very frankly on the silver question, and showed himself to be in perfect accord with the Presidents who have preceded him, on the essential question now under discussion in the United States—namely, the continuance of silver coinage under the Bland bill. He did not hesitate to avow that it was, in his opinion, the duty of Congress to suspend further coinage.

He declared that a disastrous crisis was close at hand in which gold is likely to disappear from circulation and when we shall be reduced to silver alone; that under the operation of the silver coinage law the flow of gold into the Federal Treasury had been steadily diminished, and that silver and silver certificates had displaced, and were then displacing, gold in the Treasury, and that the sum of gold available for the payment of the gold obligations of the United States, and for the redemption of the circulating notes called "greenbacks," if not already encroached upon, was perilously near such an encroachment.

These being the facts of our present condition, our danger, and our duty to avert the danger seemed to the President to be plain. To maintain and to continue in use the mass of our gold coin is possible by a present suspension of the purchase and coinage of silver, and the President affirmed that he was not aware that by any other method it is possible.

That is a beautiful message to convey to bimetallists in Europe in 1885, that this country was going to destruction, that our gold was being driven out of the country and out of our Treasury, and that we would not have gold enough left to redeem the greenbacks. These dire disasters are repeated as the predictions of our President in 1885, and that there was no difference between his position on the finances and the position of his Republican predecessors. I thought there was some difference. I may have been mistaken.

It does seem to me that these things show beyond any question whatever the impossibility of international bimetallism. Mr. Cleveland's own agents and representatives sent there have demonstrated the fact.

I wish to settle this matter beyond any possibility of doubt. Hon. Edward Atkinson was sent as a representative of this Government by Mr. Bayard in 1887. His report is found in the reports of the United States consuls, October, 1887, volume 24. I will read just enough to give an idea of his views. Remember, this is the same gentleman who had the exaggerated idea in his mind of mountains of silver in Mexico, and how the silver metal could be melted away from it and produced in an open hearth, as it were. Mr. Atkinson's report is dated October 1, 1887. He says:

I have further stated that if the principal commercial and manufacturing states of Europe had no immediate intention of changing from the present status of a limited coinage of silver for subsidiary use, the standard of full legal tender being limited in practice to gold coin only, then it might become the true policy of the United States to take action to maintain the gold dollar as the "unit of value" according to the present statute, and for the Executive to recommend to Congress suitable measures, if any further action is necessary, to maintain permanently the present interchangeable quality or convertibility of our currency into gold coin on demand, whether consisting of notes, silver coin, or silver certificates.

A magnificent representative of bimetallism in the United States, going to Europe as representing President Cleveland's first Administration, and telling them that he wanted to know what they were doing, and if they did not do something it might become necessary for the United States "to maintain the gold dollar as the unit of value according to the present statute, and for the Executive to recommend to Congress suitable measures, if any further recognition is necessary, to maintain permanently the present interchangeable quality or convertibility of our currency into gold coin on demand, whether consisting of notes, silver coin, or silver certificates." This is remarkable language for a delegate of the United States in a foreign country attempting to establish bimetallism. Permit me to say that too often in our efforts for international bimetallism have we been represented in the same way, beginning at the statistical congress in 1863, and the monetary conference of 1865, and so on. But he says:

I have reason to believe that my efforts in this direction may have partly removed the dread of a prospective "avalanche of silver," as it is sometimes called, from the continent of North America, especially from the United States, and that this fear, which has been perhaps the most potent cause of the unwillingness even to consider the question of bimetallism, may be wholly removed by the further investigation as to the relative production of

silver and gold which may ensue. Another dread may also have been removed, to wit, that of a sudden change of policy in the United States leading to the cessation of silver coinage and also to the possible attempt to dispose of a considerable part of the present stock of silver coin.

Oh, yes, he has disabused the mind of that, and yet told them that we would do it. What is his belief? Here is the point that I wish specially to bring out:

1. There is no prospect of any change in the present monetary system of European states which can modify or influence the financial policy of the United States at the present time.

2. There are no indications of any change in the policy of the financial authorities of the several states visited by me which warrant any expectation that the subject of a bimetallic treaty for a common legal tender, coupled with the free coinage of silver, will be seriously considered at the present time by them.

3. There is no indication that the subject of bimetallism has received any intelligent or serious consideration outside of a small circle in each country named, as a probable or possible remedy for the existing causes of alleged depression in trade.

4 There is no considerable politically organized body of influential persons in either country with whom a combination could be made, if such a combination or cooperation were desirable on the part of a similar body in the United States for promoting any definite or practicable measures of legislation to bring about the adoption of the bimetallic theory according to the commonly accepted meaning of that term. The discussion is as yet almost wholly personal, and without concentration of purpose or the presentation of any well-devised measure capable of being acted upon.

Mr. President, it does seem to me that this ought to be sufficient to satisfy anyone that bimetallism by international agreement is an impossibility. It is useless for us to waste time in trying to get foreign nations to agree upon international bimetallism with us.

The quotation I have just read is a graphic, painful, and yet, doubtless, truthful statement of the views and opinions generally prevalent in Europe in regard to the motives and purposes of our Government. Their origin is easily traced, and Mr. Atkinson is in part responsible for their existence.

The financiers, statisticians, and business men of Europe read and believed all the exaggerations, to use a very mild term, in regard to the certain deluge of the world with the precious metals, and the statements made in our efforts to establish the single gold standard and the resulting action and legislation of our own and their own Governments, discriminating in favor of gold and against silver, and then as soon as gold had been enthroned as the only money, the changed hue and cry raised by the gold monometallists in this country as to the excessive production of silver, and then the bitter denunciations poured out against every effort made in this country to restore silver as a money metal and the unfounded statements as to the production of silver and the refusal of our own people to use the silver dollars as money, and very naturally came to entertain the views, opinions, and feelings so forcibly stated by Mr. Atkinson.

It is therefore useless to make any further efforts for any international agreement to restore silver as a money metal to its old equality and par with gold.

But, Mr. President, we were not satisfied with what was done in 1885, 1886, and 1887; and when the Presidential election was to be held in 1892 the sundry civil appropriation law contained a provision for an international monetary conference and the delegates were appointed by President Harrison to meet, I think, in November, 1892. They were Senators ALLISON of Iowa, and JOHN P. JONES of Nevada, and Representative JAMES B. MCCREARY, and Messrs. Henry W. Cannon, E. Benjamin Andrews, and Edwin H. Terrell.

Mr. ALLISON. I think the Senator should state in this connection that the President of the United States had already invited the nations in conference before the clause was inserted in the appropriation act to which he refers.

Mr. COCKRELL. I think that was done in pursuance of a former provision for that object.

Mr. ALLISON. The invitation had already been extended to those governments before the item to which the Senator alludes was inserted in the appropriation act.

Mr. COCKRELL. I understand that, but I say it was in pursuance of some existing provision of law. I hold in my hand the report of the International Monetary Conference at Brussels. I will not consume the time of the Senate in reading it, but at page 50 the delegate of Germany gave his views to show that they did not want to make any change, and at pages 69 and 70 Mr. Rothschild said:

Apart from other considerations, it seems to me impossible to come to an universal arrangement in respect to a general currency question, as no two countries are alike as regards their individual wealth, resources, and expenditure.

Now look at pages 203, 205, and 206, and we will see the position of France:

France, under present circumstances, has no cause to complain of her monetary situation, and she does not complain.

She has attempted at various times, and notably in 1881, to come to an agreement with the United States, and it was thus that the way was paved for the conference of 1881, which was only a continuation of that of 1878.

Then on page 205:

If France and the Latin Union—I believe that for the moment I may speak in its name—should alone open their mints to the free coinage of silver, all the surplus silver of the United States and of Mexico would go to France, to Italy, to Belgium. And where would these countries be able to use it? Nowhere, since in the rest of Europe none wish to admit it as legal tender.

I should never advise such a measure to the government which I have the honor to represent.

If, on the contrary, other European powers, such as England, the German Empire, the Austro-Hungarian Empire, the Scandinavian States, and others, would consent to open their mints to the free coinage of silver, then the aspect of the question would be changed. But have we reached that point?

And then on page 206:

Since the first day we have heard upon this point declarations which were perfectly frank and sincere, declarations for which I, on my part, am grateful to their authors, because it is well to know upon what we may rely. We have heard the minister of Germany and the minister of Austria-Hungary, and then Sir Rivers Wilson declare that neither Germany nor Austria-Hungary nor England had any intention of modifying their monetary systems, with which they declared themselves satisfied. Under these conditions we evidently can not reëstablish free coinage, and I have not the vanity to believe that I should succeed in pursuading the governments of these great countries and their eminent representatives that they are mistaken, that they have taken the wrong road, and that they are in error in remaining attached to monometallism.

I consider, therefore, until some change takes place, that the question of free coinage is decided so far as we are concerned.

On page 361 of this same report is other evidence to the same effect. I will not quote that, nor ask to have it printed, because it is simply the declaration of Mr. Currie as to what England would do, and of Mr. Wilson, both of them saying that England would under no circumstances agree to it. So it does seem to me that each nation, as each individual, must work out its own destiny. International bimetallism in impossible.

Mr. HAWLEY. Will the Senator allow me to ask him a question.

Mr. COCKRELL. Certainly.

Mr. HAWLEY. Do I understand him to claim that the nations generally are opposed to an international agreement?

Mr. COCKRELL. I have not yet found one solitary nation, in all the international conferences, that was willing to give up its monetary system for any other one that was proposed.

Mr. HAWLEY. Let me call the Senator's attention to the somewhat famous debate in the House of Commons last March, in which several members said substantially that Great Britain alone is in the way of an international agreement. If the Senator will look at the document from which he has just been reading he will find in one of what I may call the minority reports the statement of Mr. Leonard Courtney, as follows:

I am myself drawn to the conclusion that the home Government is the greatest obstacle, perhaps the only substantial obstacle, to the establishment of an international agreement for the use of silver as money, which, without attempting to restore the position of twenty years since, would relieve India from the anxiety of a further depreciation of its revenue in relation to its liabilities.

I think it is the understanding of the bimetallists of Great Britain that it is only their Government, and perhaps only the existing ministry, that stands in the way.

Mr. COCKRELL. I understand; but you may read quotations from the remarks of this distinguished citizen and all the others and you will find even in the Brussels conference that one of the English delegates differed from the others. But I wish to read what Mr. Edward Atkinson said in regard to those cases:

There is no considerable politically organized body of influential persons in either country with whom a combination could be made, if such a combination or cooperation were desirable on the part of a similar body in the United States for promoting any definite or practicable measures of legislation to bring about the adoption of the bimetallic theory according to the commonly accepted meaning of that term. The discussion is as yet almost wholly personal, and without concentration of purpose or the presentation of any well-devised measure capable of being acted upon.

That is the point I make. You can find distinguished Englishmen, and Germans, and Frenchmen, and others who are advocating bimetallism; and we all know that as England commenced the movement for a gold standard and established it she has determined to maintain it ever since, and that she will not change under any conditions until her Government is overthrown, until the power that rules there is overthrown. It will take a cabinet, it will take a House of Commons entirely changed from the present complexion of all the political parties there. The time may come, and I hope it will, but it will only come by open and free discussion before the people of England. It will not come by any measures of the aristocratic and plutocratic class that control the administration of the Government.

International bimetallism is a mere dream. Look at it a moment. You had just as well seek an international language. International bimetallism was prevented when the language of the world was confused at the Tower of Babel and the people were scattered, forming independent nations, each nation to take care of itself and work out its own destiny. We have been trying to get an international agreement upon weights and measures ever since our Government was organized and yet we have not obtained it.

Mr. President, it is not necessary, it is not essential. Every government establishes its own system. It has its own consti-

tution; it has its own laws; it has its own distinctive features peculiar to its own people; its own traditions, its own ancestral memories and cherished antiquities. They will adhere to them; they will not give them up easily. England will not give up her pound sterling. The people of the United States will not give up their dollar.

Mr. HAWLEY. By the way, Mr. President, the Senator will allow me to observe that it happens to be the old Spanish coin, and we borrowed it from another country. The Senator says there is no international relation between our Government and others in the matter of currency. We founded our dollar upon the Spanish dollar.

Mr. COCKRELL. We were scarcely anybody; a few citizens of other countries residing upon this soil under the dominion of England. As a matter of course we had nothing of our own, separate and distinct from other people. But we were rebellious. We rebelled. We established our rebellion into revolution and patriotism, and we established our Government, and then we established dollars and cents as the money of account, not pounds, shillings, and pence, not francs, but dollars and cents; and we made the silver dollar which was in circulation amongst us a Spanish coined dollar, because we had no mints, we had no coinage, we had no silver produced in this country to coin if we we wanted it, so that we had to take a foreign coin and have it made into our standard dollar. We adopted that, and we have maintained it. Then we were only about three and a half million in population I believe, but we did not consult the King of England, we did not bow the knee to His Majesty, and ask him what kind of a financial system we should establish. We did not bow to France and ask her to coöperate with us in establishing a financial system for our youthful Republic. We had some confidence in our own individuality and some self-reliance, and some determination to maintain our independence and our nationality and our principles and our policies in the face of the world.

Mr. ALLISON. Will the Senator allow me for a moment to call his attention to the fact that we adopted as nearly as we could their system and the ratio which we supposed they maintained between the two metals?

Mr. COCKRELL. That who maintained?

Mr. ALLISON. England and France. We did not adopt the Spanish ratio. We adopted as nearly as we could the ratio which was then supposed to exist in continental Europe and in England.

Mr. COCKRELL. We adopted what was believed to be the weight of the money current in our country, and you will find it on a critical examination made of the Spanish dollar and the number of grains it was supposed to contain, and then we made it to correspond with that.

Mr. ALLISON. That is very true; but when we did that we also adopted a ratio between that and gold which should make both metals, as was supposed, circulate freely in our own country as they were then circulating, but for war, in all Europe.

Mr. COCKRELL. I beg pardon; in 1785 France had established the bimetallic system at the ratio of 15½ to 1. It was in the law. It was not done in 1803. Then, when our Constitution was formed and when we came to the mint question in 1792 we had the record of France before us establishing her standard of 15½ to 1, and we did not establish it.

Mr. ALLISON. If the Senator will allow me a moment, I will state that the ratio adopted in 1785 in France was not then a practical ratio as to coinage.

Mr. COCKRELL. Why not a practical ratio?

Mr. ALLISON. Because very soon after it was adopted they went to the system of paper money and had neither gold nor silver.

Mr. COCKRELL. Oh, they did have gold and silver.

Mr. ALLISON. They did not have it in circulation.

Mr. COCKRELL. I beg pardon; it was the lawful ratio, the legal ratio, I understand.

Mr. ALLISON. I agree with that.

Mr. COCKRELL. And it prescribed it exactly. Now, in our act of 1792 establishing the mint we established a system of 15 to 1. That was not the system of France at that time; it was not the system of England.

Mr. ALLISON. Fifteen and two hundred and eleven one-thousandths, or very near that, was the system.

Mr. COCKRELL. Fifteen and two-tenths was that of England. Ours was not the system of any other nation; and as I understand it was ascertained from the reports that were then made by the officers to whom reference was made, and especially with the Spanish dollars.

Mr. HARRIS. A thousand Spanish milled dollars were taken.

Mr. COCKRELL. A thousand milled dollars were taken and assayed, and from their assay we established our ratio.

But, Mr. President, we must present after a century of existence a wonderful spectacle to foreign nations. Think of it! After we had rejected international bimetallism in 1865–67 and then went on and established our single gold standard, we did not ask other nations to agree with us there. The Senator from Ohio, when he led the gold monometallic hosts of this country, unknown among the masses of the people, unrecognized, and thereby secured the law of February 12, 1873, did not go and consult other countries. He did not even reduce the gold in the gold dollar 3½ cents, as he promised to do in France, in order to make them abandon silver. No, no: but the very moment the friends of silver, the true bimetallists, make an effort to restore silver in this country, then we hear the plea for international conferences and international agreements.

European nations, suspicious and jealous of this great Republic, the greatest and most powerful nation to-day in all the essential elements of an independent nationality, can not believe our efforts to secure international bimetallism to be pure and disinterested and unselfish. They know what we have told them heretofore; they think something is concealed; they look with wonder, admiration, and astonishment at our remarkable career as a young nation, our unparalleled development and progress. They beheld us only a few years ago engaged in the most fearful fratricidal war ever waged on earth. They saw us emerge from that war an indissoluble union of indestructible States, with our financial resources apparently exhausted, with an enormous debt—a debt on August 31, 1865, of $2,845,907,626.56, and wondered how we could ever liquidate it. They have watched our progress more closely than we imagine. They have seen us raise the revenues and pay in discharge of that vast debt the enormous sums of $1,701,590,978.80 of the principal, and $2,370,616,966.70 of the interest, aggregating $4,072,207,945.50 up to August 31, 1893, in principal and interest paid on our national debt.

In addition, they have seen us collect from our revenues $6,973,990,881, paid out in defraying the ordinary expenses of our National Government, making a total expenditure of $11,036,198,837 from August 31, 1865, up to August 31, 1893—an amazing result, never before in the history of the world achieved by any other nation.

The nations of the world stand aghast at our hesitation, our refusal, our timidity to establish independently of them our own monetary system and policy. They can not understand why we are time after time beseeching them to meet in international conferences to agree upon the policy we shall pursue. Out of mere deference to us as a nation they generally accept our invitations and meet with our delegates, and then tell them, and through them tell us and the world, that they each have their own systems and policies and are content and do not desire to change.

Great Britain tells us that her gold monometallism is satisfactory and she does not desire a change. Prussia told us in the conference of 1867 that she was content with her single silver standard adopted in 1857; yet she did not deign to consult us or any other nation when she changed to the single gold standard in 1871 and 1873, nor did Russia, Denmark, Norway and Sweden, Austria-Hungary, or any other European nation.

France in 1867 held out to us the willing hand of a true bimetallic system and we knocked it back in her face by peremptorily refusing to recognize silver and demanding the single gold standard as the American idea, of which great feat of statesmanship the distinguished Senator from Ohio boasted in his report quoted. They met us in friendly conference in 1878, and very politely recalled to us our own exaggerations and statements, and our conduct in the statistical congress of 1863, and the monetary conference of 1867, and reminded our delegates that we had not done what we were urging them to do, that the Bland bill as passed by the House was for the free and unlimited coinage of the standard dollar, and was subsequently changed to a limited coinage measure, and only the minimum coined. They have placed us on the defensive in every convention. They know as well as we do that our representatives deceived and misled them by the unfounded and exaggerated statements of our auriferous and argentiferous productions, made in 1863, and again in 1867, and upon which and under the belief of the truth of which they made the changes in their monetary standards I have shown.

They ever since have viewed, and now view, with suspicion and doubt the real facts we show them from official records, the truth as it is.

Shall we longer plead with them our dependence, our inability to establish and maintain our own national monetary system, such a one as we desire?

Let us take an exact review of the relative conditions existing in the past and at present between silver and gold, in order to determine our line of duty and interest now.

According to the tables published in the report of the Director of the Mint, showing the ratio of silver to gold each year since 1687, we find the ratio in 1687 was 14.94 silver to 1 of gold, or 14.94 to 1; and in 1871 was 15.57 to 1, and that the two greatest divergencies from this ratio were in 1760, when the ratio was 14.14 to

1, and in 1813, when the ratio was 16.25 to 1; but in the next year, 1814, it was 15.04 to 1.

The average ratios during these one hundred and eighty-five years, 1687–1872, was about 15.5 to 1, showing a remarkable steadiness in the relative values. The ratio in 1872 was 15.63 to 1; in 1873, 15.92 to 1; in 1874, 16.17 to 1; in 1875, 16.59 to 1; in 1876, 17.88 to 1, and in 1888, 21.99 to 1, and in 1889, 22.10 to 1; in 1890, 19.76 to 1; in 1891, 20.92 to 1; 1892, 23.72 to 1; 1893, 28.52 to 1.

These ratios are taken from 1687 to 1832 from tables by Dr. Soetbeer from quotations of such prices at Hamburg; and from 1833 to 1878 from Pixley & Abell's tables of quotations in the London market; and since 1878 from the daily telegrams from London to our Mint Bureau.

London for many years has been the great market for the world in fixing the price of silver as a metal by the gold standard.

We see here a remarkable stability in the ratios from 1687 to and including 1872, at or about the average of 15.5 to 1.

We see a wide divergence in their ratios since 1873. What caused this divergence?

I assert that it was not caused by any excessive production of silver over gold throughout the world.

In proof of this I give the following statements of the average percentage in the value of gold to silver in the productions of the world, in the periods of years indicated:

Statement of the production of gold and silver in the world since the discovery of America.

[From 1493 to 1885 is from table of averages for certain periods compiled by Dr. Adolph Soetbeer. For the years 1886–1892 the production is the annual estimate of the Bureau of the Mint.]

Period.	Total value of gold for the period.	Total coining value of silver for the period.	Percentage of production.			
			By weight.		By value.	
			Gold.	Silver.	Gold.	Silver.
1493–1520	$107,931,000	$54,703,000	11.0	89.0	66.4	33.6
1521–1544	114,205,000	80,986,000	7.4	92.6	55.9	44.1
1545–1560	90,492,000	207,240,000	2.7	97.3	30.4	69.6
1561–1580	90,917,000	248,990,000	2.2	97.8	26.7	73.3
1581–1600	98,095,000	348,254,000	1.7	98.3	22.0	78.0
1601–1620	113,248,000	351,579,000	2.0	98.0	24.4	75.6
1621–1640	110,324,000	327,221,000	2.1	97.9	25.2	74.8
1641–1660	116,571,000	304,525,000	2.3	97.7	27.7	72.3
1661–1680	123,084,000	280,166,000	2.7	97.3	30.5	69.5
1681–1700	143,088,000	284,240,000	3.1	96.9	33.5	66.5
1701–1720	170,403,000	295,629,000	3.5	96.5	36.6	63.4
1721–1740	253,611,000	358,480,000	4.2	95.8	41.4	58.6
1741–1760	327,116,000	443,232,000	4.4	95.6	42.5	57.5
1761–1780	375,211,000	542,698,000	3.1	96.9	33.7	66.3
1781–1800	236,464,000	730,810,000	2.0	98.0	24.4	75.6
1801–1810	118,152,000	371,677,000	1.9	98.1	24.1	75.9
1811–1820	76,063,000	224,786,000	2.1	97.9	25.3	74.7
1821–1830	94,479,000	191,444,000	3.0	97.0	33.0	67.0
1831–1840	134,841,000	247,930,000	3.3	96.7	35.2	64.8
1841–1850	363,928,000	324,400,000	6.6	93.4	52.9	47.1
1851–1855	602,566,000	184,169,000	18.4	81.6	78.3	21.7
1856–1860	670,415,000	188,092,000	18.2	81.8	78.1	21.9
1861–1865	614,944,000	228,861,000	14.4	85.6	72.9	27.1
1866–1870	648,071,000	278,313,000	12.7	87.3	70.0	30.0
1871–1875	677,083,000	409,322,000	8.1	91.9	58.6	41.4
1876–1880	572,931,000	509,256,000	6.6	93.4	53.0	47.0
1881–1885	495,586,000	594,773,000	5.0	95.0	45.5	54.5
1886	105,000,000	120,000,000	5.2	94.8	46.8	53.2
1887	105,302,000	124,306,000	5.0	95.0	45.9	54.1
1888	109,900,000	142,107,000	4.6	95.4	43.6	56.4
1889	118,800,000	162,690,000	4.4	95.6	42.2	57.8
1890	113,150,000	172,215,000	4.0	96.0	39.7	60.3
1891	120,519,000	186,733,000	3.9	96.1	39.2	60.8
1892	130,817,000	196,605,000	4.0	96.0	40.0	60.0
Total	8,204,303,000	9,726,072,000	5.0	95.0	45.8	54.2

The average percentage for the whole period is 45.8 to 54.2.

From the discovery of America in 1492 to this date, four hundred years, of every dollar of the world's aggregate product of both gold and silver, 45.8 cents were gold and 54.2 cents were silver.

The information available for estimates of the world's production of gold and silver prior to 1687 is not considered definite or reliable by Dr. A. Soetbeer, of Germany, now deceased, who in my opinion was the most impartial and accurate of statisticians, and was a single gold standard advocate.

The estimates of the ratios of silver to gold throughout the world prior to 1687 are uncertain and unreliable, as little is known with certainty as to the fineness of the gold or silver in the coins.

From the reports of the Director of the Mint, I have compiled some data.

In the years 1801 to 1810, inclusive, of the world's production of gold and silver, the proportion or percentage of gold to silver was 24.1 dollars or 24.1 cents of gold to 75.9 dollars or cents of silver. Notwithstanding this large difference in the product, there was great stability in the ratios or relative values.

In the ten years, 1852–1861, inclusive, the world produced $1,724,750,000 of gold and silver, of which the gold was $1,314,150,000, or 76.2 per cent, while the silver produced was only $410,600,000, or 23.8 per cent, and yet there was no very great divergence in their ratios or relative values. The cause of this remarkable stability in ratio or value was the fact that the mints of the United States were open to the free and unlimited coinage of silver at 16 to 1. And the mints of France from October 30, 1785, were open to like coinage at the ratio of 15½ to 1.

There was a scare in this period of 1852–1861 in regard to an overflow, a deluge of gold from California and Australia, very similar to the scare since that date in regard first to an overflow, a deluge, of both metals, and then when gold was enthroned as the single standard, as I have shown—then as to an overflow—a deluge of silver—which still exists in the vain imaginations of our gold monometallist bimetallic friends.

Have these doctrinaire prophets, Mr. Ruggles, Senator SHERMAN, and others realized the falsity of their predictions and the true facts as to the production of gold and silver? Please recall their fairy tales of the production from our own mines of from two hundred to four hundred millions annually, so persistently proclaimed in Europe in 1863 to 1868, and then hear the truth as shown by the records.

In the ten years, 1862 to 1871, inclusive, the production of gold and silver in the entire world was only $1,616,200,000, an annual average of only $161,620,000 of both metals. Think of it. Mr. Ruggles and Mr. SHERMAN told them we were going to produce from $200,000,000 to $400,000,000 a year in the United States alone, and yet the world produced in that time only an annual average of $161,620,000 of both metals, gold and silver.

In this period the gold product alone was $1,102,825,000, or 68.24 per cent of the aggregate product of both metals, while the silver product was only $513,375,000, or only 31.76 per cent of the aggregate product.

During the entire period, when these sages and doctrinaire statesmen were enthroning gold and demanding the single gold standard, refusing to agree with the nations of the Latin Union to free and unlimited bimetallic coinage, and practically driving them to join in degrading, depreciating, and demonetizing silver and destroying nearly one-half of the world's money, the world was producing 68.24 dollars of gold to 31.76 dollars of silver.

These facts throw an arc electric light upon the unreliability and the falsity of the judgment, opinions, and predictions of such leaders. If so egregiously mistaken then, may not they be mistaken now, and their prophetic warnings prove a delusion, a snare, a will-o'-the-wisp?

Take the entire period, 1862 to 1892, inclusive, thirty-one years, and the world's product of gold and silver has been $6,284,666,000, an annual average of only $202,731,161.

During this period the gold product has been $3,359,422,000, or 53.45 per cent of the aggregate of both metals, while the silver product has been only $2,925,144,000, or 46.55 per cent of the aggregate.

If every nation had had at the beginning of this period of thirty-one years an adequate supply of gold and silver for all monetary purposes, then this annual average product of both metals, after deducting the demands for such metals for industrial purposes and the loss by wear and tear and abrasion, would have been barely sufficient to maintain the average per capita circulation required by the increase of population and to meet the increasing demands for money in the rapidly expanding commerce of the nations of the earth, domestic and foreign.

What has been the product of gold and silver in the United States? In the twelve years, 1862 to 1873, inclusive, the aggregate product of gold and silver in the United States was $733,000,000, an annual average product of only $61,083,333.33⅓. The gold product was $546,750,000, an annual average of $45,562,500, or 74.60 per cent of the aggregate, while the silver product was only $186,250,000, an annual average of $15,520,833, or only 25.40 per cent of the aggregate—about one-third.

These figures, in juxtaposition with the deliberate, carefully prepared statements of our distinguished representatives and officials, published by them to the nations of the world in 1863 and since, should bring crimson to their cheeks. I do not give them to the Senate as a pattern to imitate, but as an example to deter

The largest yield of gold in any one year in the United States was $65,000,000 in the calendar year 1853. The largest yields since 1862 were $53,500,000 in 1866, $53,225,000 in 1865, and $51,725,000 in 1867, while our annual average yield of gold in the twelve years, 1881–1892, inclusive, was only $32,733,000. These facts seem to me to prove conclusively that the depreciation of silver has not been caused by any excessive production relatively to gold.

The conclusion seems to me irresistible that the depreciation

has been caused almost entirely by the legislation of the various nations discriminating against silver and in favor of gold, closing their mints against the free and unlimited coinage of silver, making it a mere commodity—merchandise, and keeping their mints open to gold, and making gold, in bullion as well as in coin, money with full legal tender, and thereby appreciating and increasing the value of gold.

I can not forbear at this point to prove this beyond a reasonable doubt by the solemn declarations of the senior Senator from Ohio:

I quote from Senator SHERMAN'S speech in the Senate on April 11, 1876. He said:

The enormous effect of this law in Germany—

Referring to the demonetization of silver there—

The enormous effect of this law in Germany, and as a consequence the partial demonetization of silver coins, I suppose is felt by every man, woman and child who buys or sells anything. I suppose there is no act of any parliament that has so wide-reaching effect as this act of the German Parliament. The amount of coin in the world is estimated by Mr. Seyd and other technical writers at $3,200,000,000 silver and $3,500,000,000 in gold. So the effect of the act of Germany, aided no doubt somewhat by the large supply of silver by our mines, has been to reduce the purchasing power of the whole of this enormous sum of thirty-two hundred millions of silver fully 10 per cent. The fall of the silver trade dollar in this country has been from 103 to 91.

This effect extended itself to what is called the Latin League, who feared that German silver would be carried rapidly into Italy, France, and the nations of the league, for coinage purposes, and they interfered at once and stopped the coinage of silver. It also created an impression in India; so that, for the first time for two hundred years, the current flow of silver into China and India was arrested, but only for a short time, however. It is one of the remarkable currents of trade in the history of mankind that with the silver that has been coined in the world the greater part flows in a continuous stream into these Oriental countries; and for three or four months a feeling of alarm was created there lest that which they cherish as the measure of all their values should become valueless to them. It created a partial panic, but that panic has passed, and now the stream goes on; silver flows into India and China and all the Asiatic countries as heretofore.

That was not the worst of it. A struggle for the possession of gold at once arose between all the great nations, because everybody could see that if $3,200,000,000 of silver coin were demonetized and $3,500,000,000 of gold coin made the sole standard it would enormously add to the value of gold, and the Bank of France, the Bank of England, and the Imperial Bank of Germany at once commenced grasping for gold in whatever form. Therefore what we have observed recently is not so much a fall of silver as it is a rise of gold, the inevitable effect of a fear of the demonetization of silver; and now the Bank of France has in its vaults the enormous amount of $300,000,000 of gold in coin and bullion; the Bank of England has $170,000,000, and the Imperial Bank of Germany, has $125,000,000. So in these three depositories there is over $600,000,000 of gold, or nearly one-fifth of the supply of the world.

Then in the same speech the Senator from Ohio said:

The demonetizing of silver tends to add to the value of gold, and though its relative value changes it is more stable compared to gold than any other metal or production.

This was the Senator from Ohio in 1876, who was then apparently perfectly unconscious of having himself done anything to contribute to the action of Germany in the change from a single silver standard to a single gold standard, perfectly unconscious that anybody paid any attention to his refusal there in France as a Senator of the United States and chairman of the Finance Committee, to join Mr. Ruggles in agreeing upon the bimetallic system of the Latin Union in 1867, which was offered to us.

A bird's-eye view of all these actions will only occupy a few moments.

In 1870 the mints of all Europe, except Great Britain, Portugal, and Turkey, were open to the free and unlimited coinage of silver into full legal-tender money, the same as gold, at the ratio of 15½ to 1, and the mints of the United States, in the same condition, at the ratio of 16 to 1; and silver as metal and money at such ratio was the full equal of gold, and there was a greater demand for silver for monetary purposes than there was a supply.

In July, 1870, the Government of Sweden and Norway created the monetary commission, joined by Denmark in 1872, and the result was the abandonment of their single silver standard and the adoption of the single gold standard.

In 1871 Germany instituted her change from a single silver standard to the single gold standard, and completed the same July 9, 1873.

The United States, by the coinage act of February 12, 1873, prohibited the coinage of the standard silver dollar and established the single gold standard.

On January 30, 1874, the nations of the Latin Union by a supplementary treaty denied free coinage of silver to individuals, limited their coinage, and finally, in 1877, suspended further coinage of full legal-tender silver.

In 1875–'76 the Netherlands changed from the single silver standard to a single gold standard and stopped the free coinage of silver.

In 1876 Russia suspended the free coinage of silver.

Look at these unprecedented changes. What is the inevitable result? An immense mass, many hundreds of millions of coined silver money made a mere metal commodity, like iron, and thrown upon the markets for sale as such.

This mass of demonetized silver coins made an abnormal addition to the current production of silver, created for the time grave apprehensions as to its future use as money, and destroyed largely the demand for its monetary use, and at the same time created an abnormal and unprecedented demand for an amount of gold to supply its place for money far beyond the sufficiency of the existing stock of gold then in the world and the current production to supply it.

The natural and inevitable result followed: The depreciation of silver measured by gold as money, and a rapid increase or appreciation in the value of gold, not only as compared with silver, but also as compared with the staple products of the world, produced by the sweat and toil of the great masses of the people.

Not only did these great evils result, but the stable foundations of the monetary system of the world were grievously shaken by destruction, ruthlessly made, of one of the two foundations and pillars upon which they rested.

Gold monometallists, in their idolatrous devotion to and worship of the golden calf, were blind to the inevitable consequences. They feared no danger, no calamity, no evil, no impoverishment, no financial disturbances.

The true friends of silver and gold, the true bimetallists, alone foresaw the consequences and predicted them in unmistakable terms.

To prove this beyond cavil, I read the prophecies of Messrs. Seyd and Wolowski, republished in the United States in 1880 by Henry Carey Baird & Co., Philadelphia, in a small volume entitled "The Gold Standard; its causes, its effects, and its future," from the German of Baron William Von Kardorf-Wabnitz, who served more than ten years in the German Reichstag.

This is one of the most wonderful predictions in regard to financial matters which has ever been made in the world. It has been literally fulfilled, and is being fulfilled to-day:

Count Wolowski and Mr. Seyd published the following theses in 1868, the year in which the agitation for the introduction of the gold standard began in Paris—

This was in 1868, the very year that the Senator from Ohio introduced the bill in the United States Senate and made his famous report in favor of demonetizing silver and establishing the single gold standard in the United States. They say:

The demonetization of silver, they predicted, by any great civilized nation, must produce the following results:

1. The international trade of the world will instantly show signs of decline, to the special injury of countries having the largest international trade.
2. The spirit of public enterprise, in railroads and other useful undertakings, will be immediately checked, and consequently the general progress of civilization will suffer.
3. The decline in prices will compel countries internationally indebted to depart more and more from the principles of free trade toward a policy of protection.
4. The nations of the world will be divided into two groups—the one trading in gold, the other in silver—and this condition will render commerce between them unsafe and precarious.
5. Throughout the world a decline in prices will follow, injurious alike to owners of real property and the laboring classes, and advantageous only—and unjustly so—to the holders of State bonds and similar securities.
6. One of the principal difficulties in this period of general depression will be that people will look for its causes in all possible directions. The advocates of the gold standard will offer all possible groundless and fantastic excuses or reasons of a secondary nature only, and the real cause, the demonetization of silver, will be overlooked until the perspicuity of the phenomena and dire necessity shall force thinking men to point it out.

That is a remarkable and wonderful prophecy, and it has been carried out.

I now quote from Lord Beaconsfield, of England, in the same volume. The Senator from Ohio, as I shall quote hereafter, stated that nobody could anticipate such a thing. I want to show that there were some statesmen who did, even if he did not apprehend anything:

The views of Messrs. Seyd and Wolowski were also held by the distinguished statesman who is now the head of the British cabinet—Lord Beaconsfield—who, in 1873, foresaw the coming and the obstinancy of the recent great commercial crisis, and in his above-cited speech said:

"I attribute the great monetary disturbance that has occurred, and is now to a certain degree acting very injuriously to trade—I attribute it to the great changes which the governments in Europe are making with reference to their standards of value."

And again:

"It is quite evident we must prepare ourselves for great convulsions in the money market, not occasioned by speculation or any old cause, as has been alleged, but by a new cause with which we are not sufficiently acquainted, and the consequences of which are very embarrassing."

And finally:

"Convulsions must come, and no one will be able to form an adequate idea of the monetary derangement of the time in which he lives if he omits from his consideration the important subject to which I have called your attention."

I also refer to a quotation from Mr. Goschen, found at pages 51 and 52 of the conference of 1878. He said.

England had plainly stated her intention of maintaining her gold standard; Norway had said so, too; Germany was of the same opinion; while the Latin Union was not disposed at present to resume the free coinage of silver, or depart from the ratio of 1 to 15½, by which they are now bound. Very little, therefore, could result from the conference, because most of the states had decided beforehand on a particular policy. Austria, Italy, and Russia might vote for the proposition as a theoretical question, but having a forced currency they could not give practical support.

A theoretical discussion of the double standard, or of the advantages of the single standard, would accordingly, in his judgment, be a waste of time.

Of what avail would it be to discuss theories out of which it was known beforehand no practical result could arise, and thus to lay down principles which one was not about to follow. If the question of the double standard, however, were set aside, another question might fairly be put to the conference, and one of a most practical and useful character. Assuming that the universal double standard preferred by the United States be not adopted, what will be the future of silver? And toward what end ought all states to work, as far as practicable? The aim, he thought, should be to maintain silver as the ally of gold in all parts of the world where this could be done. A campaign against silver would be extremely dangerous, even for countries with a gold standard.

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The Indian government had suffered a great loss; the merchants had suffered from fluctuations in value, and public functionaries had suffered from the depreciation, but England had given proof of her faith in regard to silver by waiting to see whether it would not recover its former value. Had the example of other countries been followed in India, and precautions taken by limiting the mintage or introducing gold, silver might have fallen an additional 10 or 15 per cent. The *laissez faire* policy in India had done more than anything else to keep up the value of silver. If, however, other States were to carry on a propaganda in favor of a gold standard and of the demonetization of silver, the Indian government would be obliged to reconsider its position, and might be forced by events to take measures similar to those taken elsewhere. In that case the scramble to get rid of silver might provoke one of the gravest crises ever undergone by commere. One or two states might demonetize silver without serious results, but if all demonetized, there would be no buyers, and silver would fall in alarming proportions. Thus all or nearly all states were interested in silver. He would not enter on the situation of France, but take the case of Belgium. Belgium had coined a large quantity of 5-franc pieces, and if the Latin Union came to an end, these coins would necessarily flow back to Belgium, which country would then not escape the general embarrassment.

If all states should resolve on the adoption of a gold standard, the question arose, would there be sufficient gold for the purpose without a tremendous crisis? There would be a fear, on the one hand, of a depreciation of silver, and one, on the other, of a rise in the value of gold and a corresponding fall in the prices of all commodities.

Again, there was a further important question. Italy, Russia, and Austria, whenever they resumed specie payments, would require metal, and if all other states went in the direction of a gold standard, these countries, too, would be forced to take gold. Resumption on their part would be facilitated by the maintenance of silver as a part of the legal tender of the world. The American proposal for a universal double standard seemed impossible of realization, a veritable Utopia; but the theory of a universal gold standard was equally Utopian, and, indeed, involved a false Utopia. It was better for the world at large that the two metals should continue in circulation than that one should be universally substituted for the other.

The conference could not adopt the American proposition, but an attempt might be made, perhaps, elsewhere, to overcome the temporary and abnormal difficulties created by the German stock of £15,000,000 of silver. At present there was a vicious circle; states were afraid of employing silver on account of the depreciation, and the depreciation continued because states refused to employ it. As long as this sum of £15,000,000 of silver was in the market, an expectant attitude must be maintained.

Mr. Mees, another delegate to that conference, said:

Mr. Mees stated that he had no instructions which would permit him to vote for the propositions of the United States. It is the opinion, he said, of the Government of the Netherlands that so long as England and Germany shall retain the system of the single gold standard, it will remain impossible for Holland to adopt another system. Not only she can not bind herself internationally in this matter, but she could not even adopt separately any other than her present system. Such was the sole declaration which the delegate of the Netherlands was authorized to make in the name of his Government.

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Mr. Mees added that if the universal double standard was an Utopia, the single gold standard was also an Utopia, and one that would be very dangerous, if by some impossible combination of circumstances it should come to be realized. The general demonetization of silver undertaken everywhere at once would have the most fatal consequences. It would bring in its train an enormous depreciation in the value of that metal, and would occasion crises alarming in their economic effects. What would be better for everybody would be that the two metals should continue to serve simultaneously and, as Mr. Goschen had said, lend each other a mutual support.

Have these prophecies been fulfilled? Mr. President, no such prophets have ever made predictions in behalf of the gold standard and had them fulfilled. Here we have pointed out for successive years exactly what would result from the demonetization of silver. Here we have prophecies as to what it would be. What was the general result, all over the world, of this demonetization of silver? The general result, Mr. President, was a fall in the market value of all the great staple products of the world. I quote from Dr. A. Soetbeer, who made a thorough examination and a statement. He says:

Taking the whole one hundred articles together, we find that the general level of prices was higher in 1886 than in 1847–1850 by 4.96 per cent. The case is very different if we compare the average prices of 1886 with those of the period of 1871–1875. This becomes plain if we compare the prices of different groups in 1871–1875 and in 1886. Taking one hundred as the prices in 1871–1875, we find that a fall in prices had taken place, as follows:

		Per cent.
Group	I. Agricultural products	31
Group	II. Animal products	23
Group	III. Southern products	7
Group	IV. Tropical products	12
Group	V. Minerals and metals	40
Group	VI. Textile material	24
Group	VII. Miscellaneous	32

For all the one hundred articles the comparative prices show a fall in 1886 compared to 1871–1875 of 22 per cent.

Mr. President, I will read a short extract from this same work, Gold Standard, from page 31:

If we observe that the commencement of the great crisis in the commerce and trade of the world coincides precisely with the demonetization of silver in North America and Germany, we shall easily perceive the connection of causes between that fact and these phenomena, and see that the mischievous results of the demonetization of silver must, from year to year, become more apparent.

But what was the result in England? England demonetized silver in 1816, and at that time England had depreciated paper money.

The immense resources—

I am reading from Gold Standard again, pages 16 and 17—

The immense resources of the British Empire; its supremacy in the commerce of the world; the rapid development of those astonishing industries, resting upon its natural treasures of iron and coal, which the inventions of Watt and Arkwright had called into life; the ceaseless influx of the wealth of India into the British Islands; all this could not prevent the fearful crises which the several rapidly changing phases of the British finance and banking policy necessarily brought on.

First, following out the doctrines of the prevailing financial school, there was a strong contraction of the note circulation in order to force the resumption of specie payments, in consequence of which a business and financial crisis occurred, whose severity has not been exceeded by any in our times. Then inflation, great increase in the issue of notes, and in consequence of this apparent prosperity, apparent rapid growth of the national interests; then a second contraction of the currency and consequent return of the crisis; and so on, until ultimately the present bank act came into existence, the note circulation acquired a certain stability, and the inexhaustible resources of British prosperity were able, undisturbed by human folly, to enrich the country.

What was the condition in Germany, Mr. President? The same result occurred after the demonetization of silver in Germany. The same author, a German author, speaking of the demonetization of silver by Germany, says:

The fact that a number of smaller states would be forced to follow the example of Germany; that the embarrassments of countries having depreciated standards, as Austria and Russia, would be increased by our proceeding; that France would be compelled to stop its coinage of silver; all this was then considered as unimportant and even as desirable. Even the question whether a general depreciation of silver would follow appeared important only in so far as slower sales of silver would cause greater losses to Germany.

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The adoption of the gold standard by the German Empire was the signal for the immense commercial collapse the deplorable effects of which have not yet been effaced. The like action by the North American Union by later legislation would have remained isolated, and could hardly have produced similar results. There was in that country no large stock of silver which, like that of Germany, had to be placed on the market; there the greenbacks—the national paper money—still formed the basis of circulation. If under these circumstances the United States alone had adopted the gold standard, and Germany retained the silver standard with subsidiary gold coinage, the United States would probably have experienced difficulties and embarrassments, but the acute and general depreciation of silver which resulted from the change in the German standard would never have occurred.

The introduction of the gold standard in Germany caused no decrease in the circulation of metallic money, as not only the withdrawn German silver and gold coins, but also the not inconsiderable amount of foreign gold circulating in Germany (Napoleons, 10 guldens, 5 francs, Austrian thalers and guldens), were amply replaced; indeed, the minute calculations by Soetbeer suggest that, including the changes in note circulation caused by the German bank law, the amount of circulating medium has been increased. This, according to the scholastic theory, should have resulted in advanced prices of all commodities and in an export of money. But the higher gold prices, in conjunction with the introduction of free-trade practices in our commercial policy, produced the opposite result, namely, a perceptible increased purchasing power of money, and a decrease in the price of all commodities. The wild chase after gold, in which all countries immediately joined, enhanced the price of gold, and thus caused an unprecedented depreciation of the value of land and commodities. The imperial board was obliged to exercise all circumspection and caution to secure to the country its share of gold by a timely increase in the rate of discount, not to the advantage of production.

Now, Mr. President, what was the result in the United States of the demonetization of silver? It was the coinage act of February 12, 1873, and in the following September such a panic as this country never before experienced shook it from center to circumference, a financial depression which brought hundreds and thousands of citizens of the country into bankruptcy and ruin. So that in every country where it has been adopted the result has been a crisis, a commercial depression, bankruptcy, and ruin.

Sir W. Houldsworth, a delegate of Great Britain, said, at the Brussels Conference, in 1892:

In the first place, I am, from my position and antecedents, more peculiarly identified with industrial and commercial life than any of my honorable colleagues, and I need scarcely stay to remark that it is industry and commerce in their widest aspects which are most vitally interested in and will be most profoundly affected by the decisions at which this conference arrives. In the second place, I have had the honor and the responsibility of sitting upon both of those important commissions in England, which were appointed specially to examine into questions intimately connected with that which we are called upon to discuss here. I refer to the royal commission on the depression of trade, which sat in 1885, and the gold and silver commission, which sat in 1887–'88.

Now, with regard to the first of these commissions, without going into details, I feel bound to bring before this conference certain conclusions which appear in the reports. The origin of the commission was the widespread feeling in Great Britain, even so far back as fifteen years ago, that a deep and abnormal depression of trade had set in, which, unlike previous depressions, showed no signs of recovery. All available statistics were brought before us, and a large body of evidence was taken. Conflicting opinions were expressed both as to the extent and as to the causes of the depression; but at last these five definite conclusions were arrived at:

1. That the depression dated from the year 1873 or thereabouts.

2. That it extended to nearly every branch of industry, including agriculture, manufactures, and mining, and that it was not confined to England, but had been experienced to a greater or less degree in all the industrial countries of the world.

3. That it appeared to be closely connected with the serious fall in general prices, which even then was most observable, though it has since been

more strongly marked, resulting in the diminution—in some cases even the total loss—of profit, and consequent irregularity of employment to the wage-earners.

4. That the duration of the depression has been most unusual and abnormal.

5. That no adequate cause for this state of things was discoverable, unless it could be found in some general dislocation of values caused by currency changes, and which would be capable of affecting an area equal to that which the depression of trade covered.

It was in consequence of this report, and at the express recommendation of the depression of trade commissioners themselves, that the gold and silver royal commission was appointed to examine into the "recent changes in the relative values of the precious metals." I will not dwell on the report of that second commission, as I feel sure its main conclusions are within the knowledge of most if not all the delegates at this conference. It will be enough to say that it confirmed the findings of the previous commission as to the date of the disturbance, as to the fall in prices, as to the effect of such fall upon all industries; and, in addition, it revealed the serious consequences which had resulted from the destruction of that par of exchange between silver and gold at about 15½ to 1 which had practically existed uninterruptedly for seventy years before 18.3, the disruption of which had dislocated, embarrassed, and to some extent destroyed the trade between silver-using and gold-using countries, and turned legitimate commerce into little better than gambling.

In further substantiation of what I have said I quote from the speech of Sir Guilford L. Molesworth, delegate of British India, at the Brussels Monetary Conference:

Now, this state of things was clearly predicted by Ernest Seyd in 1871, when the severance of the link between gold and silver was first contemplated. His prediction has been so remarkably fulfilled that I must quote his words:

"It is a great mistake to suppose that the adoption of the gold valuation by other States besides England will be beneficial. It will only lead to the destruction of the monetary equilibrium hitherto existing, and cause a fall in the value of silver, from which England's trade and the Indian silver valuation will suffer more than all other interests, grievous as the general decline of prosperity all over the world will be.

"The strong doctrinarianism existing in England as regards the gold valuation is so blind that when the time of depression sets in there will be this special feature; the economical authorities of the country will refuse to listen to the cause here foreshadowed, every possible attempt will be made to prove that the decline of commerce is due to all sorts of causes and irreconcilable matters; the workman and his strikes will be the first convenient target; then speculation and overtrading will have their turn. * * * Many other allegations will be made totally irrelevant to the real issue, but satisfactory to the moralizing tendency of financial writers. The great danger of the time will be that among all this confusion and strife England's supremacy in commerce and manufactures may go backward to an extent which can not be redressed when the real cause becomes recognized and the natural remedy is applied."

In fulfillment of this prediction, we find that the difficulties under which we labor have been attributed to all sorts of irreconcilable causes. It has been necessary to invent a theory that progress in manufactures, in improved transport, inventions, and banking have caused a species of economic revolution, which has created a new state in the conditions of trade and commerce differing from that which previously existed. But they overlook the fact that the alleged causes have been in active operation during the greater portion of the century (and when compared with the previous progress, they were far more pronounced during the middle of the century than at present).

It is obvious, therefore, that such a revolution, if it existed, should have arisen at an earlier period, and that it should have developed gradually, instead of setting in suddenly at the exact moment when the link was broken between gold and silver. Moreover, this theory involves another irreconcilable position. It is absurd to suppose that a revolution of this character could have affected gold prices so seriously, and yet should have left silver prices unaffected. Silver is the standard of value of more than half the world, yet silver prices have remained stable, whilst gold prices have fallen from 40 to 50 per cent. Whilst shutting their eyes to these facts, the advocates of such a theory are also blind to the following facts:

1. That the depression which has occurred as a necessary consequence o the suspension of free coinage of silver in France was predicted, and the prediction has been fulfilled to the letter.

2. That since 1871 the population demanding gold has quadrupled, and the foreign trade demanding gold has trebled.

3. That the demonetization of silver for international monetary purposes in Europe has caused gold to perform, single-handed, the work previously done by gold and silver combined.

4. That the annual supply of gold scarcely exceeds the amount required for industrial purposes.

It follows, as necessary consequences of these facts, that with the increased demand for gold its value must rise, or, in other words, gold prices must fall.

The judicial blindness must be great which, ignoring this strong evidence of facts, seeks an explanation in irreconcilable theories.

A very distinguished member of this conference has likened silver to a sick man whose state has been but aggravated by medicines which have been administered to cure him; but I think that this is not surprising, inasmuch as the physicians have not merely mistaken the character of the illness, but they have mistaken the invalid. It is gold who is the sick man, not silver. They have mistaken the bloated condition of gold for a symptom of health, whereas it is the symptom of a dangerous disease which now threatens to develop into a fearful crisis, which, as Mr. Rothschild says, "would be frightful to contemplate."

I am not one of those who believe in the efficacy of simple purchases of silver to relieve the situation. I have, for years past, publicly expressed the opinion that the purchases of silver under the Bland act and similar bills were opposed to the first principles of monetary science, and must, unless the true remedy be eventually applied, end in disaster, from which, if the United States has up to the present escaped, it is because of the great expansion of their population and industry.

I could go on indefinitely quoting authorities and facts, conclusively establishing what I have asserted.

Cast your eyes over the world's history since 1873 and see the wrecks, financial crises, panics, failures, depreciation of the prices of the world's products, the constant rise in the purchasing power of gold, the shrinkage in the market values of bonds and stocks, entailing losses to the amount of billions of dollars, all graphically foretold by the friends of bimetallism; the gold monometallists in the meantime, just as Seyd and Wolowski predicted, attributing these dire results to every imaginable cause except the true one, the striking down by discriminating laws one-half of the metallic money of the world and establishing gold only as money.

Our own country has not escaped. We had the panic of 1873, and several severe financial crises prior to the present one. Yet our gold-standard financiers and doctrinaires attribute the causes not to the true one, the demonetization of silver in the United States in 1873 and throughout the world, but to our legislation for the rehabilitation of silver.

Now, the so-called Sherman law is made the scapegoat and must be unceremoniously and unconditionally driven into the wilderness, and with its banishment halcyon days of financial prosperity and restored confidence are to be ushered in.

The so-called Sherman law has had no influence whatever on the exports of gold, to which reference has been made. In the fiscal year 1889 our exports of gold were $49,607,427 in excess of our imports. In 1890 they were $4,331,149; in 1891, $68,130,087; in 1892, $495,873; in 1893, $87,506,463. Think of sane men undertaking to make other sane men believe that the Sherman law drove this gold out of the country! It is ridiculous.

I wish to quote here from the speech of my distinguished friend from Kentucky, Mr. BLACKBURN, in regard to whether the Sherman law drove gold out of the country or not. I quote from his speech on page 2215 of the RECORD, and I doubt not he has verified it:

The records of the country show that for days and weeks, beginning in the latter part of April, and it is more noticeably true in the month of May, for days and weeks gold left this country at the rate of five millions a week, until thirty-eight millions had gone, until a panic had been produced, until values had been upset and unsettled, until the business of the country had been disturbed. At the rate of five millions a week your gold was shipped out of the country, when never in one day nor one hour nor one instant had foreign exchange been above the rate I have named.

It is plain on the face of paper that one of two things was true, either the shipper was paying ocean freights at a loss out of his pocket or else he was receiving a commission from some one upon every dollar that was shipped. Who shipped this gold? I do not charge that all of the bankers of New York or Wall street were engaged in it. There are bankers there whose character stands too high for me to believe that they were guilty of such a combination; but I know that there are bankers there who represent the Rothschilds, who did ship—Heidelbach, Ickelheimer & Co. and Lazarus Frères & Co. These were the exporters of your gold. They were shipping it when the rate of exchange proved beyond controversy that they were shipping it at a loss; they were either paying the ocean freights out of their pockets or receiving a commission.

It was fictitious, it was planned to order. There is no doubt of this, and I quote this to show exactly what was the reason. If the Sherman law sent gold out, it brought it back very quickly.

The financial collapse in the Argentine Republic occurred in 1890, and was followed in the year 1891 by the failure of the English banking house of Baring Brothers, when it is charged that England's investors lost $1,000,000,000. Gold was demanded and taken from us as stated. Failures in Australia to the amount of many millions have occurred, and gold monometallic England was again shaken to the center. These exports of gold were no more caused by the Sherman law than by an evening zephyr. The present crisis was plainly predicted by Mr. Alfred de Rothschild, delegate from Great Britain to the Brussels conference. This is a very remarkable prediction. He said:

Gentlemen, I need hardly remind you that the stock of silver in the world is estimated at some thousands of millions, and if this conference were to break up without arriving at any definite result there would be a depreciation in the value of that commodity which it would be frightful to contemplate and out of which a monetary panic would ensue, the far-spreading effects of which it would be impossible to foretell.

There it is as plain as A B C, in the Brussels conference, predicted just as it has come to pass, and the cause stated, and yet none of these gold monometallic doctrinaires will believe anything about it. They will shut their eyes to all these things. You could not make my friend from New Jersey [Mr. MCPHERSON] read that and comprehend it. He would think it was something else, although it is the opinion of one of his own monometallic friends.

From this same report I have quoted from Sir G. Molesworth, representing India, to show that he predicted that India would change to a single gold standard if that monetary conference adjourned without any agreement.

There was in that monetary conference a Mr. Currie, who was also on the Indian currency commission to settle the financial question in India.

Mr. PLATT. On the Herschell commission?

Mr. COCKRELL. Yes, sir. Mr. Currie was a delegate to the Brussels conference, and at the same time he was a member of the Indian commission. Our commissioners unwittingly told him what we were going to do, or what they thought we were going to do, without any authority to say so. I read from page 118 of the Brussels conference. I do not want to do any injustice to any distinguished gentleman who represented us in that body, but I want to show what they said and how we were represented. We have a right to know that.

Governor MCCREARY, of Kentucky, a representative of the Government of the United States, made an address before that conference, in which he went on to speak in behalf of silver, and then told about the election and about the Democratic platform, which he quoted, and then said:

Speaking for myself only, I express the opinion that the silver law known as the act of 1890 now in force in my country will be repealed. It is possible this will be done at the present session of Congress—

That is, at the last session of the last Congress.

If not this session, I believe it will certainly be repealed at the next session of Congress.

Oh, yes; we are going to repeal. "You had better get scared now and come to an international agreement because we shall repeal this law." What did Mr. Cannon, another delegate, say at that conference?

The United States has seriously taken into consideration the idea of repealing the silver purchase act of 1890; the two political parties as well as the great bankers of New York have advised this repeal, and if during this conference some arrangement is not attained, it is more than probable that America will not continue disposed to buy annually 54,000,000 ounces of silver at the market price.

Yes, we by our delegates told that monetary conference we were going to drop it, silver, and that they had better come to some agreement. The conference adjourned, and was to have met last spring, I believe, was it not?

Mr. ALLISON. It was to have met on the 30th of May.

Mr. COCKRELL. I believe that Indian currency commission just held back long enough to get ahead of us and strike down silver first, and let us bear the brunt of it if we repeal the existing law. We told them what we were going to do. We have always told them in advance we were going to do something to strike at silver, with the expectation of scaring them. There never has been but one time, Mr. President, that the agents and representatives of the United States have ever been able to scare Europe into changing its monetary system, and that was in 1863 to 1865 and in 1873, when we told them that we would flood the world with gold and silver and depreciate the purchasing power of their invested securities. We told them that we were the great gold-producing country, as the Senator from Ohio said, and the gold system had to be established; and we went on and established it, and they were foolish enough to believe that what we said was true, and they changed their whole system to a single gold standard.

The Indian currency commission was appointed October 21, 1892. As predicted by Sir Molesworth, in anticipation of the repeal of the Sherman law by us, India has closed her mints to the free coinage of silver and the crisis predicted is upon us, intensified by many other combinations and causes, and silver has fallen most fearfully in value measured by the gold standard, just as expected by India and England. And we are now called upon to repeal the Sherman law unconditionally, reëstablish the gold standard and practically close the mints of the whole world to the free and unlimited coinage of silver and make silver everywhere a mere commodity, a mere ordinary metal without any monetary functions by the laws of any nation, and still further depreciate it, lessen its value, etc.

Think of the ridiculousness of the proposition that we must demonetize silver and destroy value in order to make Europe come to international agreement! It is perfectly absurd upon its face. We destroy its value or make it the world over a mere commodity, and what greater harm will be done to Europe than to us? What greater losses will they suffer than we shall? We are producing more silver, and gold too, than any other nation. Would not we be the greatest sufferers in the depreciation in prices? Yet it is pretended that we should be in some way or other the beneficiary. There was never such sophistry proclaimed to intelligent free men in the world.

Then truly we would have throughout the world the idealistic doctrinaire single gold standard, which would entail for ages to come upon the toiling masses of every country in the world untold and inconceivable sufferings, losses, financial disturbances, and crises, depressions of all kinds of business, a rapid increase in the purchasing power of gold and a still greater fall in the prices of the world's products.

This Utopian single gold standard. This is what we are coming to, if unconditional repeal is carried.

Mr. President, let us examine this single gold standard—this American idea, so called—boasted of by the senior Senator from Ohio.

I assert that there is not only not a sufficient amount of gold in the world to answer the demands of the world's commerce and business for monetary purposes, but not enough gold and silver combined to meet the monetary wants and demands of the nations.

The estimate of Dr. A. Soetbeer, of Germany, from 1493 to 1885, and since that date of our Mint Bureau, places the world's production of gold and silver for that period, 1493 to 1892, inclusive—four hundred years—as follows: Gold, $8,204,303,000, and silver, $9,726,072,000, being in the proportion of $45.80 of gold to $54.20 of silver, making an aggregate amount of $17,930,375,000.

If this vast amount were all in existence to-day it would only be a fraction over $14.81 per capita of the world's population, estimated at 1,210,000,000.

What has become of this vast sum of the precious metals, and what proportion can be found in all the nations of the world? It has been subjected to all the multitudinous mutations, strifes, and contentions of the peoples of the world during these four hundred years to losses, abrasions, wear and tear, and to all the uses for industrial purposes.

The losses by abrasion are estimated annually for gold about $500,000 and for silver, including subsidiary coins, about $2,000,000.

Now, search and examine the treasuries of the nations the world over for the existing gold and silver; and from the most reliable data available, our Mint Bureau, we can only find $3,582,605,000 of gold coin and bullion, and $3,469,100,000 of full legal-tender silver coins, aggregating $7,051,705,000.

The percentage or proportion of gold to silver is 50.8 gold to 49.2 silver, nearly equal in value. This aggregate of goin coin and bullion and silver coins in the world gives for gold $2.96 per capita and for silver $2.86 per capita, and combined, only a fraction over $5.82 per capita to the population of the world, a wholly inadequate and insufficient supply for monetary purposes.

The conclusive proof of this is found in the fact that according to statistics of our Mint Bureau there is to-day in existence among the nations of the world an immense mass of irredeemable or uncovered paper money, without any metallic basis for redemption, aggregating the sum of $2,635,873,000, including $600,000,000 in South America, $500,000,000 in Russia, $163,000,000 in Italy, $100,000,000 in Spain, $260,000,000 in Austria-Hungary, which latter adopted the single gold standard in August, 1892. Russia, Austria-Hungary, and Italy, as well as other nations, having such uncovered paper money, are grabbing for gold in every direction in order to resume specie redemption on a gold basis. India has in this year closed her mints to the coinage of silver and adopted the gold standard, and entered on the scramble for gold.

This scramble, this grabbing for gold, will more distinctly appear from a careful consideration of the estimates by our Mint Bureau of the world's production and coinage of gold and silver.

I applied to the Director of the Mint for an estimate as far back as the statistics accessible enabled him to make, and he furnished me the statement published in Senate Miscellaneous Document No. 34, present session, giving the production and coinage for 1873–1891, inclusive, as follows:

World's product of gold $2,080,144,579, and coinage $2,782,927,456. The excess of the coinage in these nineteen years over the gross product is $672,782,877.

Silver product	$2,204,155,349
Silver coinage	2,309,962,273
Coinage excess	105,806,924

To see still more distinctly the shifting of gold from one nation to another, and its recoinage, first by one and then by another nation, and so on, let us consider the varied consumption of gold and silver for industrial uses, in industry, manufactures and fine arts.

The two principal demands or uses for gold and silver are for coinage—monetary purposes—and for industrial uses. The eminent statistician, Dr. A. Soetbeer, in his "Materials toward the elucidation of the economic conditions affecting the precious metals," prepared October 1, 1886, estimates for the three recent years an average net annual consumption of the precious metals for "industrial uses" in civilized nations as follows: Of gold, 90,000 kilograms, $59,814,000 (the kilogram being $664.60), and of silver, 515,000 kilograms), $21,403,400 (the kilogram being $41.56). In giving these figures he says:

Surprising as the enormous extent of the estimated annual consumption of gold for ornaments and other purposes in the arts may seem, any doubt as to the probable correctness of the estimate will disappear on consideration of the increasing use of gold for ornament and for industrial purposes with the growth of population and wealth.—*Volume 24, Consular Reports, page 5134.*

In the ten years, 1876–1885, inclusive, just preceding the date of this estimate, the world's product of gold was, according to our Mint Bureau, $1,067,721,842, and the consumption in industrial uses, according to Dr. Soetbeer's estimate of $59,814,000 annually, being 56 per cent, was $598,140,000, which left for coinage only $469,581,842. And the actual coinage was $1,372,407,272, being an excess of coinage of $902,825,450.

This was an enormous excess of coinage in these ten years over the balance of the total production of gold left after deducting the amount consumed in industrial uses. Now, this balance of $469,581,842, left for monetary uses throughout the world in the period of 1876–1885, inclusive, was only 46.95 cents per capita of

the world's population, estimated at 1,000,000,000 people, a low estimate, and 4.69½ cents per capita of population for each year during the ten years, to be added to the stock of money in existence to meet the wants and demands of the world's increase of population, commerce, and business.

In this same period of ten years, from 1876 to 1885, inclusive, the world s product of silver, according to our Mint Bureau, was $1,016,586,116, and the consumption in industrial uses according to Dr. Soetbeer's estimate of $21,403,400 annually, being 21 per cent, was $214,034,000, which left for monetary uses for coinage $802,552,116, while the actual coinage was $1,103,371,395, which shows an excess of silver coinage in these ten years of $300,819,279.

This balance of $802,552,116 left for monetary uses in the world in these ten years was only 80.25 cents per capita of population, and only a fraction over 8 cents per capita for each of the ten years to meet the wants and demands of the world's increase of population, commerce, and business.

Take the world's product of both gold and silver during this ten-year period, and deduct therefrom the amounts consumed in industrial uses, according to Dr. Soetbeer, and the balance left for monetary uses was only $1.27 3/10 per capita of the world's population, and for each of the ten years was only 12 73/100 cents per capita of population, a wholly inadequate sum to meet the wants and demands of the increase of population, commerce, and business.

In confirmation of the correctness of these estimates as to the world's consumption of gold and silver for industrial uses, I now state the estimates of our Mint Bureau as to the product and such consumption of gold and silver in the United States for the five years from 1888 to 1892, inclusive.

Year.	Gold product.	Industrial consumption.	Percentage.	Silver product.	Industrial consumption.	Percentage.
1888	$33,175,000	$16,500,000	49.4	$59,195,000	$5,280,000	8.9
1889	32,800,000	16,697,000	50.8	64,646,000	8,766,000	13.5
1890	32,845,000	18,105,901	55.1	70,464,000	9,231,178	13.1
1891	33,175,000	19,700,000	59.3	75,417,000	9,630,000	12.7
1892	33,000,000	19,329,000	58.6	73,697,000	9,301,000	12.6
Total	164,995,000	90,331,901	*55	343,419,000	42,208,178	*12.2

*Average.

Consider the vast significance of these figures.

The world's stock of gold coin and bullion is $2.96 per capita of the world's population, and of full legal tender, silver coins only $2.86 per capita.

Since 1857, the largest annual product of gold in the world was $130,817,000 in the year 1892, equal to only the insignificant sum of 10.81 cents per capita of the world's population. With this momentous increase annually to the gold money of the world to meet the increase of population and of the world's commerce and business, it is imperiously demanded of us to vote for the pending measure, unconditionally repealing the Sherman law and restoring the single gold standard of the coinage act of February 12, 1873, a beautiful basis to ask for such a vote.

But examining a little more critically, we find that of the annual product of gold in the world of $130,817,000 in 1892, we produced in the United States $33,000,000, or a fraction over 25.22 per cent, and of our product we consumed for industrial uses about 58.6 per cent, equal to $19,329,000, leaving us only $13,671,000, or only 20.40 cents per capita, estimating our population at the close of 1892 at 67,000,000 people.

A still more critical examination, according to the estimate of Dr. Soetbeer, of an average annual net consumption of 56 per cent of the world's gold product in industrial uses, shows $73,257,520 of the $130,817,000 of gold produced in the world in 1892, used for such industrial purposes, and leaves for monetary purposes in the wide world $57,559,480—equal to 4.75 cents per capita of the world's population.

In the name of reason, of ordinary common sense, I ask is this 4¾ cents per capita increase of the gold money of the world sufficient to meet the wants, the demands of the increasing population, commerce, and business of the world? Is not gold monometallism not only an Utopia, but also a ruinously false Utopia—a mere doctrinaire's summer dream.

And we are urged to repeal the existing Sherman law, without any amendment or substitute of any kind whatever, and thereby restore and leave in full force and operation the Sherman coinage law of February 12, 1873, establishing the single gold standard, this Utopia, and wipe from our laws every vestige of legislation recognizing the true Democratic bimetallic monetary system.

No alternative is offered us. Wheresoever we seek refuge, relief, we must fall in the embraces of Sherman legislation, an audacious demand. We want no more of it. Neither the present Sherman law nor the Sherman law of 1873, but the restoration of the constitutional bimetallic system, maintained by successive Democratic Administrations for over half a century.

[At this point the honorable Senator yielded for an executive session.]

Wednesday, October 11, 1893.

Mr. COCKRELL. Mr. President, why not restore true bimetallism? Why not restore silver to all the monetary functions given by our laws to gold as coin and money? Why not make them the equals in every respect by proper legislation now by amendments to the pending bill?

According to professions all of us on both sides of this Chamber, as well as the Executive, are the friends of silver.

If friends, then why not give some tangible evidence of our friendship for silver by proper legislative recognition now?

Now is the accepted opportunity. Procrastination is the thief of time.

The President, in the proper exercise of his constitutional prerogative "from time to time to give to the Congress information of the state of the Union and recommend to their consideration such measures as he shall judge necessary and expedient," and "on extraordinary occasions to convene both Houses or either of them," has convened this extraordinary session of both Houses and submitted to them his views of the state of the Union, and recommended to their consideration such measures as he judges necessary and expedient. We have his message, his views of the existing conditions, and his recommendation.

I quote his recommendation—the only one in his message. He says:

> I earnestly recommend the prompt repeal of the provisions of the act passed July 14, 1890, authorizing the purchase of silver bullion, and that other legislative action may put beyond all doubt or mistake the intention and the ability of the Government to fulfill its pecuniary obligations in money universally recognized by all civilized countries.

This recommendation, the only one given to this Congress, is all in one sentence and all one recommendation—the repeal of the purchasing provisions of the act of July 14, 1890, and other legislative action putting beyond doubt or mistake the intention and ability of the Government to fulfill its pecuniary obligations in money universally recognized by all civilized countries. As a personal and political friend of the President, I stand ready and anxious to carry out by appropriate legislation on the pending bill the recommendation, the only recommendation made by the President.

Why do the Senators on each side of this Chamber, under the leadership of the senior Senators from Indiana and New Jersey, and from Ohio and Rhode Island, claiming to represent the Administration, insist upon and urge the passage of the pending bill without any amendment, simply repealing the purchasing clauses of the Sherman law, and wholly ignoring the most vital and essential part of the President's single and only recommendation:

> Other legislative action putting beyond all doubt the intention and ability of the Government to fulfill its pecuniary obligations in money universally recognized by all civilized countries.

This is by far the most important part of this one recommendation of the President.

The charge is iterated and reiterated, day by day and week by week, that the Senators opposing the passage of the pending bill for simple unconditional repeal are obstructionists—are filibustering, whatever that may mean—and are opposing the wise and judicious recommendation of legislation by the President. This is a false and unfounded charge. If there be obstructionists, it can only be those Senators who insist upon ignoring the most essential and necessary legislation recommended to our consideration.

I believe I am justified in saying, in behalf of the Senators opposing the pending bill, that we stand ready to-day, and will so stand throughout this struggle, ready and anxious to pass this bill with amendments, with "legislation putting beyond all mistake the intention and the ability of our Government to fulfill every one of its pecuniary obligations in money universally recognized by all civilized countries." We are not repudiationists. There is not one in this Senate, so far as I know. We are not inflationists. We do not believe in fiat money.

We advocate "honest money—the strict maintenance of the public faith—consisting of gold and silver and paper convertible into coin on demand," in the words of the national Democratic platform of 1880.

Again, Mr. President, "we believe in honest money, the gold and silver coinage of the Constitution, and a circulating medium convertible into such money without loss," as declared in the national Democratic platform of 1884, upon which the present President was first elected, and which was readopted in the platform of 1888.

We favor now legislation on this bill, not mere idle promises, "to continue the use of both gold and silver as standard money, and to coin both gold and silver into money of equal intrinsic and exchangeable value," and we want now "to secure such equality by such safeguards of legislation," to be enacted now, and not merely promised, as will insure the maintenance of the parity in value of the coins of the two metals and the equal power of every dollar at all times in the markets and in the payment of debts."

We are now steadily, persistently, and consistently directing—not merely promising to direct—"the efforts of the Government and of this Senate to the establishment of such a safe system of bimetallism as will maintain at all times the equal power of every dollar coined or issued by the United States in the markets and in the payment of debts."

We want to engraft on the pending bill, not these idle promises contained in the bill, but the legislation therein promised and recommended by the President.

Is this obstruction? Is this filibustering? We are ready, waiting, to join the advocates of this bill in appropriate legislation to carry out and redeem the promises set forth in it.

We favor legislative action, not legislative promises. You may ask by what legislative action do we propose "to put beyond all doubt or mistake the intention and the ability of the Government to fulfil its pecuniary obligations in money universally recognized by all civilized countries?"

According to the American Yankee idea, I answer by propounding to you, what legislation do you propose? You are occupying the affirmative, you are promising legislation. The country and the Senate want to know what that legislation is. What does the President propose? We have his message. He has exercised his constitutional prerogative, and we know what it is. Is there anything there? That other legislation, which I have just quoted, to make manifest the intention of the Government to redeem all its pecuniary obligations in money recognized by all civilized countries.

We stand ready to carry out that kind of legislation; but the friends of this bill and the President have failed to tell the country what legislation they want. They are as dumb and as silent as oysters.

Mr. PALMER. Will the Senator from Missouri allow me to say a word?

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from Illinois?

Mr. COCKRELL. With pleasure.

Mr. PALMER. The Executive has asked us to pass the pending bill. There is no silence about that.

Mr. COCKRELL. Is that a financial plan?

Mr. PALMER. Yes, sir; that is part of it?

Mr. COCKRELL. That, then, according to the Senator from Illinois, is the financial plan of the national Democratic party of the United States, simply a patchwork to repeal the Sherman law.

Mr. PALMER. It required six days to create the world. This is one step in the direction of a financial policy.

Mr. COCKRELL. Then it is not a policy?

Mr. PALMER. It is not a policy.

Mr. COCKRELL. It is a step, a miserable, pitiful step on a broken leg. We want a system, a policy. What is this?

Mr. PALMER. May I be allowed to ask the Senator from Missouri, will he present his plan? I understood the Senator to claim——

Mr. WOLCOTT. We can not hear the Senator.

The VICE-PRESIDENT. The Senate will be in order. It is impossible to hear the remarks of the Senator from Illinois.

Mr. PALMER. The Senator from Missouri claims that this is no plan. This is to remove an obstruction out of the way of a plan, but the Senators who complain of the silence of the supporters of this bill ought kindly to present a plan of their own, that the two may be contrasted; but, above all, Senators who have plans, should come forward to the rescue and put their plans in comprehensible shape—something more than mere declamation for free silver. I submit that as an answer to the question.

Mr. COCKRELL. I submit that it is no answer at all. The President of the United States has convened the Congress in extraordinary session because of our financial condition. That is the expressed subject submitted to us, and it is simply proposed, according to this bill, to repeal the power given in the Sherman law to purchase 4,500,000 ounces of silver per month, and stop there.

Mr. PALMER. The Senator is right. The bill proposes no more and no less than that; but it is an essential part of any financial or any monetary measure——

Mr. COCKRELL. And that leaves us upon the Sherman law of 1873, establishing the single gold standard, and giving to gold only the right of coinage.

Mr. PALMER. I will say frankly to the Senator that it leaves all laws in force other than the one repealed.

Mr. COCKRELL. That is the only law on the subject in force. The Senator can not evade that.

Mr. PALMER. That is a matter of judgment for the Senator himself.

Mr. COCKRELL. I ask the Senator to show any other law on the subject that would be in force?

Mr. PALMER. Whatever other provisions the law makes are in force. The silver dollars are left by law a legal tender.

Mr. COCKRELL. There is no doubt about that; I stated that. But what law is there recognizing the right of silver to coinage?

Mr. PALMER. Oh!

Mr. COCKRELL. What law is there that does not make gold the single standard in this country and the only metal that is admitted to coinage?

Mr. PALMER. This bill only does what it professes to do. That is all.

Mr. COCKRELL. Yes; and we are not going to permit you to evade the issue. This bill, if passed, places the United States Government on the single gold standard.

Mr. PALMER. The Senator will pardon me for saying one word more. He has argued elaborately that that was done by the act of 1873.

Mr. COCKRELL. Then this bill puts the act of 1873 in force again.

Mr. PALMER. I think not.

Mr. COCKRELL. There is no question about that. I think if the Senator will look over the law he will see that that is the case.

Mr. PALMER. I understand the law which makes a silver dollar a legal tender is unrepealed.

Mr. COCKRELL. Everybody knows that; but is there any law authorizing the coinage of a solitary silver dollar after this bill is passed? Is there any law authorizing any coinage except gold coinage?

Mr. PALMER. None, I think, except the discretionary power contained in the act itself.

Mr. COCKRELL. To coin the bullion on hand, and no further and no more than that.

Mr. PALMER. There is none that I know of.

Mr. COCKRELL. That is right. Now we understand each other. This bill does not give any additional power, not a particle.

Mr. VOORHEES. I do not intend to interfere in the debate. My attention was called yesterday by the senior Senator from Ohio [Mr. SHERMAN] to a continuing provision of law, of which I was not aware the other day when I was on the floor, authorizing the Secretary of the Treasury to purchase bullion for subsidiary coin.

Mr. COCKRELL. There is no doubt about that; I do not dispute that.

Mr. VOORHEES. I am not interfering in the debate. I merely wanted to contribute that fact to the general knowledge upon this subject.

Mr. COCKRELL. There is no doubt about that.

Mr. VOORHEES. That is a large discretion which might extend to $100,000,000. We have seventy-seven millions of subsidiary coin now, and it is generally understood that it ought to be more.

I did not rise as I said, however, for the purpose of interfering in the debate, but merely to contribute that fact, that future silver coinage is provided for by a general and continuing law making such coinage a legal tender for $10.

Mr. COCKRELL. For ten dollars?

Mr. VOORHEES. Yes.

Mr. COCKRELL. There is no question in the world about the power to coin the subsidiary silver, which is a legal tender for five or ten dollars, as I believe it is now.

Mr. VOORHEES. Yes.

Mr. COCKRELL. It was increased to $10. That law is continued. Nobody denies that. That is a class distinction between the toiling masses. We provide a subsidiary silver coin, half and quarter dollars, dimes and half dimes, a legal tender for $10, for the laboring and toiling millions; but for the millionaires, the aristocrats, and the plutocrats, we only furnish gold, the precious gold. We do not degrade them by making them carry around silver, which is a legal tender for only $10. I am opposed to class legislation on money or on anything else.

I will answer the question I asked. What do you propose? In order to do so, however, we must see what are the existing pecuniary obligations of our Government, and in what kind of money they are payable according to the terms of the obligations, and the laws existing when created and when payable.

It can be safely said that every civilized country, every nation in the world claims and recognizes that its pecuniary obligations can be and must be equitably and fully paid in the money called for and specified in the obligations, etc., which was a full legal tender for such payment when the obligations were created and when they are to be paid. That is a sound principle of law, national and international.

If the obligations specify the kind or character of money or currency in which they are to be paid then they can only be paid in such specified money. If the obligations do not specify the kind of money and only specify the amount then they can be lawfully and equitably paid in any full legal-tender money. If the coin or paper money was a full legal tender at the time the obligation was created and is such full legal tender when it matures then no question of equity or good faith can ever arise.

The demand for any other coin or paper money would be in direct violation of the obligation and open practical repudiation and dishonesty.

The existing pecuniary obligations of our Government are as follows:

Funded loan of 1891, issued under law of July 14, 1870, 2 per cent	$25,364,500.00
Funded loan of 1907, issued under law of July 14, 1870, 4 per cent	559,605,700.00
Refunding certificates, issued under law of February 26, 1879, 4 per cent	67,390.00
Total interest-bearing bonds	585,037,590.00
Old matured debt, not presented for payment; interest ceased	1,984,770.26
United States notes, legal tenders or greenbacks	346,681,016.00
Old demand notes, national-bank notes, redemption fund, and fractional currency	27,643,243.37
Gold certificates	79,756,819.00
Silver certificates	330,864,504.00
Certificates of deposit under act June 8, 1872, in exchange for greenbacks	5,285,000.00
Treasury notes of 1890	151,319,040.00
Pacific Railroad bonds	64,623,512.00

The funded loans of 1891 and 1907 are Government pecuniary obligations issued under the law of July 14, 1870, which required that the bonds should be "redeemable in coin of the present standard value." * * * "And the said bonds shall have set forth and expressed upon their face the above specified conditions." Each one of those bonds specifies the law under which issued, and then has in plain English upon its face set forth and expressed, "is redeemable in coin of the standard value of the United States on said July 14, 1870, with interest in such coin."

The senior Senator from Ohio doubtless had charge of this refunding law in its passage, and was determined to protect the interests of the purchasers and holders of such bonds and maintain unsullied the public faith. Hence the requirements of the law and the language of the bonds, about which there can be no question of good faith or honesty. They are payable at the option of the Government, by the recognized laws of every civilized nation, in coin money of the standard value of the United States on said July 14, 1870. And no man living can truthfully say or pretend that the coin of the standard value on said day and now was other than the silver dollar of 412½ grains, 9 parts fine, and the gold dollar of 25.8 grains, 9 parts fine. They were the coin money specified in the law and on the face of the bonds. They can be just as equitably and legally paid in the standard silver dollar, then and now a full legal tender in all payments, as in the gold dollar, without the least particle of tarnishing the public honor or breaking the public faith.

As to the refunding certificates and certificates of deposit, they were issued in exchange for lawful money and are payable in any full legal-tender money.

The old matured debt can be paid in honesty and good faith in the standard silver dollar.

The United States notes or greenbacks, the old demand notes, national-bank notes, and fractional currency can also be paid in honesty and good faith in standard silver dollars.

But, Mr. President, it seems that there is some dispute about the right to pay silver or redeem the greenbacks in standard silver dollars. It seems that the Administration has some scruples about redeeming greenbacks, United States legal-tender notes, in the standard silver dolars. Can they be honestly and justly paid in the standard silver dollar? Let me read what the distinguished senior Senator from Ohio said. You know he is not a greenbacker, nor a populist, nor a repudiationist. I quote from the speech of the senior Senator from Ohio, on the 11th day of April, 1876, on a bill then pending in the Senate in regard to fractional currency and silver coinage. That Senator then said:

> But the vital question presented by the amendments of the committee is the restoration of the silver dollar. Why restore the silver dollar when it is now so depreciated by the events that I have named? Well, sir, the answer is that we have a large amount, some $400,000,000 of United States notes, which now are a legal tender for all purposes, and the time has arrived when we can redeem them all with the old dollar of the United States. We do not create a dollar; we simply provide for its issue. The law was, I have shown you, up to 1873, that this old silver dollar could be tendered for the payment of all debts; but it was simply not coined because the silver dollar was worth more than the gold dollar. Does that prevent us from coining it? Not in the least.
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> The silver dollar was, it is true, a legal tender until 1873, and, in strict law, might be restored to its former position as a standard of value without a violation of the legal contract between the United States and the bondholder.

Mr. President, is not that pretty good authority? But I wish to put this question still further beyond the possibility of a doubt. We all remember with great pleasure our late distinguished associate and colleague from the State of Vermont, one of the ablest jurists in the United States. I refer to ex-Senator Edmunds. Ex-Senator Edmunds, in 1886, said what I shall quote. I quoted Senator SHERMAN in 1876, before the passage of the Bland law. I now quote Senator Edmunds in 1886, after we had had the silver dollar in circulation for eight years:

> Mr. EDMUNDS. It may be that I should agree with the Senator from Kentucky—I certainly agree with him that the silver coin of the United States is just as good a legal tender for every bond and debt of the United States, that does not say gold coin exclusively, if there be such a one, as the gold is—and so far and to that extent I am just as strong a silver man as my friend from Kentucky is.

Is there a doubting Thomas now left in the Senate Chamber?

Mr. GRAY. Doubting as to what?

Mr. COCKRELL. That the standard silver dollar can equitably and justly be paid in the redemption of the greenback and of the funded loan of 1891 and 1907.

Mr. GRAY. I never heard anyone express a doubt that it could be legally so used.

Mr. COCKRELL. Then I am gratified that we have other distinguished jurists who confirm everything that I have said, and confirm what the Senator from Ohio and the Senator from Vermont stated.

Now, Mr. President, I will go to the next point.

The silver certificates are issued on the deposit of silver dollars, and are only promises to pay silver dollars. Their language is: "This certifies there have been deposited in the Treasury of the United States five silver dollars, payable to the bearer on demand." It would be a breach of faith to offer to return to the bearer anything other than the silver dollars named.

The gold certificates are issued on deposit of gold coin or bullion, and are payable only in gold. No one seeks to pay them otherwise. The gold is simply housed in the Treasury, to be delivered back to the holder of the certificate on demand or presentation.

Mr. PLATT. Will the Senator from Missouri allow a question?

Mr. COCKRELL. Certainly.

Mr. PLATT. He is making a most thorough examination of the law and practice, and I wish he would state for the information of Senators, if he knows, who it is that deposits the silver dollars in the Treasury under the practice of the Treasury Department at the present time?

Mr. COCKRELL. Any holder of them, I presume. The most of them are deposited there by banks and mercantile establishments, in all probability. I have never investigated that particular point.

Mr. PLATT. Do they not go in some mysterious way directly from the mint to the Treasury, and the only issue of money when they are coined is really the silver certificate?

Mr. COCKRELL. I expect that is the truth of the matter, as to a part of them. I have no doubt of that. When they are coined they are placed in the Treasury, and everybody prefers the certificate to the coin, and then instead of issuing the dollar the silver certificate is issued.

Now I come to the United States Treasury notes issued under the law of July 14, 1890, in payment of silver bullion purchased under that act. In my opinion, it was clearly the purpose of the law to have them redeemed in silver dollars coined from the silver bullion purchased and paid for by them. I have already fully discussed their payment in another place.

The Pacific railroad bonds are currency bonds issued in aid of the construction of those several roads, and are payable as well in greenbacks as in silver dollars. Everybody knows they are payable in anything that is a legal tender.

We have now considered every pecuniary obligation of the United States and see in what kind of money universally recognized by all civilized countries, by every nation, each kind of obligation can be paid. We do not propose to pay the gold certificates or the silver certificates, or to redeem the greenbacks or the Treasury notes, or to pay the interest-bearing bonds in the legal-tender money of foreign nations—China or Japan, Russia or England—but only in the standard money of the United States, our own full legal-tender money called for and specified in them, and in which, by our laws, the only laws creating them or any obligation to pay them, they can be honestly, legally, and equitably paid; in short, only in such money as every self-re-

specting, civilized country or nation issuing and creating them would pay in pursuance of the law and the terms of the obligation. What more can anyone ask or demand?

Does anyone now claim that we must redeem the silver certificate or the legal-tender notes only in gold? I am exceedingly anxious to ascertain whether there be one or more Senators who now so claim.

I will pause for a reply. I want to know if there is any pretense that the silver certificate calling for silver dollars must only be redeemed in gold, or that the United States greenbacks, legal tenders, must only be redeemed in gold.

But it may be said, and has probably been said, that the President meant in recommending other legislative action putting beyond all doubt or mistake the intention and the ability of the Government to fulfill its pecuniary obligations in money universally recognized by all civilized countries—only gold money; and that gold money is the only money universally recognized by all civilized countries.

Now, let us see if this claim be correct. Is gold the only metal recognized by all civilized countries? The latest authorities I know upon this question giving us an idea of what the money of the world is, is the Indian currency commission report. It is a report of Lord Herschell and others of England. It was made in the present year. It was the report upon which India went to a gold standard practically, or suspended the coinage of the silver rupee. It gives a description of the money of the world, the financial conditions, the financial policies of the different nations of the world. I wish to read some from that report. I read now from page 28:

United Kingdom.

That is Great Britain. As a matter of course we all know that they have—

(1) The standard coin to be of one metal, gold.

* * * * * * *

Gold is the standard or measure, but for the most part not the medium itself. Though, however, in wholesale transactions, and in a great many retail purchases, gold is no longer the medium of exchange, the use of gold coins is probably greater in the United Kingdom than in most other countries.

In India the silver rupee, at the rate of 15½ to 1, is a full legal tender in the payment of all debts. It is not now allowed free mintage or unlimited mintage. It is coined upon account of the Government.

I go then to Canada, our neighbor. The standard is gold, but they have no mint. There is no Canadian gold coin, and little or no gold in circulation. Silver is not convertible into gold.

The American silver dollar circulates at par, at the ratio of 16 to 1, although a government proclamation was issued in 1870 declaring it to be legal tender up to the amount of $10, but only at 80 cents per dollar.

Silver is not convertible into gold.

This is a very remarkable case, since, without any gold currency, and without even a mint for gold, dollar notes and silver dollars circulate at the United States gold-dollar value.

That is right here in our neighboring country, and look how our gold monometallists begin to tremble when a few million dollars of gold leave this country!

I now go to the West Indies.

All the West India Islands and British Guiana have adopted the English currency, gold being the standard, but silver being the legal tender without limit.

They have a nominal standard of gold, with silver a full legal tender.

This is an instance of a gold standard without gold and a silver token currency circulating to an unlimited extent at a value based on that gold standard

I go now to Germany. Germany adopted the single gold standard in 1871-1873 and closed her mints to silver, and they say:

The peculiarity of the case of Germany is that £20,000,000 worth of old silver thalers are retained in circulation at a ratio of 15½ to 1, and are legal tender to an unlimited extent.

I go to the Scandinavian country:

The standard has been gold since 1873, and the mints appear to be open to gold, but there is little gold in circulation. Bank notes convertible into gold are the ordinary currency.

I go to the Latin Union now—France. What do they say? Now I read from it:

The mints are open to gold.

Silver coinage, except of subsidiary coins, has since 1878 been and is now prohibited under the rules of the Latin Union.

There is a large quantity of gold coin in actual circulation.

The peculiarity of the French currency is the large amount of 5-franc pieces, which circulate at the old ratio of 15½ to 1. They are legal tender to any amount, and are accepted as freely as gold coin. They are not legally convertible into gold.

That is what the Herschell commission say, notwithstanding the views of my distinguished friend from Louisiana [Mr. WHITE].

I now go to Belgium. The same condition exists precisely as in France, the Latin Union embracing France, Belgium, Italy, Switzerland, and Greece. Italy is the same way.

The rules as to 5-franc pieces, as to the ratio between gold and silver, and as to legal tender are the same as in France.

There is very little metallic coin in actual circulation; the paper is at a discount, and the exchange below par.

I go now to Holland and the Dutch East Indies. They had the single silver standard for a long time, and then they changed to the single gold standard "at a ratio of 15½ to 1, and the Dutch mint was opened to gold, whilst the coinage of silver, except of subsidiary token coins, was prohibited, and remains so at the present time. Silver florins, at the gold value, were legal tender to any amount, and, with paper florin notes, which were also at a gold value, formed the internal circulation of the country."

I go now to Austria-Hungary. They had the silver standard for a long time. They took steps in 1891 to go to the single gold standard and adopted it in August, 1892. They have no coin, practically, in circulation. They have a large amount of irredeemable paper, and their silver was coined at a ratio, I believe, of 15½ to 1, but they have changed the ratio since.

I go to Brazil:

The case of Brazil is perhaps the most remarkable of all, as showing that a paper currency without a metallic basis may, if the credit of the country is good, be maintained at a high and fairly steady exchange, although it is absolutely inconvertible and has been increased by the act of the Government out of all proportion to the growth of the population and of its foreign trade.

They sum up this on page 35, but I will not consume the time of the Senate in reading it. It is just what I have read. They give a summary:

RESULTS OF EXAMINATION OF DIFFERENT SYSTEMS OF CURRENCY.

93. It is impossible thus to review foreign systems of currency without feeling that, however admirable may be the precautions of our own currency system, other nations have adopted different systems which appear to have worked without difficulty, and have enabled them to maintain for their respective currencies a gold standard and a substantial parity of exchange with the gold-using countries of the world, which has, unfortunately, not been the case with India. This has been effected under all the following conditions, viz:

(*a*) With a little or no gold coin, as in Scandinavia, Holland, and Canada;

(*b*) Without a mint or gold coinage, as in Canada and the Dutch East Indies;

(*c*) With a circulation consisting partly of gold, partly of overvalued and inconvertible silver, which is legal tender to an unlimited amount, as in France and other countries of the Latin Union, in the United States, and also in Germany, though there the proportion of overvalued silver is more limited, the mints in all these countries being freely open to gold, but not to silver, and in some of them the silver coinage having ceased;

(*d*) With a system under which the banks part with gold freely for export, as in Holland, or refuse it for export, as in France;

(*e*) With mints closed against private coinage of both silver and gold, and with a currency of inconvertible paper, as has been temporarily the case in Austria;

(*f*) With a circulation based on gold, but consisting of token silver, which, however, is legal tender to an unlimited extent, as in the West Indies.

The case of Holland and Java is very remarkable, since in that case the gold standard has been maintained without difficulty in both countries, although there is no mint in the Dutch East Indies, no stock of gold there, and a moderate stock of gold in Holland; whilst the currency consists of silver and paper legally and practically inconvertible into gold, except for purposes of export. The case of Canada, which maintains a gold standard without a gold coinage, is also very remarkable.

We see, Mr. President, what other civilized countries treat as money, that silver as money is recognized by nearly every civilized country. Suppose England or Germany should adopt platinum instead of gold and should change their standard, I suppose then the United States must hasten to pay all its pecuniary obligations in platinum, the only money universally recognized by all civilized countries. You might just as well make that contention as to contend that under the language of the President you must redeem them all in gold.

I do not know what the President meant except by simply taking his language as I find it, and I say that according to his own language silver dollars are full legal tender, the equal of gold, irredeemable in anything on earth, above it, or beneath it, the money universally recognized by all civilized countries, in which the pecuniary obligations of the Government can all be paid, except only the gold certificates.

WHY NOT RESTORE SILVER MONEY?

Mr. President, we are told of the fearful financial crisis now pending and the deadly paralysis of business, and that all results from our legislation in regard to silver.

These are only the same old prophecies we have heard ding-dong ever since 1877, the same old scare, and the same old trembling apprehension of dire consequences from the restoration of silver to its equal monetary functions with gold. What do they really portend? What is the ulterior object of these predictions? To what monetary system are they intended to bring us? These are vital questions to every American freeman, every patriot, regardless of politics.

I assert that the ulterior object, the final end sought to be attained, is the single gold standard for the United States, with free and unlimited coinage and full legal tender, and all other kinds of money, silver and paper currency, to be redeemable in gold, limited in legal tender and mere subsidiary money.

The senior Senator from Ohio [Mr. SHERMAN] has certainly had more to do in shaping our financial legislation and establishing the single gold standard by the coinage law of February

12, 1873, than any one man in the United States. He certainly understood clearly the objects sought to be secured.

Now, Mr. President, I am going to show you what is to become of all these predictions and pretensions. I take the finance report of 1877, when the Senator from Ohio was Secretary of the Treasury and was making his recommendations to Congress. I read from page 21:

The question of the issue of a silver dollar for circulation as money has been much discussed and carefully examined by a commission organized by Congress, which has recommended the coinage of the old silver dollar. With such legislative provision as will maintain its current value at par with gold, its issue is respectfully recommended. A gold coin of the denomination of one dollar is too small for convenient circulation, while such a coin in silver would be convenient for a multitude of daily transactions, and is in a form to satisfy the natural instinct of hoarding.

Of the metals, silver is of most general use for coinage. It is a part of every system of coinage even in countries where gold is the sole legal standard. It best measures the common wants of life, but, from its weight and bulk, is not a convenient medium in the larger exchanges of commerce. Its production is reasonably steady in amount. The relative market value of silver and gold is far more stable than that of any other two commodities—still, it does vary. It is not in the power of human law to prevent the variation. This inherent difficulty has compelled all nations to adopt one or the other as the sole standard of value, or to authorize an alternative standard of either, or to coin both metals at an arbitrary standard, and to maintain one at par with the other by limiting its amount and legal-tender quality, and receiving or redeeming it at par with the other.

It has been the careful study of statesmen for many years to secure a bimetallic currency not subject to the changes of market value, and so adjusted that both kinds can be kept in circulation together, not alternating with each other. The growing tendency has been to adopt, for coins, the principle of "redeemability" applied to different forms of paper money. By limiting tokens, silver, and paper money to the amount needed for business, and promptly receiving or redeeming all that may at any time be in excess, all these forms of money can be kept in circulation, in large amounts, at par with gold. In this way, tokens of inferior intrinsic value are readily circulated, but do not depreciate below the paper money into which they are convertible. The fractional silver coin now in circulation, though the silver of which it is composed is of less market value than the paper money, passes readily among all classes of people and answers all the purposes for which it was designed. And so the silver dollar, if restored to our coinage, would greatly add to the convenience of the people. But this coin should be subject to the same rule, as to issue and convertibility, as other forms of money.

There you have it, a silver dollar redeemable in gold. Now, I read from page 23—

Much complaint has been made that this was done with the design—

Referring to the demonetization of silver—

Much complaint has been made that this was done with the design of depriving the people of the privilege of paying their debts in a cheaper money than gold, but it is manifest that this is an error. No one then did or could foresee the subsequent fall in the market value of silver.

That is remarkable for a financier, a statesman for years and years at the head of the Finance Committee, and who presented himself in Paris to give financial instruction to the assembled delegates of the world in a monetary conference, that no one could conceive of any possibility of the fall in the price of silver by its demonetization, when in 1868, five years before the demonetization of silver, Wolowski and Seyd had published to the world, as many other writers had done, exactly what would occur if silver was demonetized by the world and the mints opened for gold only. Yet Secretary Sherman says nobody could possibly have conceived of such a thing. Now, I read from pages 24 and 25:

The Secretary believes that all the beneficial results hoped for from a liberal issue of silver coin can be secured by issuing this coin, in pursuance of the general policy of the act of 1853, in exchange for United States notes, coined from bullion purchased in the open market by the United States, and maintaining it by redemption or otherwise.

Mr. President, you see exactly what the Senator from Ohio wants. He wants a silver dollar redeemable in gold. I go to the finance report of 1878, page 17, to the same effect. It is to the same effect as the extract I have just read.

And the Secretary respectfully recommends that he be authorized to discontinue the coinage of the silver dollar when the amount outstanding shall exceed $50,000,000.

The Secretary deems it proper to state that in the meantime, in the execution of the law as it now stands, he will feel it to be his duty to redeem all United States notes presented on and after January 1, next, at the office of the assistant treasurer of the United States in the city of New York, in sums of not less than $50, with either gold or silver coin, as desired by the holder, but reserving the legal option of the Government; and to pay out United States notes for all other demands on the Treasury, except when coin is demanded on coin liabilities.

Now, I take the finance report of 1880, also made by Secretary SHERMAN. It is to the same effect:

1. It is too bulky for large transactions, and its use is confined mainly to payments for manual labor and for market purposes or for change. The amount needed for these purposes is already in excess of the probable demand.

2. It is known to contain a quantity of silver of less market value than the gold in gold coin. This fact would not impair the circulation of such limited amount as experience shows to be convenient for use, but it does prevent its being held or hoarded as reserves, or exported, and pushes it into active circulation, until it returns to the Treasury, as the least valuable and desirable money in use.

For these reasons the Secretary respectfully but earnestly recommends that the further compulsory coinage of the silver dollar be suspended.

Now, I will refer to what I have already stated, and that is Senate bill 217 and Senate report made by the Senator from Ohio [Mr. SHERMAN], June 9, 1868, establishing the gold standard with free coinage and unlimited legal tender, and section 2 provides for silver coinage in these words:

The weight of the half dollar shall be 179 grains, equivalent to 116 decigrams; and the lesser coins shall be in due proportion. But the coinage of silver pieces of $1, 5 cents, and 3 cents shall be discontinued.

Section 3 provided * * *—

And the silver coins shall be a legal tender to an amount not exceeding $10 in any one payment.

I have here a quotation from the finance report of December, 1881, made by Secretary Folger. It simply says that they can not circulate the silver dollars, that there are too many of them already issued, and that the Bland law must be suspended.

President Arthur in his message of December, 1881, indorsed Secretary Folger's recommendation. Secretary Folger in 1882 repeated his former recommendation for the suspension of the Bland law, and President Arthur in 1882 reaffirmed his message of 1881 recommending the same thing. Secretary Folger in 1883 referred to and reaffirmed his report of 1881 and 1882, and so he did in his report of 1884. President Arthur, in December, 1884, made sundry recommendations, and I will ask that they may be inserted. In his message of 1884, his last message, he said:

I concur with the Secretary of the Treasury in recommending the immediate suspension of the coinage of silver dollars and of the issuance of silver certificates. This is a matter to which, in former communications, I have more than once invoked the attention of the National Legislature.

It appears that annually for the past six years there have been coined, in compliance with the requirements of the act of February 28, 1878, more than twenty-seven million silver dollars. The number now outstanding is reported by the Secretary to be nearly one hundred and eighty-five million, whereof but little more than forty million, or less than 22 per cent, are in actual circulation. The mere existence of this fact seems to me to furnish of itself a cogent argument for the repeal of the statute which has made such fact possible.

But there are other and graver considerations that tend in the same direction.

The Secretary avows his conviction that unless this coinage and the issuance of silver certificates be suspended, silver is likely at no distant day to become our sole metallic standard.

Mr. President, do they not somewhat remind us of the predictions of to-day. They sound very much just as the predictions of to-day—the dire calamities that then prevailed in 1885 and 1886. Now, let us examine and see their sameness. I have before me a letter written by President Cleveland before his inauguration in 1885.

ALBANY, *February 21, 1885.*

To the Hon. A. J. WARNER and others,
Members of the Forty-eighth Congress:—

In referring to their letter, he says:

It is also fully justified by the nature of the financial crisis, which, under the operation of the act of Congress of February 28, 1878, is now close at hand. By a compliance with the requirements of that law, all the vaults of the Federal Treasury have been and are heaped full of silver coins, which are now worth less than 85 per cent of the gold dollar prescribed as "the unit of value," in section 14 of the act of February 12, 1873, and which, with the silver certificates representing such coin, are receivable for all public dues. Being thus receivable, while also constantly increasing in quantity at the rate of $28,000,000 a year, it has followed, of necessity, that the flow of gold into the Treasury has been steadily diminished.

Silver and silver certificates have displaced and are now displacing gold, and the sum of gold in the Federal Treasury now available for the payment of the gold obligations of the United States and for the redemption of the United States notes called "greenbacks," if not already encroached upon, is perilously near such encroachment.

* * * * * * *

These being the facts of our present condition, our danger and our duty to avert that danger would seem to be plain.

* * * * * * *

From these impending calamities it is surely a most patriotic and grateful duty of the representatives of the people to deliver them.

That was February 24, 1885. You see where the country was predicted to be coming. Just upon the brink of a wonderful precipice. Now, let us see how long that continued, for these panics do not subside instanter, as a rule.

In December, 1885, the financial report of Secretary Manning of the Treasury was submitted. The report gives at great length his views, and recommends the repeal of the purchasing clause of the law of February 28, 1878, and the repeal of the law of May 31, 1878, forbidding the retirement of greenbacks and requiring their reissue; in short, to restore bimetallism, stop the coinage of silver, unconditionally repeal the purchasing clause of the Bland act, retire and cancel greenbacks, and wait for an international agreement.

An international agreement! Now, I will read President Cleveland's message in 1885. The President says:

The desire to utilize the silver product of the country should not lead to a misuse or the perversion of this power.

The necessity for such an addition to the silver currency of the nation as is compelled by the silver-coinage act, is negatived by the fact that up to the present time only about fifty millions of the silver dollars so coined have actually found their way into circulation, leaving more than one hundred and sixty-five millions in the possession of the Government, the custody of which has entailed a considerable expense for the construction of vaults for its deposit. Against this latter amount there are outstanding silver certificates amounting to about $93,000,000.

Every month two millions of gold in the public Treasury are paid out for

two millions or more of silver dollars, to be added to the idle mass already accumulated.

If continued long enough, this operation will result in the substitution of silver for all the gold the Government owns applicable to its general purposes. It will not do to rely upon the customs receipts of the Government to make good this drain of gold, because the silver thus coined having been made legal tender for all debts and dues, public and private, at times during the last six months 58 per cent of the receipts for duties has been in silver or silver certificates, while the average within that period has been 20 per cent. The proportion of silver and its certificates received by the Government will probably increase as time goes on, for the reason that the nearer the period approaches when it will be obliged to offer silver in payment of its obligations, the greater inducement there will be to hoard gold against depreciation in the value of silver, or for the purpose of speculating.

This hoarding of gold has already begun.

When the time comes that gold has been withdrawn from circulation, then will be apparent the difference between the real value of the silver dollar and a dollar in gold, and the two coins will part company. Gold still the standard of value, and necessary in our dealings with other countries, will be at a premium over silver; banks which have substituted gold for the deposits of their customers may pay them with silver bought with such gold, thus making a handsome profit; rich speculators will sell their hoarded gold to their neighbors who need it to liquidate their foreign debts, at a ruinous premium over silver, and the laboring men and women of the land, most defenseless of all, will find that the dollar received for the wage of their toil has sadly shrunk in its purchasing power.

It may be said that the latter result will be but temporary, and that ultimately the price of labor will be adjusted to the change; but even if this takes place the wage-worker can not possibly gain, but must inevitably lose, since the price he is compelled to pay for his living will not only be measured in a coin heavily depreciated, and fluctuating and uncertain in its value, but this uncertainty in the value of the purchasing medium will be made the pretext for an advance in prices beyond that justified by actual depreciation.

The words uttered in 1834 by Daniel Webster in the Senate of the United States are true to-day: "The very man of all others who has the deepest interest in a sound currency, and who suffers most by mischievous legislation in money matters, is the man who earns his daily bread by his daily toil."

Mr. President, if you will read this message of 1885 on the Bland law, and read the late message you will find this quotation in both of them, and you will find the conditions predicted almost alike, the same conditions practically, which were predicted as existing in 1885 and 1886 under the Bland law.

When President Cleveland was first elected, and when he issued the celebrated letter from which I am quoting, and then in 1885 sent to Congress the message to which I have referred, urging and pleading for the repeal of the Bland law just as strongly as he asks now for the repeal of the Sherman law, it precipitated some discussion of what was going on in 1885, and what was causing the crisis which was then impending, and I want to examine it.

On July 14, 1886, in the House of Representatives—that was the first Congress assembled after President Cleveland's inauguration—the Forty-ninth Congress, first session, House joint resolution No. 126, directing payment of the surplus in the Treasury on the public debt was passed; yeas 207—144 Democrats, 61 Republican, 2 Independents; nays 67—14 Democrats, 53 Republicans.

July 27, 1886, in the Senate, Mr. ALLISON reported it with a substitute, which was passed. Yes 42—13 Democrats, 29 Republicans; nays 20—14 Democrats, 6 Republicans. It was placed in conference, and the conference report was adopted in the House of Representatives August 3, 1886. Yeas 120—73 Democrats, 47 Republicans; nays 63—34 Democrats, 28 Republicans, 1 Independent, and agreed to in the Senate August 4, 1886, without division.

The President would not sign it. It went to him on the last day of the session, and he killed it by what we call a pocket veto; that is, he refused to sign it. He made no return to Congress, so far as I have been able to ascertain, of his reasons for it; but in a very handsome book called State Papers of Grover Cleveland, which I possess, I find these remarks made in connection with that joint resolution:

This resolution involves so much and is of such serious import, that I do not deem it best to discuss it at this time. It is not approved, because I believe it to be unnecessary, and because I am by no means convinced that its mere passage and approval at this time may not endanger and embarrass the successful and useful operations of the Treasury Department and impair the confidence which the people should have in the management of the finances of the Government.

That was not a very dangerous joint resolution. There was some question as to the right of the President to pay out certain amounts to redeem certain bonds, etc. The joint resolution, as it passed and as it was pocketed by the President, provided:

That whenever the surplus or balance in the Treasury, including amount held for redemption of United States notes, shall exceed the sum of $100,000,000, it shall be, and is hereby made, the duty of the Secretary of the Treasury to apply such excess, in sums not less than ten millions per month, during the existence of any such surplus or excess, to the payment of the interest-bearing indebtedness of the United States payable at the option of the Government:

* * * * * * * *

Provided, That no call shall be made under the provisions of this resolution until a sum equal to the call is in the Treasury over and above the reserve herein mentioned: *And provided further*, That the Secretary of the Treasury, in his discretion, may have in the Treasury, over and above the foregoing sums, a working balance not exceeding $20,000,000.

One hundred million dollars of actual reserve and $20,000,000 of working balance. It is true that this joint resolution did not discriminate between silver dollars and gold dollars. It referred to the surplus in the Treasury, and I apprehend its terms would have embraced the silver dollars as well as the gold dollars; but the President did not sign it. That joint resolution was considerably discussed in the Senate, and the causes which had precipitated that panic were discussed; and now I want to read something of what was said in the discussion as to the causes of the panic. I read from the CONGRESSIONAL RECORD, volume 17, part 8, Forty-ninth Congress, July 29, 1886, page 7674, from the speech of Senator Beck:

If I may be allowed to guess I could guess that it has a very proper meaning. Last year the Secretary of the Treasury was induced to lock up money in the Treasury, as we all agree now, greatly beyond what the interest of the people required, and very much beyond what was needed for the wants or security of the Government, because of combinations of men of wealth and power in New York and elsewhere, many of whom held bonds as security for national-bank circulation. They did not want to have the bonds paid and the circulation based upon them withdrawn, and they determined that they would ruin the country rather than receive any part of their principal or interest in silver coin. They made earnest and successful efforts through their combinations to alarm our Treasury officials. They endeavored to make them believe that they would bring on a panic in regard to the finances of the country unless all the surplus money was held in the Treasury; and their demand for gold, and gold alone, was acceded to. I believe they alarmed the Secretary of the Treasury. I believe that much of the useless locking up of our money was because of that apprehension, and I do not speak of these things without authority. I have before me a very able review, though a somewhat bitter one, of the speech I made in the Senate last winter, by Hon. Horace White, of New York, a very well informed man. In that review he said, among other things:

"A sort of panic ensued in the money market, and it came to my knowledge that Governor Tilden was one of a considerable number of persons who, without any concert of action, had bought large amounts of sterling exchange in order to protect themselves against loss in case silver should become our monetary standard. Sterling exchange means gold in London. Why was Governor Tilden buying sterling exchange? Because, happening to have on hand a certain number of dollars worth 100 cents each in gold and apprehending that if left in bank they would presently be worth only 90 or 80 or perhaps 75 cents each, he took the precaution to insure that they should continue to be worth 100 cents. He had only to write a few lines to his banker to insure this result. This was a typical case of the domineering 'organizations of wealth' that Mr. Beck has conjured up."

And so on.

A very able man, perhaps as able as Mr. White and as well informed, Mr. Abram Hewitt, of New York, made a speech very lately in which he said:

"I have reason to know when the present Administration came into power its first and chiefest concern was to avoid the danger which had been predicted by the Republican Secretary in his official statement and in his private communications. The amount of gold in the Treasury on the 4th of March, 1885, was $126,000,000. This was a much smaller sum than had usually been held in the Treasury in gold since the resumption of specie payment. It was steadily running down. The public confidence was gone. The hoarding of gold had begun—not by the mass of the people, not in stockings, not in secret hiding places, but by the masters of finance, the men whose business it is to handle millions and to prevent their deterioration; they began to prepare for the hour of danger and the collapse which they thought was impending.

"I know three of the greatest institutions in the city of New York—I shall not name them lest it might possibly bring down upon them the condemnation of those who are prejudiced against banks—but I know three institutions in the city of New York which had accumulated more than $25,000,000 of gold as a preparation for the collapse which they thought was coming."

Mr. CALL. Who was that?

Mr. COCKRELL. Mr. Abram S. Hewitt, of New York, a gold monometallist. This was the predicament of President Cleveland in the beginning of his first Administration. The whole Administration was trembling and shaking with dread and trepidation for fear that the Treasury Department would be dishonored and degraded. Whence did they get their information? From these masters of finance, the New York bankers, brokers, and option dealers.

I am quoting now from Senator Beck:

These men were conspiring to break us down. It was a well-organized effort, no doubt. They sent their emissaries from one end of the land to the other, they held their conventions all over the country, seeking to alarm the laboring masses, and to make good their threats if we dared to say that silver and gold should stand upon an equality before the law and that they should be required to take either at the option of the Government, like other people. It was these combinations, whose power our executive officers knew, which actuated the Secretary of the Treasury to make, at their suggestion or demand, the miserable, abortive, absurd effort last summer to save the country from ruin by the exchange for gold of $10,000,000 of fractional currency.

Just think of the great Secretary going up there and bowing to these masters of finance, and begging them to let him have gold for subsidiary silver coinage!

That abortion I need not do more than allude to, because it was too contemptible to deceive anybody and fell flat before it was consummated.

Mr. President, I shall not consume the time of the Senate by reading, but will introduce some extracts from pages 7675 and 7676:

I am not going to say anything now about or against the $100,000,000 reserve; that will not be endangered by the House resolution. I never have believed there was any necessity for $50,000,000 of reserve; I do not believe it now. It becomes more and more absurd every day to hear about $100,000,000 guarding greenbacks. I do not believe the credit of this Government would be impaired one penny if we were to-day to take $50,000,000 or all of that reserve and pay off the 3 per cent bonds with it.

Whatever may have been thought to be prudent in 1879, when the resumption act was an experiment, eight years of experience have shown that the greenback needs no protection. When we paid off $50,000,000 of 3 per cent bonds between the 1st day of January and the 1st day of July last, nearly $40,000,000 of them were paid in greenbacks at the request of the men who held the bonds. When the character of money in which our customs dues were paid

at the great port of New York during the month of June was looked into it was found that nearly 82 per cent of all the taxes were paid in greenbacks, although the law requires coin, and coin alone, for customs dues. The greenbacks in the Treasury held for the redemption of national-bank notes have been increased in the last five months from $30,000,000 to $60,000,000. Everybody wants greenbacks; nobody wants to have them redeemed, so that there is no sense in holding or hoarding gold for their redemption, far less $100,000,000 that costs us $5,000,000 of interest annually, as we paid 5 per cent for $6,000,000 of it and 4½ per cent for the balance. But I am not going to argue that question now. It will be swept away some day along with the other rubbish.

The 3 per cent bonds provided for in the resolution will all be paid off long before it is possible for the surplus funds, backed by the monthly surplus, to come anywhere near low enough to interfere with this $100,000,000 so-called reserve. Mr. President, this question has been argued all the time as though the Treasury was a great bank and the people of the United States a great private banking corporation, and as though everybody connected with the Treasury or managing its operations had to keep as much reserve in the Treasury of the people as a private banker would have to keep in order to save himself from unforeseen reverses. There is no analogy between them. Whatever there may be in the theory, the common sense of the proposition is all against the comparison and the assumption. The Senator from Maryland [Mr. GORMAN] and myself may be carrying on a bank in Baltimore. We may have the best men in Baltimore as our depositors; we bank on our deposits, of course; that is all we want them for.

But these depositors, when they see that the Senator from Maryland and myself are making money as bankers, and are making it out of their deposits, may say, "It is too good a thing to let Beck and GORMAN have this; we will set up a bank of our own." When they do they of course take away the money they deposited with us, and they take away the business of their friends, who are also our depositors. The two banks divide the profits. We must have a reserve to meet unexpected calls like that upon us. If our depositors who are left think that in Chicago, St. Paul, Minn., or somewhere else money can be loaned at 10 or 15 per cent instead of 3 per cent, which is all they make by depositing in our bank, they draw their money out. We must have a reserve to meet all these contingencies or fail.

The United States have no such contingencies to guard against. The United States have no competitor in their financial affairs. The money derived from our custom-houses and our internal-revenue offices and from our miscellaneous sources comes, as I said, with the certainty of death, and the more prosperous the country is the larger the receipts are. Nobody can divide with us or take from us any of our depositors.

Mr. President, no condition of things can break the United States. When the reserve of a private man is gone he fails. When the reserve of the United States is gone the Congress of the United States imposes a "5 per cent tax on all incomes over $5,000," and $30,000,000 flows into the Treasury; or "5 cents a pound on tea; 10 cents a pound on coffee; double up the tax on whisky and tobacco," and untold millions roll in. The world knows that; the plain people of the country understand it; and to argue here that we are no better off than a private man who must keep a reserve because he has no other means of payment except his own property is to my mind preposterous. No man's credit can be compared with that of the United States, whose power of taxation extends over a continent and over all the wealth of 60,000,000 people.

Everything every bank has can be called on and be required to come to the rescue of the credit of the United States at any moment when any deficiency is likely to occur. It is therefore an absurd proposition from a business standpoint to assume that we occupy the relation of private bankers, although that assumption has alarmed many people and made them believe that we were in danger of being broken down financially unless we keep this reserve intact. Even when at the end of each quarter when pensions and wages are paid, it is thought to be horrible to reduce that $100,000,000 reserve for a day, although it may be known that it will accumulate and be in large excess for three months thereafter, or until the next general quarterly pay-day comes.

I will go, however, to another speech at the same time from the senior Senator from Maryland [Mr. GORMAN]. I quote now from page 7723:

Mr. Hewitt states that he had that information from ex-Secretary McCulloch. But that is not all. The fact is that on the 7th day of February, 1885, nearly one month before the expiration of his term and when the new Administration was about to come into power, he (Mr. McCulloch) was so alarmed at the condi ion of affairs he saw, that payments out of the Treasury of silver certificates were running rapidly back into the subtreasury in New York from customs and internal revenue, receipts in gold on those accounts diminishing, the gold coin and bullion balance was being rapidly reduced, he was compelled on that date, February 7, 1885, to instruct the subtreasurer at New York to withhold payment of gold and greenbacks in the ordinary transaction with the clearing house in New York. In other words, he issued an order which suspended the whole operations of the Treasury with the New York clearing house as they had been carried on since 1879.

Mr. President, I only read this to show what the panic was at that time:

On the last day of February, 1885, just before this Administration came in, the balance, excluding the fractional silver coin, was $120,969,674, of which $42,093,656 were silver dollars, leaving a deficit, if all the obligations due in gold were paid, of $21,123,382. So it ran until July, 1885, when the Treasury found itself in the condition of having $144,052,929, of which $66,627,842 were standard silver dollars, leaving them short $22,574,913 of gold if all obligations were paid.

How similar were those conditions in 1885 and 1886! Just as bad a panic as we have now practically, and gotten up to order by the same men and to have effect upon the President. The President tells us in almost the same language as the present message of the dire calamities that would befall the country. Suppose he had called an extra session of Congress to repeal the Bland act, does any Senator here suppose that it would have been repealed? No. What did we do upon his recommendation to repeal the Bland act? We simply ignored it, as we had a right to do, being an independent and coördinate branch of the Government. He exercised his full constitutional prerogative when he made his recommendation to us, and we recognized our constitutional prerogative in ignoring it. But, Mr. President, if they were all mistaken in 1885 and 1886, may they not be mistaken now?

Mr. President, I will ask to insert extracts from this very able and interesting report of Secretary Manning (1886), pages 37, 39, and 61, where he goes on to show precisely what was the cause of the depreciation in silver—its demonetization by the principal nations of the world:

CONSEQUENCES OF STOPPING SILVER PURCHASES.

To stop the purchase of silver will enable the Treasury, while the monetary system is restoring to its normal conditions, to maintain with certainty and greater ease the present stock of silver coin at par with gold in all our fiscal and local uses, to the great relief from distrust, of the owners and employers of capital, and so to the greater relief and increasing employment of labor—the first fruits of sound finance and the first condition of prosperity.

To stop the purchase of silver of course will cause a new fall in the London market. Speedier and more assured will then be the day of its final restoration to its former place in the money of the world. It is the recent heavy fall which has opened eyes that were blind and ears that were deaf. But a fall of silver, if the expense and influx to the Treasury are stopped, will not enhance the trouble of the Treasury or increase the difficulty of the duty which the laws impose to keep the silver circulation at par with gold within our own jusisdiction. Of course, compulsory employment of a money temporarily and locally inferior, in funded-debt payments, or in daily expense of any sort, means compulsory acceptance, and would force the inferiority to appear, whereas its skillful employment and an optional acceptance, which the laws of Congress do not forbid, will prevent that inferiority from appearing in our domestic trade which nothing can disguise in our foreign exchanges.

* * * * * * *

If the law were repealed which makes compulsory Treasury purchases of silver, and if that repeal were accompanied by the declaration of Congress that the United States now hold themselves in readiness to unite with France, Germany, and Great Britain in opening their mints to the free coinage of silver and gold at a ratio fixed by international agreement, it is the deliberate judgment of the undersigned that before the expiration of another fiscal year this international monetary dislocation might be corrected by such an international concurrence, the two monetary metals restored to their old and universal function as the one standard measure of prices for the world's commodities, the depression of trade and industry relieved, and a general prosperity renewed.

I respectfully recommend to the wisdom of Congress the unconditional repeal of the act of February 28, 1878, accompanied by such a declaration.

Why did he want to stop the coinage? Upon what ground? Remember, he claimed to be a bimetallist. Upon what ground did he want the limited coinage of silver under the Bland law stopped? He wanted it stopped so that it would force England and other European nations to come to bimetallism. The favorite theory for years and years was that we could never secure bimetallism until we forced European nations to it; that we never can force European nations until we stop the coinage of silver and throw it upon the market, glut the market, and then they will come down and agree with us. That is the theory.

We have been talking about that theory ever since 1878, and yet what has been done right in our face? England has stopped the coinage of silver in India, and precipitated a crisis such as the world has not seen. Yet they tell us that if we would stop the coinage of silver, it would bring about an agreement! Are we to be fed upon such milk as that? Is there any strengthening power in such an argument and such presentations? Think of it. I want Senators to think of it. For years and years the principal argument for stopping the coinage of silver under the Bland law has been that we might get an international agreement. When they saw that we were not going to uphold silver, the idea was that then they would come down and agree with us. Yet, while we were doing that, England has gone on steadily and stopped the coinage of silver in India, stopped the mints to free coinage, without consulting us; and in the Brussels conference they even told us that they intended to do it. It was intimated to us strongly enough to put us on our guard, and then we told them we were going to do it.

So that the argument to-day that the stoppage of the coinage of silver or the purchase of silver under that law will tend to make foreign nations come to a bimetallic agreement with us is without foundation. They have taken the lead of us and closed their mints. We shall have to get something else in order to have a standing in any proper and fair argument.

Now, Mr. President, I will go on with this panic of 1885-6. In 1886 President Cleveland referred to the Secretary's message, and again recommended the suspension of the coinage of the standard silver dollar under the Bland act. But that was still to the Forty-ninth Congress. Secretary Fairchild then comes in and makes his report in 1887, and I will insert extracts from that report from pages 47, 48, and 49. They are very interesting:

STANDARD SILVER DOLLARS.

One of the most interesting facts shown by the foregoing statements is the decrease in the number of standard silver dollars owned by the Government and the increased use of the same money by the people in the form of silver certificates. The five, two, and one dollar certificates furnish a convenient currency, and it is evident that the future use of the silver dollar will be almost exclusively in that form.

* * * * * * *

If the Government held no funds save those needed for its daily expenses, it would perform no different function toward currency when it had once coined or printed it than does an individual who receives and pays out money; but the two great trust funds—that for the redemption of United States notes, ($100,000,000,) and that for the redemption of national-bank notes, at present more than $100,000,000, and whatever surplus there may be from to time to time—form, as it were, a reservoir which takes and holds that kind of currency which the people reject. Were it not for this great Government reservoir a redundancy of any form of currency would be shown either by its ex-

portation to countries where it was needed or by its depreciation here. The silver dollar can not be exported because the silver of which it is made is worth less than 75 cents, and that would be its value for exportation.

* * * * * * *

The foregoing tables show that during the sixteen months ended November 1, 1887, this Department was able to pay out at par and keep in circulation $10,464,935 of the coined silver dollars, and $72,597,732 of their representatives, the certificates, in addition to the amounts of each in circulation July 1, 1886. If the Department had been able to print enough certificates, doubtless the whole of this increased use of silver would have been in the form of certificates, and few, if any, coined dollars would have been paid out. On the contrary, many of those out would have been returned and certificates taken in their place.

There should always be in the Treasury enough silver beside that held against outstanding certificates to enable the Government to at once supply any demand for it on the part of the people; but all held in the Treasury in excess of that amount is absolutely useless for any purpose, and is in fact a menace to the silver which the people hold and also to the United States notes and national-bank notes—to the whole circulating medium, except gold; therefore it would be the part of wisdom to prevent any accumulation of silver in the Treasury beyond a sufficient reserve needed to meet any demand which may be made for it. This can be done by fixing the amount of such reserve, and providing that when it is exceeded by say $5,000,000 the purchase of bullion shall cease until the amount held by the Government again equals such reserve.

Another plan, somewhat similar to that recommended by my predecessor in his last annual report, would be to provide that when the reserve was exceeded, an amount of United States notes equal in value to such excess should be cancelled, if enough of them were in the Treasury; but if not, then the purchase of bullion to cease until the maximum reserve should be reached. This would create a vacuum in the circulating medium which would be filled by silver. The amount of United States notes would be gradually reduced until the whole were extinguished; silver dollars or silver certificates would take the place of United States notes as they were retired. This plan would make our currency more uniform and as secure as now.

Neither of these plans, if adopted, would diminish the actual or potential use of silver as currency by a dollar. In my judgment, it would be promoted thereby.

President Cleveland, in his third annual message of December, 1887, makes no mention of the terrible crisis in which the country had been enveloped. That was in 1885. The clouds had cleared away, and the silver question was not so important.

Mr. President, has it ever occurred to the friends of unconditional repeal, when they bring before us the weighty power of the President's recommendation, that it is barely possible that the President may be mistaken now, as he has been so often mistaken heretofore?

I refer to Secretary Fairchild's report for 1888, page 29:

SILVER COINAGE.

The ownership of silver by the Government again was largely decreased, in spite of the increase of the total stock of silver dollars in the country, by the coinage of sixteen months. During the past few years the decrease of circulation caused by the cancellation of national-bank notes and by the deposit of money with the Treasurer by the banks to redeem their notes when presented for that purpose has been but little exceeded by the increased circulation of silver certificates and of standard silver dollars; thus silver seems to have filled the vacuum caused by the retirement of national-bank circulation. The circulating medium in small denominations has been largely converted into silver certificates. And, finally, business has largely increased in the South and in portions of the country where there are few banking facilities.

All of these causes have coöperated to postpone any evil effects which might arise from a continued and excessive coinage of the silver dollar; but the danger still exists, and should be guarded against. This can be done by the adoption of the recommendation of my last report, viz, by fixing the maximum of silver which shall belong to the Government, and by providing that when it was exceeded by $5,000,000, the purchase of silver bullion should cease until the amount owned by the Government should be again reduced to such maximum, or by canceling United States notes to the amount of the excess over the maximum, provided the Government held the notes; if not, then by ceasing the purchase of bullion. Such plan, if adopted, would provide a safety valve which would be self-operative, and would assure the country against any possible danger from silver; for as soon as it exceeded the amount which could be absorbed in the business of the country, it would begin to flow into the Treasury in payment of taxes, and would be there held until business called for it, and when the Government's ownership fell below the maximum, the purchase of the bullion would again begin.

Now I quote President Cleveland's message of December 23, 1888, the last message, in which he says:

The Secretary recommends the suspension of the further coinage of silver, and in such recommendation I earnestly concur. For further valuable information and timely recommendations I ask the careful attention of Congress to the Secretary's report.

We drift along a little further, Mr. President, and I will insert extracts from President Harrison's message of December 3, 1889, in which he goes on to show how the lowering clouds of apprehension and danger had passed away and the country was in good condition:

The evil anticipations which have accompanied the coinage and use of the silver dollar have not been realized. As a coin it has not had general use, and the public Treasury has been compelled to store it. But this is manifestly owing to the fact that its paper representative is more convenient. The general acceptance and use of the silver certificate show that silver has not been otherwise discredited. Some favorable conditions have contributed to maintain this practical equality, in their commercial use, between the gold and silver dollars. But some of these are trade conditions that statutory enactments do not control, and of the continuance of which we can not be certain.

I refer now to his messages of 1890, 1891, and 1892, and to the finance reports.

President Harrison in his message of December 1, 1890, in referring to the Sherman law said:

Some months of further trial will be necessary to determine the permanent effect of the recent legislation upon silver values, but it is gratifying to know that the increased circulation secured by the act has exerted and will continue to exert a most beneficial influence upon business and upon general values.

In his message of December 9, 1891, President Harrison says:

I hope the depression in the price of silver is temporary, and that a further trial of this legislation will more favorably affect it. That the increased volume of currency thus supplied for the use of the people was needed, and that beneficial results upon trade and prices have followed this legislation I think must be very clear to every one; nor should it be forgotten that for every dollar of these notes issued a full dollar's worth of silver bullion is at the time deposited in the Treasury as a security for its redemption.

* * * * * * * *

I am still of the opinion that the free coinage of silver under existing conditions would disastrously affect our business interests at home and abroad.

* * * * * * * *

The exports of gold to Europe which began in February last and continued until the close of July, aggregated over $70,000. The net loss of gold during the fiscal year was nearly $68,000,000. That no serious monetary disturbance resulted was most gratifying, and gave to Europe fresh evidence of the strength and stability of our financial institutions. With the movement of crops the outflow of gold was speedily stopped, and a return set in. Up to December 1 we had recovered of our gold loss at the port of New York, $27,854,000, and it is confidently believed that during the winter and spring this aggregate will be steadily and largely increased.

It will be remembered that on the 14th of January, 1891, the free and unlimited coinage amendment of my colleague [Mr. VEST] was passed by the Senate by 39 yeas—24 Democrats and 15 Republicans; to nays 27—1 Democrat and 26 Republicans; and was pending in the House of Representatives. What was done? The business men got up a banquet in New York and invited ex-President Cleveland—as he was then—to attend and address the meeting. I now hold in my hand the letter of Mr. Cleveland to Mr. Anderson, dated from 816 Madison avenue, February 10, 1891, in which he says:

I shall not be able to attend and address the meeting as you request, but I am glad the business interests of New York are at last to be heard on the subject.

The business interests of New York to be heard!

It surely can not be necessary for me to make formal expression of my argument to those who believe that the greatest peril would be initiated by the adoption of the scheme embraced in the measures now pending in Congress for an unlimited coinage of silver at our mints.

When that sentence was written, then he began to meditate, and then he puts in—

If we have developed an unexpected capacity for the assimilation of a largely increased volume of currency, and even if we have demonstrated the usefulness of such increase, these conditions fall far short of insuring us against disaster if in the present situation we enter upon the dangerous and reckless experiment of free, unlimited, and independent silver coinage.

Yes, Mr. President, when he was writing that letter he began to think of the predictions he had made, beginning in 1885, and every solitary one of them not having been fulfilled, in whole or in part.

Mr. PLATT. What was the date of that letter?

Mr. COCKRELL. That was in 1891, February 10.

You see when he got into the middle of the letter he then began to reflect about the number of times he had made the same identical prediction, and every one of those predictions had failed. He then says:

If we have developed an unexpected capacity for the assimilation of a largely increased volume of currency, and even if we have demonstrated the usefulness of such increase—

Here is an open confession—"good for the soul"—to the world that the predictions he had made before had not resulted as he had anticipated, but that, on the contrary, the ignoring of them by us had been a blessing to the country.

But, Mr. President, why shall we not now, by amendment to this bill, establish such a safe system of bimetallism as will maintain at all times the equal power of every dollar coined or issued by the United States in the markets and in the payment of debts?

We have ample time; we have all the attainable data, all the information, facts, and figures necessary to enable us to prepare and legislate into existence a just, efficient, and sufficient monetary system, founded on the constitutional, old Democratic bimetallic principles.

The opponents of silver coinage answer in the doleful tones of their long and oft-repeated predictions and shuddering panicky apprehensions of dire consequences and untold evils to flow from the further coinage of silver. We are gravely and solemnly told—as we have been ever since 1878—that unless we stop all further coinage of silver dollars we will drive all the gold out of our country, and will have our country baptized with an overwhelming inflow of silver, and be driven to a single silver standard. They are the same old stereotyped prophecies. If there be any foundation for them in fact, there has been ample time since 1878 to prove them true or false.

Now we come to the cold facts and figures. Here we have had the predictions made ever since 1877 as to what was going to occur from year to year. Now let us take the cold recorded facts and figures, and see whether one solitary prediction ever has been fulfilled. Has gold been driven from our country out of circulation.

The finance report of Secretary Sherman of December 2, 1878,

the first one made after the passage of the Bland silver law of February 28, 1878, shows (page 9) that on April 11, 1878, he sold fifty million 4½ per cent bonds, funded loan of 1891, at a premium of 1½ per cent and accrued interest, less a commission of one-half of 1 per cent, and that on November 23, 1878, there were in the Treasury, in excess of coin liabilities, $141,888,100 in gold.

Statement of gold coin and bullion and silver dollars and bullion in the Treasury and in circulation on the dates given.

July—	Gold coin and bullion.	Silver dollars and bullion.	July 1—	Gold coin and bullion.	Silver dollars and bullion.
1879	$245,741,837	$41,276,356	1889	$680,063,505	$343,947,093
1884	545,500,797	180,306,614	1890	695,563,029	380,083,304
1885	588,697,036	208,538,967	1891	646,582,852	438,783,502
1886	590,774,461	237,191,906	1892	664,275,335	491,067,518
1888	705,818,855	310,166,459	1893	592,069,133	537,506,279

Gold coin and bullion in Treasury July 1, 1893, $188,555,433. Silver dollars coined, 419,332,450; out in circulation, 57,029,743; and in certificates, $330,957,504, leaving in Treasury only 31,345,203.

Oh, think of the conduct of these silver lunatics from 1878 to 1893! We have persistently ignored the recommendation of every President who has occupied the Executive chair. While every President and every Secretary of the Treasury has predicted that the country was going to destruction, that financial crises would envelop the whole country, we poor silver lunatics have stood and paid no attention to them, and yet the country has been prosperous and at rest. What would this country be to-day if you took the silver money, the coins and the certificates, out of it? Where would we have anything to circulate? We would not be in this crisis. No; but we would be in the deadly paralysis of a single gold standard, and the business of this country would be prostrate and shrivelled, tenfold worse than now. The silver lunatics said "No, we will not repeal it." And we did not. Had we obeyed their commands we would have brought ruin and disaster upon the country.

But now, Mr. President, if all these great statesmen and learned financiers—Secretary and ex-Senator (and now Senator) SHERMAN, ex-President Hayes, ex-President Arthur, Secretary Folger, Secretary McCulloch, President Cleveland, Secretary Manning, Samuel J. Tilden, the New York bankers who hoarded twenty-five millions of gold in 1885—if all and every one of these have, giving way to their fears and apprehensions, made predictions which have not been fulfilled, and have every one of them been mistaken, as the records conclusively and beyond any reasonable doubt show, and all their predictions have been absolutely falsified by the record of subsequent events, is it, I ask, in common reason and sense, criminal, censurable, or improper in us plain, common people to suspect, to believe that they are now as much mistaken as then? Their predictions then were just as honestly and conscientiously made, with all the lights before them, as now. We do not question their honesty and sincerity, and their fears. They have up to this date been grievously mistaken in all their predictions. We just as honestly and sincerely believed then they were mistaken.

The facts and figures show we were correct and right in our views and judgments, and they were mistaken, wrong, in theirs. Would it be wrong in us now to suggest to them our doubts of the correctness of their present apprehensions and predictions?

Is it not time, after the lapse of over fifteen years, that these calamity howls shall be brought to a halt? We hear a great deal in the Eastern press about the calamity howlers out West, but if there have ever been any calamity howlers in the West equal to those of Wall street and the East I should like to have them pointed out. Ever since we took away from them their idol, their god (a single gold standard), they have deluged this country and the press with their calamity howls of the crises and the impending dangers. Talk about a Populist in Kansas being a calamity howler! Put him by the side of a New York banker and he would sneak away in shame! [Laughter.]

So much for the assertion that the coinage of silver will drive gold out of the country and bring us to a silver standard. But our opponents say we have only had limited coinage of silver, and that if we give to silver unlimited coinage with full legal tender, then we will certainly be deluged with an overwhelming mass of silver from every nation, kindred, and tongue, and will have piled into our mints all the old silver spoons, forks, teapots, and plate generally, in addition to the great mass of silver coins now in the various nations.

This is a mere guess, assertion, prediction, prophecy. It can only be determined absolutely by the trial. We can only ascertain all the available data, facts, and figures, and then by reasoning—guided by the past and the probabilities of the future—form our conclusions and make up our judgment.

First. Will the silver plate in the world be dumped into our mints? No one denies that a large amount of silver bullion and coin has been consumed annually in industrial uses, in ornaments, in manufactures, and in fine arts.

Is it so consumed in anything near its purity? Certainly not. It is debased, mixed in greater or less proportion with baser metals, and in its present condition could not be received under any ordinary mintage laws for coinage. It would then be absolutely necessary to have the silver extracted from the baser metals, and when purified, then present for coinage.

Now, is not the silver so used in the existing plate, ornaments, etc., more valuable in the plate, etc., than it would be after paying the cost of extraction and losing the entire value of the manufactures in which it exists? There certainly can be no reasonable doubt of this.

The quantity of silver consumed in industrial uses which would ever find its way to our mints would be infinitesimally small and of no consequence whatever. This pretended claim is simply made as a burlesque to bring ridicule and contempt on the silver cause.

Second. Let us now consider how much of the silver coins in existence in other nations would come to our mints. Would we be flooded with the silver from India? According to our Mint Bureau there are $900,000,000 in silver in India, in the rupee silver coins.

The population of India is 280,000,000, and they have only a small fraction over $3.21 per capita, and the silver rupee is their absolute money, with full legal tender at the ratio of 15 of silver to 1 of gold, and at that ratio has full debt-paying and purchasing power, and for ages past has been their only full legal-tender money, used in all the varied and multitudinous transactions and exchanges. The quantity of silver there in the rupee coins—the full equivalent of the dollar—brought here and placed in our mints for our coinage at 16 to 1, would be 6.2 cents less less than $1, and that amount would be an actual loss on every dollar's worth, beside the cost of transportation, insurance, and interest during time in transit and up to its recoinage here.

Would it pay them to suffer these losses? In view of their financially embarrassed treasury it certainly would not. The Indian Government could not afford it and private citizens would certainly not. And it is practically all in circulation among the people and belongs to them and not to the government. It is their coin money.

Besides all these facts the people have not a sufficient quantity to meet the wants and demands of their daily transactions. Yet we are told that we are to be flooded from India. It is a mere chimera. Certainly there could be none from India.

China, with a population of 400,000,000, has, according to our Mint Bureau, $700,000,000 in silver, which is just $1.75 per capita.

Can anyone believe that there is any danger of a flood from that source? The silver there is in the hands of the people, in bullion largely, simply in pieces of silver and used as money in the ordinary business dealings. It is not reasonable to suppose there is any probability of that silver, in whole or even in part, coming to our mints.

In the Straits Settlements, population not given, there is estimated to be $100,000,000 in silver scattered throughout that country in the hands of the people, used as their only money, and so used for ages past. There can not reasonably be expected any deluge from that source.

In Japan, with a gold coinage of $90,000,000, and $50,000,000 of full legal-tender silver coined at the ratio of 16.18 to 1, and a population of 40,000,000, and $56,000,000 of uncovered paper currency without any gold or silver redemption reserve, the silver is only $1.25 per capita, scattered among the people and in constant use in their business affairs, as standard money equal to gold, and to the use of which they have long been accustomed. If sent here for coinage their silver dollars would only contain 1.01 cents more than our dollar, and this 1.01 cents per dollar would not compensate the expenses of transportation, insurance, and loss of interest. No one can reasonably expect any overflow from Japan. Their dollars would be worth no more here recoined into our dollars than they are in Japan.

In South America, with a population of 35,000,000, they have $45,000,000 of gold and $25,000,000 of full legal-tender silver coined at the ratio of 15½ to 1. The amount of silver there is only 71 cents per capita, and besides this they have the enormous sum of $600,000,000 of uncovered irredeemable paper currency, and need and require many times more silver than they have for their daily business transactions. There can not reasonably be any fear from that source. Their silver dollars at the ratio of 15½ to 1 contain 3.1 cents less than ours, which would be an actual loss on every dollar.

In Mexico, with a population of 11,600,000, they have five millions of gold and fifty millions of full legal-tender silver dollars, coined at the ratio of 16½ silver to 1 gold, and two millions of uncovered paper. Their silver is only $4.31 per capita; is their

only circulating coin money in the hands of the people, used time immemorial as money. Their silver dollar contains 1.03+ cents more silver than ours. Being our near neighbors it is probable that small quantities of their silver coinage might find their way to our mints, but it would be no deluge, and no material amount.

In Egypt, with a population of 7,000,000, they have one hundred millions of gold and fifteen millions of limited legal-tender coins at a ratio 15.68 to 1. Their silver is a subsidiary coin, and amounts to only $2.14 per capita, and is in the hands of the people—used as money in the ordinary business transactions. There would certainly be no deluge from that source, as their dollar contains 1.93 cents less silver than ours. There could be no motive for sending their coin here.

Turkey, with a population of 33,000,000, has fifty millions of gold and forty-five millions of limited legal-tender silver coins—only $1.36 per capita. Their silver coins are in the hands of the people, widely scattered over a large area, and are in constant use in their daily affairs, and all coined at the ratio of 15.1 to 1. The loss on every dollar would be about 5.6 cents. I can not see any probability of any deluge, or even light shower, of silver from that country.

Russia, with a population of 113,000,000—doubtless underestimated—has $250,000,000 of gold and $22,000,000 of full legal-tender silver coins coined at the ratio of 15½ to 1, and $38,000,000 of limited legal-tender silver coins, coined at the ratio of 15 to 1, with the immense sum of $500,000,000 of uncovered paper currency, practically irredeemable and below par. They have use for much more silver than they have. The actual loss on every dollar of their full legal-tender silver would be 3.1 cents and on their limited legal tender would be 6.2 cents. Their paper currency is redeemable in their silver coins. In this financial condition is it reasonable to suppose that any part of the silver coins of Russia now in the hands of her vast population, widely scattered over her vast domains, would be gathered up and sent here to our mints? It seems to me only reasonable and almost absolutely certain that no part of her silver would flow into our mints.

The Scandinavian Union, with a population of 8,600,000, has thirty-two millions of gold and ten millions of limited legal-tender silver coins at a ratio of 14.88 to 1, and twenty-seven millions uncovered paper currency. This silver is a subsidiary or minor coin amounting to $1.16 per capita. If these silver coins were sent to our mints the loss on each dollar would be 6.3 cents. These silver coins are in constant use in all money transactions in limited sums, and no part of it can be spared or sent to our mints.

The Netherlands, with 4,500,000 population, have twenty-five millions of gold and $61,800,000 of full legal-tender silver at the ratio of 15½ to 1, and $3,200,000 limited legal-tender silver coins at the ratio of 15 to 1, with forty millions uncovered paper. Neither their silver coins nor their paper currency are convertible into gold. All their silver coins are in circulation as money in the hands of the people. If their full legal-tender silver coins were sent to our mints the actual loss on each dollar would be 3.1 cents, and on each dollar of their limited legal-tender silver would be 6.2 cents. There is no possibility with such a small amount of silver that they will ever be able to spare it. In addition to that, it does not belong to the government.

Austria-Hungary with a population of 40,000,000 has a stock of $40,000,000 in gold, according to our Mint Bureau, which I think is much below the actual amount, as that Government has been grabbing for and accumulating gold for some time past, having proposed in 1891 to establish the single gold standard, and having established it in August, 1892. They have $90,000,000 of full legal-tender silver coined at the ratio of 13.69 to 1, and $260,000,000 uncovered paper currency, according to our Mint Bureau, but which I think far below the actual amount, as they had at the beginning of 1892 about $345,000,000 of such uncovered paper currency.

Their silver coins are only $2.25 per capita, while their paper currency is from $6.50 to $8.62½. Their paper currency, as well as silver, has been inconvertible. It is doubtless their intention in the end, when their finances will justify, to retire some of their paper and make the remainder redeemable and convertible.

Even with their recently established gold standard it does not seem reasonable or probable that they can resume coin redemption of their uncovered paper, and dispense with their comparatively small amount of silver coins—only $2.25 per capita—gather their silver into the government treasury and send it to our mints for coinage. It would certainly involve a serious loss, amounting to 14.4 cents on every dollar, which any government in the financial stress of Austria, with a national debt of $70 per capita, would hesitate to suffer and could illy afford to incur this loss and send that silver out of the country. There certainly need be no serious apprehension of any overflow from that country of silver to our mints.

Portugal, with 5,000,000 population, has forty millions gold, ten millions limited legal-tender silver money at the ratio of 14.08 to 1—only $2 per capita, and forty-five millions of uncovered paper money. On every dollar of their silver sent to our mints the actual loss would be 14.35 cents. It is certain there would be none sent to our mints.

Spain, with a population of 18,000,000, has forty millions gold, one hundred and twenty millions full legal-tender silver coined at the ratio of 15½ to 1, and thirty-eight millions of limited legal-tender silver coined at the ratio of 14.38 to 1, and one hundred millions of uncovered paper money. In addition to this uncovered paper, $5.56 per capita, Spain has a national debt of over $70 per capita. The full legal-tender silver is $6.66 per capita and the limited legal tender is $2.11 per capita. On every dollar of the full legal tender the actual loss, if recoined in our mints into our dollars, would be 3.1 cents, and on the limited tender 10.1 cents.

Is Spain in the financial condition to gather into her treasury any considerable portion of her silver coinage from its circulation among a tax-ridden people, dollar for dollar with any and all other money in their hands, and dump it into our mints at the actual loss I have named? There can be no reasonable or well-founded apprehension of any such action.

Switzerland, with 3,000,000 population, has fifteen millions of gold. Eleven million four hundred thousand full legal-tender silver money coined at the ratio of 15½ to 1, and $3,600,000 limited legal-tender silver coined at the ratio of 14.38 to 1, and fourteen milons uncovered paper, nearly equal to all her silver.

The actual loss on the full tender coins on every dollar, if sent to our mints, would be 3.1 cents, and on the limited tender 10.1 cents. All her silver is only $5 per capita, and is in the hands of the people, equal to gold and as current money in that country as gold. There can be no reasonable grounds to believe any portion of it will be dumped into our mints.

Italy, with 31,000,000 population, has $93,605,000 of gold, sixteen millons full tender silver at a ratio of 15½ to 1, and $34,200,000 limited tender silver at 14.38 to 1, and $163,471,000 uncovered paper, besides a per capita national debt of over $75. Their paper is at a discount. Their full tender silver is only 51 cents per capita, and their limited tender only $1.10 per capita, combined only $1.61 per capita. No one can reasonably expect any of this silver money to be dumped into our mints, the actual loss being 3.1 on full tender and 10.1 on limited tender.

Belgium, with 6,100,000 population, has, according to our Mint Bureau, sixty-five millions gold, a largely overestimated sum according to Indian currency commission's report, and $48,400,000 full tender silver at ratio of 15½ to 1, and $6,600,000 limited tender silver at ratio of 14.38 to 1, and fifty-four millions uncovered paper, and in addition a national debt of over $60 per capita.

The actual loss on every dollar of her full-tender silver sent to our mints would be 3.1 cents and on the limited tender 10.1 cents. Certainly Belgium is in no financial condition to gather up from the hands of the people using and passing her silver equally with gold and dump it into our mints at the losses indicated.

Now, I go to Germany. Germany is the greatest scarecrow for deluging us with untold masses of depreciated silver so called. There is the country that is going to flood the world with its surplus silver. Germany has a population of 49,500,000, and according to our Mint Bureau, has six hundred millions in gold, an overestimate of probably fifty millions, according to Indian currency commission reports. She has, notwithstanding her single gold standard, one hundred and three millions of full legal tender silver thalers or dollars, as estimated by our Mint Bureau, coined at the ratio of 15½ to 1, in circulation upon a perfect equality with her gold, equal to gold in the payment of all debts and in all purchases, and only equal to $2.08 per capita, and one hundred and eight millions of limited legal-tender silver coined at the ratio of 13.957 to 1, and an uncovered paper circulation of $107,000,000. The per capita of the limited tender silver is only a fraction over $2.18.

In 1890, according to Eleventh Census Report, the German Empire proper had a debt of only $85,181,250, but the States of Germany had a combined debt of $1,874,437,972 owing in different amounts by the several states.

If the German full legal-tender silver were dumped into our mints, the actual loss on each dollar would be 3.1 cents, and on the limited tender 12.7 cents. Consider her indebtedness, Empire and states, her one hundred and seven millions of paper money without any gold or silver coin on hand for its redemption, and her $2.08 full legal tender per capita and her $2.18 limited tender per capita, only $4.26 combined, per capita, and the actual and unavoidable loss to be incurred in sending her silver coinage to our mints, while the coin at home is circulating side by side with gold, and it seems to me certain that there can be and would be no deluge of silver from Germany.

There has been so much said about the silver in Germany that I must beg the indulgence of the Senate to not rely simply upon the reports of our Mint Bureau, but to go to the official records, and see whether the Mint is right, and see whether there are $103,000,000 there of full legal tender. I confess we have all been under that impression. I spoke to my friend the Senator from Iowa [Mr. ALLISON], and asked him if he could give me any estimate of what was stated in the Brussels conference. I had read the report of the Brussels conference, and had found that the German representatives there had submitted a table and that it was not printed with the proceedings, although it was stated that it would be printed. I then went back to the report of the monetary conference of 1881, and I will now read from that report the official statement of the German representatives in that conference.

EXHIBITS OF THE FIRST SESSION.

EXHIBIT A.

[Presented by Baron Von Thielmann, page 13.]

A STATEMENT OF THE MONETARY SITUATION IN GERMANY.

I will not read this, because we all know she changed from a single silver to a single gold standard and introduced a new coin as her standard, a gold mark. Then she made the silver coins of 5, 3, and 1 mark and 50 and 20 pfennigs, and called in the silver coin, and the world has been scared with what she had ready to dump on it ever since. I will read from pages 17 and 18:

If the provisions of the present monetary statutes should be completely carried out, and if, by reason thereof, the sales of silver should be resumed, the Imperial Government would need to dispose of only so much of the four hundred and ten or five hundred millions of marks in thalers now in circulation, as well as of the bar silver which it has held since 1879, as might not be required for the augmentation of the circulation of subsidiary silver coins.

As has been stated in the above title I, the total amount of Imperial silver coins must not, under the present law, exceed 10 marks per capita of the population of the Empire.

The latter, however, having increased between the census of 1st December, 1875, and that of 1st December, 1880, from 42,727,372 to 45,194,172 souls, making a gain, therefore, of 2,466,800 souls, it becomes possible, at this date, under existing legislation, to augment by about 25,000,000 of marks the mass of silver coins struck up to the present time, and which amounts to 427,000,000 of marks. But, besides this, the Imperial Government has recognized, since the year 1880, the propriety of raising the rate of the fractional coinage from 10 marks to 12 marks per capita of the population, in case the monetary reform should be allowed to take its course.

If this new rate be based upon the total of the present population of Germany it would be necessary to coin a further sum of 115,000,000 of marks in silver money, and this would absorb the 31,000,000 of marks in silver ingots—

Referred to here. That is all they had in bullion, 31,000,000 of marks in bullion. He says:

And this would absorb the 31,000,000 of marks in silver ingots which are now on hand, and 73,000,000 of marks in thalers now actually in circulation.

There would remain to be sold, including seventy-four to eighty-one millions of marks in Austrian thalers, a mass of three hundred and thirty-seven to four hundred and twenty-seven millions of marks, that is to say, of 3,740,000 to 4,740,000 pounds of fine silver.

If the Austrian thalers be left out of the calculation, there would only remain to be disposed of two hundred and sixty-three to three hundred and forty-six millions of marks, or, in other words, 2,920,000 to 3,840,000 pounds of fine silver.

Let us take the reasonable medium estimate there, 4,500,000 pounds of fine silver, its value $69,795,000. What is the increase of population since 1880? Four million four hundred and five thousand. What is the per capita? Twelve marks per capita, equal to $12,686,400, reducing the stock of silver to $57,108,600 in legal thalers, the most of it in bank as reserve money. Did she coin it? Has she coined any since 1880?

Germany in 1882 and up to 1889, according to our census reports, and in 1891, coined $11,870,460 in subsidiary silver, which shows that she has carried out her monetary policy, and there can be no possible danger from that source. The Imperial Bank of Germany on the 18th of August, 1893, had gold coin £36,725,250 and silver £12,241,752; so that from $57,000,000 to $60,000,000 is all there is of standard silver thalers in Germany, and they are a full legal tender and circulating at a par with gold. I say all the pretensions that we are going to be flooded with silver from Germany are without foundation.

Now go to Great Britain. Nobody can claim that her $100,000,000 of silver will ever be brought here. Great Britain, the United Kingdom, has 38,000,000 population, $550,000,000 gold and $100,000,000 subsidiary silver coin money, coined at the ratio of 14.28 to 1, and a full legal tender up to $10, now in circulation as money among the people—used in nearly all the transactions in amounts below $10, and redeemable in gold whenever gold is wanted.

It is worse than ridiculous to pretend even that any portion of that silver money will ever be dumped into our mints, at an actual loss in its value of 10.7 cents on every dollar. There is no danger from that source.

Now for France. France has a population of 39,000,000; eight hundred millions gold, the largest stock in any nation, and six hundred and fifty millions silver, coined at ratio of 15½ to 1, and a full legal tender in all payments, the equal in all respects of her gold coin, and absolute money, irredeemable in anything, just like gold.

France also has fifty millions limited legal-tender coins at ratio of 14.38 to 1. The recoinage into our dollars would entail an actual loss of 3.1 cents on her full legal tender and 10.1 cents on her limited tender on every dollar.

France to-day maintains the true bimetallic system, so far as her coined gold and silver money is concerned, but not as to silver bullion, for her mints are closed to silver coinage.

France has $81,402,000 of uncovered paper money, without any metallic reserve for redemption, and an enormous national debt of $4,446,000,000, exclusive of annuities whose capitalized value is estimated by good authority to be not less than $2,000,000,000. That is according to the Eleventh Census Report. This vast indebtedness is held almost entirely by her own citizens, who receive the interest on it, and when paid will receive the principal.

In this condition of France, can any rational person believe it either probable or even possible for any considerable portion of this silver coin money to find its way to our mints for recoinage into our silver dollars at the inevitable loss to be incurred? It seems to me that any such belief can only arise in drowsy moments when dreams, not reason nor judgment, hold possession of the mental faculties.

The Bank of France on August 18, 1893, held gold $335,000,000 and silver $250,000,000.

In all these countries the silver coins are money in circulation among the people, and where full legal tenders are money equal to gold—dollar for dollar. Should they come here it would be as metal, losing every monetary function the moment they crossed their territorial boundaries and at very great loss. If they did come and were coined, what would they do with them? They would put them into our mints and take the standard silver dollars, and what would they do with them? Take them back to their country? Oh, no; it would be only bullion the moment it left the boundaries of the United States. They would buy something that we have to sell. That is what they would do with it. They would have to do that unless these accommodating New York calamity-howling bankers would give them gold coin in exchange for the silver, and I do not believe they would do it. No, no, Mr. President, we have an abundance to spare of the material products of our labor and our factories and would only too gladly exchange them for many, many dollars. There is no danger of a flood from that source. There is no accumulation of silver bullion anywhere in the world.

[At this point the honorable Senator yielded to Mr. SMITH.]

Mr. COCKRELL. Why not then restore that safe system of bimetallism for which, according to professions, whose sincerity I am not questioning, we all hunger and thirst by day and by night?

But, say our friends, the opponents of unlimited coinage, if, as you say, there be no danger of a deluge of silver from the silver coins of foreign countries—the real danger—the deluge from the annual overproduction of silver in the world, coupled with the closing of the mints of all other nations to such coinage, will certainly come, is inevitable.

Here again come predictions, apprehensions of dire calamities, and panicky fears arising from overnervousness, and not from facts and figures.

Let us now calmly and dispassionately reason together and consider the probabilities, based upon the facts and figures of the past.

In ten years, 1882 to 1891, inclusive, according to our Mint Bureau, the world's product of silver was $1,363,799,078, from which we must deduct the amount of silver consumed annually for industrial purposes, estimated by Dr. Soetbeer at 21 per cent, and shown by our Mint Bureau to be in the United States 12.2 per cent, and which I will estimate at only 15 per cent, to be safe beyond question. This will amount to $204,569,860. Deduct this from the gross product and we have left for coinage $1,159,229,218.

The world's coinage of silver in these ten years, after deducting therefrom all the coinage in the United States, India, and Austria, amounted to $638,133,496, which, deducted from the balance left for coinage, leaves only $521,095,722 as the surplus to be consumed by the unlimited coinage in the United States in ten years, being only $52,109,572 for each year. That is no deluge, and we should have no overflow from that.

Take five years, 1887–1891:

World's product	$787,063,791
Deduct 15 per cent consumed in industrial uses	118,059,568
Leaving a balance of	669,004,223
Deduct world's coinage, excluding India, Austria, and United States	322,489,068
Leaving a balance for us to coin of	346,515,155
Being only annually	69,303,031

This would have been no overflow, no inundation of silver.

Suppose our coinage limited to our own product—

In twenty years, 1873–1892, inclusive, we produced	$992,719,000
Deduct 12 per cent for industrial uses	119,126,280
We have for our coinage in twenty years	873,592,720
Annually in each of the twenty years	43,679,637
In five years, 1888–1892, we produced	343,419,000
Deduct for industrial uses	42,208,178
We have left for our coinage in five years	301,210,822
For each year, or annually	60,242,164

There is no deluge in this.

Coinage confined to our own product would, in all reasonable probability, not exceed one dollar per capita annually, no more and not as much, in fact, as the increase in population, commerce, and business will absolutely require for monetary uses.

These facts and figures must dispel the trembling fears of a deluge of silver into our mints if opened to the world's product. If limited to our own product there can be no possible danger of a deluge.

The opponents of unlimited silver coinage have proclaimed all over the world time and again, and it has been repeated by the gold monometallists in foreign countries, that the United States have practically had the single gold standard since 1834 and 1837, and silver was practically demonetized in 1853. There never has been any change whatever by our laws touching the coinage of silver dollars as to 371¼ grains pure silver. In 1834–'37 the quantity of gold to the dollar was reduced, so as to bring us to the standard of 16 to 1. Our mints from 1792 to 1873 were always open to the unlimited coinage of silver dollars and gold coins on exactly same terms, and both coins had equal legal tender—were absolute irredeemable money, without price, and our silver dollar was maintained as the unit of value.

In addition, the half and quarter dollar, the dime and five-cent pieces, were of standard weight and fineness and full tenders equal to gold, until 1853, when they were reduced in weight and limited in tender to $5, simply to keep them as change. Why such misrepresentations? In the Senate, March 8, 1852, Senator Hunter, of Virginia, reported a bill the object of which was to retain our silver currency, which was then leaving the country because of its value being greater than gold; not to demonetize silver. He insisted on bimetallism.

Once monarchs and kings depreciated the coins by reducing the quantity of metal and increasing the paying power. Now governments increase the value and purchasing power by demonetizing one-half of the coin money.

True bimetallism, such as I will show the Senator has recently advocated, was maintained. Sometimes we had more silver, sometimes more gold, but always open mints to unlimited coinage for both alike.

Again, they say our people did not want silver; that no silver dollars were coined up to 1873. It has been hurled in our faces in almost every international monetary conference, and boldly so proclaimed to foreign nations by our own representatives, and hundreds of times here in the Senate. Why this concealment of facts, and these misrepresentations of the conditions existing under our laws?

Consider the real facts and the true conditions. From April 2, 1792, to July 31, 1834, we produced of silver metal practically nothing—insignificant, as stated in Mint Bureau reports.

From July 31, 1834, to December 31, 1844, we produced $250,000, or $25,000 yearly. In 1845–1857—thirteen years—annually $50,000, amounting only to $650,000 in thirteen years. What did we do? We coined of standard silver dollars $2,766,640, and $39,241,110 in half dollars, beside many millions in quarter dollars, dimes and half dimes, all full legal tender equally with gold for all debts up to 1854. From that year on half dollars and smaller coins were only tenders for $5.

From 1792 to 1853, inclusive, we coined $75,961,554.90 in half dollars and small coins, in addition to standard dollars amounting to $2,550,000, aggregating $78,511,554.90. And yet the world is told we coined no silver!

From 1857 to 1873, we coined 5,261,598 standard dollars; in 1870, $445,462; in 1871, $1,117,136; in 1872, $1,118,600, and in one month and twelve days, up to February 12, 1873, $296,600, and if coinage had been kept up at the same ratio for the remainder of that year the total coinage of that year would have been over 2,700,000 silver dollars. Such was our coinage at the very time silver was stricken down by the coinage act of Februnry 12, 1873.

There is another reason, Mr. President. Foreign coins of gold and silver were full legal tender in our country up to 1857; and we coined during that time much more silver than we produced in our country; and the only other silver which came here was silver coin. They were full legal tender, and why did anybody want to recoin them into full legal-tender money again?

It has also been circulated in foreign countries, and believed by them, that our people refused to circulate and use as money our standard dollars, under the laws of 1878 and 1890. Foreigners do not understand that in consequence of the era of greenbacks and fractional currency our people prefer legal tenders, gold and silver certificates, to the actual coin, and that the silver dollars in our Treasury are practically in circulation by certificates, which are preferred to gold in circulation.

The RECORD of October 1, 1893, shows that of a total coinage of 419,332,550 silver dollars, only $29,635,504 are in the Treasury as a part of its reserve; and of the balance, $58,832,668 are in actual circulation, and $330,864,504 in the Treasury, represented by outstanding silver certificates, and are simply held on deposit, to be returned on presentation of the certificates—which simply certify that so many silver dollars have been deposited in the Treasury, payable to the holder on demand. There is no pecuniary obligation whatever to do aught except return the silver dollars specified.

These are the actual, cold facts, and yet the Senator from Ohio—and it is most remarkable—in his speech on the floor of the Senate on May 31 and June 1, 1892, said—and I call the attention of the Senator to the language—

> Shall we sell the silver on hand? We have $400,000,000 in the Treasury. Our people will not readily take it as money. With all the efforts that have been made by Congress there are only fifty or sixty million dollars of silver in circulation. The balance is there in vaults, in cellars, as the security for the payment of the various forms of paper money. Dare you sell that silver? I wanted to provide in the law of 1890 for the disposition of that silver in certain cases, but the conferees would not agree to it, and now to attempt to sell that silver in a falling market would only be adding misery to ruin. I do not like to talk about these things, but it is my duty to state my own opinions. They may be all wrong.

I should not think any Senator having much regard for the integrity of our financial system would want to talk in that style about our silver money.

Mr. DOLPH. Who was that?

Mr. COCKRELL. The Senator from Ohio [Mr. SHERMAN] in his speech in 1892, when he referred to all our silver as metal in the Treasury, and the question was whether we should sell it or not. The Senator from Colorado asked this question:

> Mr. TELLER. I wish to ask the Senator a question. He says we have $400,000,000 of silver. That statement would go out as if the Government owns $400,000,000 of silver. Does the Senator mean to make that statement?
>
> Mr. SHERMAN. It is in our Treasury, the property of the Government, and our Treasury notes are outstanding against it.
>
> Mr. TELLER. Will the Senator tell me who owns that silver, whether it is the Treasury of the United States or the people of the United States who hold the certificates?
>
> Mr. SHERMAN. We hold in the Treasury of the United States $413,000,000 of coined silver. We hold of subsidiary silver $77,000,000. So I was nearly $100,000,000 within the mark. I do not want to say anything about this. We have got this vast mass, and we can not sell it; we dare not sell it.

The Senator from Ohio would not answer the question of the Senator from Colorado, but proclaimed to the world, practically that the United States had four or five hundred million dollars of silver in its Treasury belonging to the United States, which it could sell without a breach of faith, notwithstanding certificates were out calling for nearly every dollar of it. This is our monometallic-bimetallic leader upon the floor of the Senate today, and yet he proclaimed that to the world, and it goes into every nation, kindred, and tongue of the civilized world. But he was pressed still further.

> Mr. TELLER. Will the Senator assert here that the Government has any right to sell the silver dollars; that if there was a law authorizing it the Government would sell the silver dollars, when it is a trustee and holds the money in trust?
>
> Mr. SHERMAN. There is no doubt the Government will hold that coined money for the payment of these notes outstanding, but it has bullion in its keeping that it dare not sell; and it owes for it. That is affecting the money market.
>
> Mr. TELLER. Has it a right to sell a dollar?
>
> Mr. SHERMAN. It has a right to sell the bullion to pay the notes, but there is no law providing for its sale.
>
> Mr. TELLER. Then it has not any right to sell it.
>
> Mr. SHERMAN. Suppose, for instance, that these Treasury notes outstanding should come to the Treasury for payment, would you take the gold in the Treasury to pay them?
>
> Mr. JONES of Nevada. The Government of the United States has no right to sell bullion.
>
> Mr. SHERMAN. The very moment you attempted to force the silver dollar into the hands of the people you would find at once the gap, the dangerous gap, between silver and gold.
>
> [At this point the honorable Senator yielded to a motion to adjourn.]

No, Mr. President, the Senator from Ohio ought to have known and stated distinctly, because he is looked upon as a great financial authority throughout the world, that nearly every dollar of the silver coin in the Treasury was represented by certificates in the hands of the masses of the people, known as silver-coin certificates; that the Government simply held those silver dollars to be returned to the holders of the certificates, and that the only bullion which was in the Treasury was that purchased under the Sherman law. The Treasury had the right to coin it, but no right to sell it. Then the people of the country would have understood it.

No one can tell what was the effect in foreign countries of the publication of that speech to the effect that the United States had $400,000,000 of silver and it was considering the propriety

of selling it. That is the way silver has been handicapped ever since we undertook to break down gold monometallism established by the law of 1873. It has been misrepresented and falsified on every hand, and that, too, by distinguished gentlemen whose words have been taken as true.

Mr. President, in the speech of the Senator from Ohio of August 30, 1893, which I shall not consume the time of the Senate in reading, but which I merely refer to, he proposes to coin this same surplus bullion in the Treasury and use it as full legal-tender money.

In 1892, however, it was different. But think of telling the country that this $400,000,000 was stored in vaults and in cellars and not circulating through its representatives. It was a concealment, a suppression of the true facts.

Where is the gold of the United States? Is it in circulation? Scarcely a dollar of it. It, too, is in the bank vaults and in the cellars as a reserve. The certificates are outstanding. Gold no more circulates in this country than silver. There is not $1,000,000 of gold to-day in actual circulation.

The panic has demonstrated that there is no difference in the estimation of the masses of the people between a coined gold dollar or a coined silver dollar or a greenback or a silver certificate. They have all been taken and hidden away in stockings and in hiding places and in the vaults of safe-deposit companies, and even the despised silver dollar has commanded a premium in the open market in Wall street during the panic. No, there is not a dollar to-day in the United States of any kind which is better than the silver dollar in the estimation of the masses of the people among whom it circulates, and there is not a dollar of any kind that has more paying power or purchasing power than the standard silver dollar.

But gold monometallists tell us that gold is the money of civilization, of enlightened nations, of progressive nations, and the doctrinaires are to dictate to us the degree of our civilization by the gold we use or do not use.

Mr. President, it has been thrown up in our monetary conferences why gold should be used, that it is necessary to use gold in large transactions. Mr. Rothschilds, in the Brussels monetary conference, insisted upon utilizing silver as money, but at the same time said that for the great commercial transactions of the world we must have gold. "Why," he said, "my house sometimes wants to ship millions of dollars, and just think o the load we should have to carry if it was in silver dollars." In other words, the money of the world must be made to suit the convenience of those who handle it by the millions and the tens of millions, and not the great masses of the people who earn it and produce the products for which it must be exchanged. That is the single gold standard.

Our gold monometallists say, "If you give unlimited coinage to silver we shall have too much money in this country." I challenge any man, historian or doctrinaire, to show me any nation on this earth, in any age of the world, that has had more full weighted coins of silver and gold of standard fineness than were necessary for monetary purposes. No, sir; you may search the world over, and no nation, no people have ever had more coined gold and silver of full weight and fineness than they could use for monetary purposes. Such an instance can not be found.

Talk about flooding the world with money to-day. Cast your eye over the world and behold it, and what do you find? To-day all the money of the world, gold and silver, amounts to $5.82 per capita, with which to do the business of the entire world. In what condition is the world? Look at the national debts of foreign countries according to the census of 1890:

National debts of foreign countries	$26,633,016,811
Local debts of foreign countries	1,689,740,252
Total	28,322,757,063

This estimate includes eighty-three principal countries, three hundred and sixty-three principal and a large number of other foreign cities, and all the departments of France.

Per capita debt of some nations: France, $116.35; Great Britain, $87.79; Russia, $30.79; Austria-Hungary, $72.42; Italy, $76.06; Belgium, $63.10; Netherlands, $95.56; Spain, $71.27; Canada, $47.51; New South Wales, $214.87; New Zealand, $298.01; Queensland, $333.46; South Australia, $321; Portugal, $134.11; while our own is only $14.24.

This vast debt does not include many hundreds of millions, even billions of debts on the part of corporations, minor government divisions, and individuals, on which the interest alone each year is from fifteen hundred to two thousand millions. Then consider the revenues of all the foreign governments collected for government purposes, amounting to billions annually. Then consider the billions needed in the billions of transactions between buyers and sellers of the world's productions, the necessaries and comforts of life, etc.; these aggregate amounts are almost beyond calculation. We have no statistics sufficient to enable any fair computation.

One ascertained amount may give some conception of the magnitude of these transactions. According to Mulhall the value in the year 1888 of all the manufactures of textiles, hardware, clothing, beer and spirits, and leather in the world, amounted to $22,370,000,000, an immense product to be paid for by the consumers annually. All the full legal-tender gold and silver coins in the world, in every place, would have to be used three times simply for these products, not considering the purchase of the other articles.

Now, look at our own country, according to the census of 1890:

Debt of United States less cash in Treasury	$891,960,104
State debts less sinking fund	228,997,389
County debts less sinking fund	145,948,045
Municipal debts less sinking fund	724,463,060
School-district debts less sinking fund	36,701,948
Total	2,027,170,546

These are the debts upon which interest must be paid each year.

What are the annual receipts and expenditures of all our governmental machinery, national, State, Territorial, county or parish, municipal, and school districts? According to the most reliable data from the Census Office the expenditures are $1,000,000,000, which is rather below than above the amount; this is at least two-thirds of all our available money twice to be used. The annual interest on national, State, Territorial, county, municipal, and school-district debts is about $1.50 per capita. These revenues or taxes paid at different periods require some hoarding and when paid in are not at once paid out.

Take our railroads in 1893. The funded debts of corporations, railways, street railways, telephone, telegraph, and other quasi public corporations are over five thousand millions; the annual interest to be paid, which, with dividends on stock, rentals, etc., amounted in 1892 to $417,861,702. Operating expenses in 1892, $846,633,503.

There were paid by travelers and shippers to the railway and street railway companies $306,972,023 for passenger fare, and $898,299,623 for freight, etc.; total, $1,205,272,023, nearly equal to all our circulating money.

Our census reports in regard to farm and home mortgages are not completed; when completed they will show many hundreds of millions, and even billions of indebtedness. I have made no calculations from the census bulletins only in part issued. Mr. Frederick C. Waite, of this city, in a letter to the Senator from Colorado [Mr. TELLER] printed as Senate Miscellaneous Document No. 25, says on page 2, $6,500,000,000. If these figures are correct the annual interest charge can not well be less than 8 per cent, probably much more, amounting to $510,000,000, one-third at least of all our circulating money and nearly $8 per capita of all our people.

I hope the completed and final returns of the Eleventh Census may show these figures too high and above the actual indebtedness. We know this class of indebtedness is very large and by no means includes all the indebtedness of our people; the aggregate amount of which can never be ascertained with certainty.

Take the banking institutions, national, State, and private banks, loan and trust companies, and savings associations. According to the report of the Comptroller of the Currency for 1892, their aggregate loans were $4,346,263,221; and their aggregate deposits were $4,888,533,979. An indebtedness to the banks three times greater than our circulating money; and an indebtedness by the banks to their depositors over three times as much as our available circulating money.

The interest on loans to banks at 6 per cent is over $260,000,000 annually. Then consider the amounts of all the sales of imported and domestic products to our people for consumption. Our whole internal commerce, traffic, exchanges, sales, and puschases, aggregate almost an incalculable sum.

It is impossible to ascertain the sum of all such sales and purchases. In the clearing houses in fifty-eight principal cities, the exchanges in 1892 were $61,017,839,087, and only 8 per cent in cash or currency used. Drafts drawn by national banks upon bankers at other places in 1892, $12,994,959,590.

These figures show the vastness of the transactions by banks alone and their many transfers of money from one point to another while using only about 10 per cent in actual cash.

On September 15, 1892, the receipts by the national banks were $331,205,213, about one-fourth of all the available money in the country, of which 9.39 per cent was cash, and 89.61 per cent substitutes, checks, drafts, exchanges, etc.

It is argued that very little money is needed: that these substitutes answer all the purposes of money and are so much more convenient. They say, look at London, where only 2.77 per cent of actual cash is used in the billions of dollars of transactions. Great exemplar!

Henry Carey Baird, in a letter entitled "Bank of France and

French Finance," addressed to the Manufacturer and published in its issue of December 16, 1890, says:

But we, in this country, have never in practice seen the bank-credit system run mad as it exists in England, and especially in London. For instance the London Economist of November 22 tabulates the statements of eleven joint-stock banks in London, June 30, 1890, so far as regards the two items of "Liabilities to the public" and "Cash on hand and at the Bank of England." These liabilities were $848,000,000, while the cash, including that in the Bank of England, was but $87,000,000, or 10.3 cents of so-called "cash" for each $1 of liabilities, exclusive of those to the stockholders.

I have given some of the items in regard to the needs of money in the world and in this country simply for reflection, for consideration, to show what our pretended financial system is. It is not based on metallic money nor yet on paper. We have a wholly inadequate supply of all combined in the world, and more especially in this country. We base our system on confidence, trust, and faith. How easily shaken. And yet with our country in this condition, with this great demand for money, this absolute need for an increase of the metallic basis of our financial system, we are commanded to vote now for the unconditional repeal of the Sherman law and establish and leave in force the single gold standard of the law of February 12, 1873, striking down from further coinage the entire silver of the world, so far as our mints are concerned. Look back at our history and see what the system has been. One-half of the money of the world was stricken down. Jay Cooke's failure in 1873 destroyed confidence, and the deadly panic of 1873 crashed from one end of this land to the other.

Come up a little later. A New York snipe named Ward began banking cloaked in the name of our great military chieftain, Gen. Grant. He became at once a financial oracle in Wall street, ran his course, and fell, and our whole financial system was shaken and tottering almost to a panic. Why? Because confidence, faith, trust, were shaken.

In 1885 doctrinaire financiers conjured themselves into the dreamy belief that some ailment existed in our system, and looking around thought it the Bland silver law, began hoarding gold for a premium, etc.; almost a panic. So it has been every few years.

Our Democratic Administration just coming in as now was in a panicky condition, and the Secretary of the Treasury went to New York and negotiated with those bankers to exchange $10,000,000 of fractional silver for $10,000,000 of gold, but the scare got over before they had to use it. President Cleveland came here pleading, and urging, and recommending the repeal of the Bland law because of the fearful consequences that would follow.

Coming on down, the Argentine Republic's financial structure, based on faith, hope, and charity, crumbled into ruins in 1890, entailing a loss of hundreds of millions in Great Britain, Germany, and elsewhere in Europe. The Baring Brothers, of model London, were driven to the wall. The world's financial structure moved and swayed to and fro and reeled on the brink of panic.

Seventy million dollars left our country then, and yet Congress was not called in session to repeal the Sherman law, for it was not in existence.

Now, let us go back to 1890 and see what it was. Just see the doctrinaires and financiers, the great business men in New York, how much they know about it and how they are affected by every little evening zephyr that comes along whispering this thing and that thing. New York. Wall street in agitation. I will read the headlines:

November 10, 1890—Notable shrinkage in values of all securities.
November 11, 1890—Confusion and demoralization in stock markets.
November 12, 1890—Enormous sales of stock on a seesawing market.
November 14, 1890—Slowly recovering from effects of storm.
November 15, 1890—Depressed by rumors. Wall street agitated by reports from London. The Baring Brothers involved in recent troubles.
November 16, 1890—Thrilling financial events on both sides of the ocean. France stays the tide of panic.
November 17, 1890—Ten millions to lend. Clearing house to issue ten millions. Clearing-house certificates to support the weaker banks.

How much like the present; but the clearing house had to come to the rescue with $38,000,000 this time, instead of $10,000,000 then.

In May, 1893, the banks of Melbourne, Australia, went to the wall with three hundred millions liabilities, to add to the panic over the Argentine collapse, scarcely dead, and to the effects of the Panama Canal collapse, Austria-Hungary in the market for gold, with gold bonds for sale.

Soon another collapse in Australia; five banks driven to the wall, with one hundred and twenty-five millions liabilities. Then our panic.

Why should it not come? It is just as sure as that the day or night shall succeed each other. I will not consume the time of the Senate in reading from a speech I delivered here in 1891 on the free coinage of silver and the increase of the currency. The very identical things were pointed out there and what would bring a panic, just precisely as it has occurred. I will ask to insert that in my remarks from page 21.

The PRESIDING OFFICER (Mr. FAULKNER in the chair). If their be no objection the request of the Senator from Missouri will be granted. The Chair hears none.

The matter referred to is as follows:

"DISTRUST CAUSES BUSINESS DEPRESSION."

This circular was issued in the interest of the gold monometallists of the country and is a protest against the recoinage of the standard silver dollar. It says:

"The rule has heretofore been almost invariable that money returned to the financial centers in November. Why is this year of 1890 an exception? The answer must be that distrust has caused hoarding, especially hoarding of gold.

"The hoarding of gold since the silver act of July 14 went into operation is clearly shown by the following figures."

Then the circular quotes the figures which it pretends are true and says:

"Therefore, the purpose of the silver men is defeated. They want inflation, but in fact produce severe contraction."

Now I quote from another circular. I quote from resolutions adopted by the Chicago Board of Trade January 7, 1891:

"That we deprecate any further legislation by Congress in regard to silver, believing that further agitation of the subject will be injurious to the business and commercial interests of the country and tend to retard"—

What?—

"to retard the increasing confidence of the business world and the speedy return to a healthy state of affairs so much desired by Congress and the country."

You must not do anything to retard the growth of confidence. Confidence is the substratum of the financial system of the United States, and when you shake that the whole fabric totters, and we are told that we must not legislate here in the interest of the great masses of the people and to give a foundation to this financial structure for fear we shall destroy confidence.

But, Mr. President, I want to quote another circular. This is from the circular of Henry Clews, a banker of New York. He says:

"The hoarding of gold has largely come from the holders of the 4½ per cent bonds, which mature next September. Under the Secretary's liberal offer to redeem the same, both principal and interest, they have obtained payment therefor and locked it up simply because the Government has issued money backed by a corresponding amount of silver, and they profess to be scared about the Government credit in connection therewith and make that as a pretext for hoarding."

In regard to the recent panic, I quote also from this same circular of Henry Clews:

"It is apparent now, I think, that in taking a prospective estimate of the outlook it is necessary to note carefully the conditions of general business which preceded the panic. It is also important to keep in mind that this panic differed from almost all its predecessors in the characteristic that it was a rich man's panic. It resembled more closely the panic of 1884 than any other historic parallel of this character, but I venture to predict that the recovery will be quicker and the restoration"—

To what?—

"to confidence more thorough than in the former instance, if all the signs of the times are not deceptive and misleading. The hardest blows fell this time where the material and the preparation for resistance were actually the strongest and not on the rank and file, as in former perturbations of this character."

Mr. COCKRELL. Mr. Clews was so accurate in his description of the "rich man's panic" of 1890, that I will quote from his financial circular of September 9, 1893, in regard to the panic of 1893. He says:

"The winter of our discontent has been made glorious summer" by the death knell of the panic, and now it is over it can be reviewed, and of all the panics that this country has ever had, it has been the silliest, as there was less cause for it than any previous one. It is not unlike the "Bull Run" panic during the war period. From the day that memorable event occurred up to this date, I have never yet been able to find anybody who could give a reason for its occurrence, whether on the battlefield or off at the time. The same can be said of the recent financial panic. I venture to say that no one can now give a good and justifiable reason for it having occurred: for that reason it has been a "Bull Run" panic. The whole country, in consequence, has had to go through a general liquidation of credits. In fact, it started as a gold panic; then came a silver panic, which was followed by a credit panic, and the climax was reached by a money panic. Now the corner has been turned, and building up takes the place of tearing down, the recuperation, I venture to say, will be more rapid than this country has ever experienced after any previous financial eruption.

Why, then, Mr. President, shall we not have more metallic money, silver money as well as gold, irredeemable, absolute money against which no reserve has to be kept; good wherever it goes, which is its own redeemer.

All intelligent writers agree that where money is decreasing in amount, poverty and misery prevail.

But history proves indisputably that every increased influx of the precious metals into human intercourse, by new discoveries or the increased production of the mines, has always been accompanied by a decided amelioration of human necessities by the increase and diffusion of every means for a more humane existence of the masses, which we call the progress of civilization. The great prosperity of Europe which preceded the age of the Reformation followed in the wake of the great increase in the precious metals caused by the discovery of America. The immense development of modern trade by railroads, steamships, and telegraphs followed the tide of gold and silver with which California and Australia supplied the world.

Why withhold from our people these manifold blessings sure to follow an increase of our metallic money?

If we deny it, what follows? Only what the attempt to establish the gold standard has already caused in the past. The paper inflation dogma—greenbackism, populism—all these inflation ideas will prevail as they have in the past. They are the legitimate offspring of gold monometallism. They never existed in the United States when the grand old Democratic party controlled and guided the destinies of this country for over half a century and maintained the true bimetallic system. We never heard of a Greenback party nor of a Populist party nor of an increase of the currency party.

What will follow? Substitutes for metallic money must come

in. Your bank checks, your drafts, your clearing-house certificates, your stock gambling, your financial bulls and bears, and panics, and crises, and revulsions and depressions of property and of prices, losses in the value of securities, and the depreciation of the prices of all the products of human labor. We see them almost every year. It is estimated now that the shrinkage in the value of stock on the stock market amounts to hundreds of millions of dollars. I saw one estimate given, I think in the New York World, which estimated the depreciation of the selling price of stocks at over $500,000,000—not money enough to sustain it and confidence gone.

But it is said that we can not maintain any more silver dollars on a parity with gold, that we can not keep every dollar as good as any other dollar. Once for all I want to say that I am in favor of a dollar just as good as any other dollar. Those who are advocating this bill are not the only men who are in favor of an honest and stable dollar. The President in his message seems to think that there is somebody here who does not want an honest and stable dollar. If that is intended as a reflection upon those who advocate the coinage of the standard silver dollar I repudiate it unhesitatingly. I am just as honestly in favor of an honest and stable dollar as the President and I am not trying to impose upon this country any dishonest or unstable dollar.

But, Mr. President, from the foundation of the Government until to day not one solitary silver coin that the United States has coined, whether full legal tender or subsidiary, has ever been redeemable in gold. I challenge any man to point to one law of the United States that has ever made silver coin full legal tender or a limited legal tender, redeemable in gold. Silver coin of the United States has been irredeemable, whether it was of the full legal tender or the limited legal tender, and I say it is not for this Democratic Administration or any Democratic administration to undertake to force upon this country the principle that silver coin shall be redeemed in gold.

Mr. President, this is not Democracy. I do not believe the Administration is attempting to do it. The resolution that we have passed has not been answered; but if we are to be told that the Administration is redeeming our silver dollars in gold I say, halt! the people of the United States are not ready for that. That issue has never been presented to them. They will never sanction it—never. If they do that, they trample under their feet the glorious record of the Democratic party from the foundation of the Government. They trample under their feet every true principle of Democracy. If, therefore, it is meant that we must maintain the silver dollar at a parity with gold by making it redeemable in gold I say no; gold wants no redeemer, nor does the standard silver dollar.

Such an interpretation destroys the silver dollar as money—coined money. Metallic money is absolute and irredeemable in any other money, is without price. There can be in true coined metallic money no money value. Gold and silver as mere metals may have their market value, but as coined money at the ratio established by law they are equal—each money absolute and irredeemable. That is the law. That is Democracy. Value is a relation—a ratio established by law—and can not be measured. Length and capacity are positive properties of things while value is not a property of anything and arises out of the relations existing between things. We measure the length of a thing by laying alongside it some other thing whose length is known. We measure the capacity of a thing by filling it with something else whose quantity is known.

"Values are not determined by any such bringing of one thing to another."

"Labor once spent has no influence on the future value of the article produced." Value is the purchasing power—power in exchange. While price is the money value of commodities—the power any commodity has to exchange for money.

The demand for money depends upon the amount and character of the trade, commerce, and business of a country, and the number of times such articles are sold and resold, while the supply of money depends upon the quantity in actual circulation and the number of times each piece changes hands in business matters. The amount of money required by the people of different nations to meet their demands and supply will vary according to the conditions of the country and their business.

A country small in area and densely populated requires far less money than a country with a larger area and a more widely dispersed population.

The larger the area and the more sparsely or thinly peopled the greater the amount of money required. Our country and people require a much larger amount of money per capita than any nation of Europe, save probably Russia.

Our silver dollars to-day are at a parity with gold dollars. Why? Because the law makes them absolute money, irredeemable and the equal of gold, a full legal tender in the payment of debts. The value of money as a medium of exchange depends upon the law of the country wherein circulating.

Silver as a metal, a commodity, may vary in its value in the market, but coined legal-tender silver dollars, in relation to coined gold, do not vary in value, and will not as long as the law maintains their full legal-tender and their paying and purchasing power. The law can not fix a value between different commodities nor between coin money and any given commodity. It can not, therefore, fix a ratio of value or equivalency between coined gold and silver metal as a commodity.

The sovereign, according to its organic constitution or law, creates money value. The Constitution gives this express power to coin money and to regulate its value, to fix the ratio or value between the coins. Our laws give to coins of silver and gold at the ratios fixed their value, the legal-tender and debt-paying power.

Now, I will read a little incident here, or refer to it in regard to the value given to gold and silver. It is an incident quoted in the Gold Standard, page 9:

On the testimony of Thomas Baring we are assured that it was found impossible, during the crisis of 1847 in London, to raise any money whatever on a sum of £60,000 in silver. But during a similar crisis in Calcutta in 1864 it was equally impossible to raise even a rupee of paper money on £20,000 of gold. The silver in London was not a legal tender above 40s., while the gold in Calcutta was not so for any sum whatever.

Mr. President, this is not merely a contest to repeal the Sherman law and stop the purchase of silver bullion.

Whether intended so or not by the present advocates of this unconditional repeal bill—and I gladly say that many of its advocates do not so regard it—this is a renewal of the contest to establish a single gold standard throughout the world, and to make gold the only money and all silver coins and paper currency redeemable in gold. It originated in 1863, when our representatives told the monarchical and regal governments of Europe that we were about to flood the world with from $200,000,000 to $400,000,000 annually of the precious metals, backed by the demand of Senator SHERMAN in 1867 for the single gold standard and refusal to agree to bimetallism with the Latin Union, the contest has been kept up ever since. One by one the nations of Europe have been scared and driven to the gold standard in imitation of Great Britain, the so-called mistress of the seas.

If we repeal unconditionally, then no one dare say that our laws do not recognize the single gold standard established in 1873. Gold will be the only metal admitted to unlimited coinage. Silver will depreciate in value, refusals to recognize it debase and humiliate it. It will depreciate in value.

Now, Mr. President, I have quoted some from the distinguished Senator from Ohio in his finance report, showing what policy he wanted, but I now have before me his speech of May and June, 1892, in which he says:

Mr. President, when that law of 1873 was passed the only trouble about it was that we were not as wise as the Almighty Ruler of the universe. We could not see ahead. I have no doubt, however, that if it had been known that silver was going to fall as much as it did after that it might have made a change. But I know myself—and I speak for myself only—that while I did not know it, did not dream of the fall in the price of silver following that law, yet I do now s y, in the light of all the circumstances that surrounded us, that if I had known it I would have kept the silver dollar there and put it on the same footing as the fractional silver dollar, and no better.

The Senator then quoted approvingly from John Jay Knox, late Comptroller of the Currency, as follows:

I am happy to agree with the statement that the silver dollar now coined in this country, if held in England, would be worth a gold dollar, less the loss of interest and the cost of transportation across the Atlantic. This statement is true. I hold in my hand the 5-cent nickel coin. If $100,000 of these 5-cent nickel coins, which are intrinsically worth 1 cent each in the bullion market, were offered for sale in China or in Japan, in England or in France, to a shrewd broker, they would be worth to him exactly $100,000 of gold, less the loss of interest and the cost of transportation from England or France, or China or Japan, to this country. What amount that broker would give for such a large amount of nickel coin or silver dollars is quite another question.

Why is this?

It is because these coins are redeemable in gold; it is because we are upon the gold and not upon the silver standard. When free coinage of silver comes, the promise of this great country, with its great credit unsurpassed anywhere in the world, is withdrawn and our silver dollar, like the Mexican dollar, becomes worth its intrinsic value only at home and abroad.

The Senator from Ohio said in the same speech:

All our money is at par with gold. How is that maintained? We have a careful series of guards and laws which practically make now in the United States gold coin the standard of value, not the legal standard in the sense that the Senator speaks of as the ratio, because whenever that ratio diverges from the market value the ratio ought to be changed always.

In referring to the provisions of law for purchasing silver bullion, he said:

If it had been seigniorage levied upon the people, it would have been the most outrageous seigniorage ever inflicted upon a people by any government in the world; but it was not in the nature of seigniorage, but bought at its market value, and we issued money for it at its coinage value. We have behind it all the silver we bought, and we have that very surplus of silver called the profit fund in our Treasury now, which amounts to $75,000,000. We have treated it as an ordinary income, but that is not the proper way it should be treated. If the time shall come when it will be necessary, the people of the United States can without loss restore this large sum of $75,000,000 for the redemption of the silver coin or for the maintenance of it at the standard of gold.

The careful measures which I have mentioned, by which we have sus-

tained and maintained the gold standard, are now to be swept away by one fell stroke, the free coinage of silver. All the safeguards which experience has shown, not only to our own country but to other nations, to prevent the depreciation of our coin and our currency, are about to be abandoned, a new standard is about to be proposed, and all our money is to be brought down to that standard.

* * * * * * *

If there was but one standard of money, then, as a matter of course, the silver standard might be made the basis of our transactions, but we have gold for our standard; we have an equal amount of gold in the Treasury and in circulation; the precise quantity is shown by the table and is over $600,000,000. This is to be demonetized or left for the use of the rich, who stipulate for gold payments.

The Senator from Ohio, in his speech of August 30, 1893, quotes approvingly from Hon. E. O. Leech, late Director of the Mint:

The closing of the mints of British India to the coinage of silver coins of full debt-paying power is the most momentous event in the monetary history of the present century. It is the final and disastrous blow to the use of silver as a measure of value and as money of full debt-paying power, and the relegation of it to the position of a subsidiary or token metal. It is the culmination of the evolution from a silver to a gold standard which has been progressing with startling rapidity in recent years.

For the last quarter of a century civilized countries have combined to dethrone silver as a precious metal and have declared in unmistakable terms that, by reason of its cumbersomeness, the enormous quantity produce , and the violent fluctuations in its value, silver is not fit to serve as a measure of the value of all other things; that hereafter gold alone shall be the standard of value, and that the business of the world is to be done with gold money and an enlarged use of instruments of credit, such as bank notes, checks, drafts, settlements by transfer, by telegraph, and by clearing house, which nineteenth-century civilization has provided as substitutes for actual money.

This modern preference of gold for silver manifested itself first and most strongly among people of the highest civilization and of the largest commercial pursuits. The reason for it will be found in the immense expansion of modern commerce, requiring very large payments in the settlement of balances and necessitating the use of that metal containing the greatest value in the least bulk, thus making gold the money of commerce; and in the wonderful improvements and developments in modern banking, providing substitutes for money, and avoiding as far as possible the actual handling of cash.

* * * * * * *

This policy has already resulted in changing our currency from gold to silver, and has created widespread distrust of our ability to maintain the gold standard. It is not possible, now that barbaric India, our great silver ally, has pulled down her silver idol and taken steps to conform her monetary system to that of the civilized world, that the United States will continue to act in monetary isolation, in defiance of the rest of the world, and still further imperil its magnificent prosperity and credit by paying gold for a discarded, a depreciated, and a depreciating metal.

It must be remembered that whatever importance there may be in the use of money as a medium of exchange, its greatest value is as a measure of values, and that in this respect the United States has not departed since 1834 from the gold standard. Gold is still the sole standard of value in the United States, both legally and actually, and the determination and ability of the United States to maintain all its money at a parity with gold is still unbated.

While the road back to safe financial principles may be rough and stony it is still open, and the sooner we enter upon it the surer will be our relief from the present distressing and threatening business difficulties.

I also refer to the President's message, page 6:

The people of the United States are entitled to a sound and stable currency and to money recognized as such on every exchange and in every market of the world. Their Government has no right to injure them by financial experiments opposed to the policy and practice of other civilized states, nor is it justified in permitting an exaggerated and unreasonable reliance on our national strength and ability to jeopardize the soundness of the people's money.

This matter rises above the plane of party politics.

I confess I may not understand that exactly.

The people of the United States are entitled to a sound and stable currency.

If he means, however, the money recognized as such on every exchange and in every market in the world, then I say we have no power nor right to establish any such money. No nation has the power to give to its money legal tender or to anything monetary functions beyond its own territorial domain. When it goes beyond that, whatever it is, it goes as a commodity, as bullion if it is metal, and as a mere promise to pay if it is paper. I say Congress has nothing to do with providing for the people of the United States the money to be used in the markets of Australia or India or any other country. If this means a single gold standard then I disapprove of the message. I am not in favor of a single gold standard. That issue has never been submitted to the American people yet. It was not submitted in the last campaign—not a bit of it.

As I said, if the purpose is to go to a single gold standard, then I am unalterably opposed to it. I had hoped before I closed my speech, which I shall do now in a few minutes, to have had a report from the Secretary of the Treasury to ascertain whether silver dollars have been redeemed on demand in gold. As a matter of course, the Treasury Department will, for convenience and accommodation, exchange one kind of money for another; but if these men have come to the Treasury with silver-coin certificates or silver dollars and as their right demanded that gold shall be paid to them, I say it has been in violation of the law and every principle that has guided this Government from its foundation if that demand is yielded to. The Government has no right to do it. I am not in favor of yielding to the imperious demands of foreign bankers and brokers in our country. I refer to what the distinguished senior Senator from Kentucky [Mr. BLACKBURN] said on October 4. He said:

But I know of another interview, which was held by the representatives of the Rothschilds in New York, not in the city of New York, but in the city of Washington, not at the request of the Secretary of the Treasury, but on the seeking of the New York Wall street bankers, not on the 29th of April, but on the 26th or 27th of April. I knew then that the demand was made for the issue of $150,000,000 of bonds. So far from this Administration being a party to that conspiracy, that demand was peremptorily, flatly, and unconditionally refused.

Think of it, the representative of foreign bankers coming here and telling us, "You must issue $150,000,000 of gold bonds that we may as a syndicate have the right to dispose of them and manipulate them." No, Mr. President, it only shows the arrogant, brutal demand of these foreign bankers and syndicates who have determined to force upon the world the single gold standard. Think of it: $30,000,000,000 of national indebtedness, strike down silver and make gold the only money, and add to the purchasing power of that $30,000,000,000 not less than 20 per cent—$6,000,000,000 added to the burdens of the masses of the people of the world.

The President in his message says:

The maxim, "He gives twice who gives quickly," is directly applicable.

In other words, hurry, hurry, haste, haste. That is a very old maxim, but I want to quote some others equally as old:

"Too swift arrives as tardy as too slow."

Of hasty counsel take good heed,
For haste is very rarely speed.

That is pretty well verified right here. Haste has not been speed. "One hates to see men do important things in a hurry."

"The more haste we make in a wrong direction the further we are from our journey's end."

This has been in that direction.

"What is done hastily is not done well."

"Who hastens in the beginning seldom goes far."

But, Mr. President, I want to read some authority on this question of haste. I now quote from John Quincy Adams, who spent several years in studying the question of uniformity in weights, measures, and, incidentally, in coinage; indeed, the latter can not be separated from the other two. He says:

If there be one conclusion more clear than another, deducible from all the history of mankind, it is the danger—

The danger—

of hasty and inconsiderate legislation upon weights and measures. From this conviction, the result of all inquiry is that, while all the existing systems of metrology are very imperfect and susceptible of improvements, involving in no small degree the virtue and happiness of future ages; while the impression of this truth is profoundly and almost universally felt by the wise and powerful of the most enlightened nations of the globe; while the spirit of improvement is operating with an ardor, perseverance, and zeal honorable to the human character, it is yet certain that, for the successful termination of all these labors, and the final accomplishment of the glorious object, permanent and universal uniformity, legislation is not alone competent. All trifling and partial attempts at change in our existing system, it is hoped, will be steadily discountenanced by Congress.

Hasten to do this patchwork, to take a step in the wrong direction, by repealing this act, and do nothing more and nothing else, is the demand.

We have ample time now. Just think of it; there is no election coming on this fall; there is no election coming on until next fall. We are all here; we are all bimetallists; we have laid aside politics apparently. The Administration is led by the distinguished Senators from Ohio [Mr. SHERMAN] and from Rhode Island [Mr. ALDRICH] on the one side, and from New Jersey [Mr. MCPHERSON] and from Indiana [Mr. VOORHEES] on the other. A glorious spectacle. We are just in condition, if we are wise, to devise a financial substitute, a financial policy, a financial measure, not a makeshift.

The panic is over. I had forgotten to talk about that. It has been over so long that everybody has about forgotten about it. I have read just for the edification of the public generally the circular of Henry Clews about the panic, which stated that it was the most senseless panic that had ever occurred in this country. A regular Bull Run panic, emphatically a Bull Run panic. Now it is over.

Mr. GEORGE. What firm was that?

Mr. COCKRELL. It was Henry Clews. Now the panic is over, we are all pacified. I believe there is only one Senator who has ever attributed the present condition to the Sherman law, or claimed that it caused the panic. It is all over now; we have ample time. Remember we were called together expressly for the purpose of considering the financial question. Remember, further, in the campaign it came as if from headquarters that the silver or financial question must be relegated to the rear and the tariff must be placed in front. We did it. It was done in the campaign, and we expected, and I believe the people of the country expected, that the tariff would be pressed to the front. I think they had a right to expect it.

But, Mr. President, the financial question has been brought to the front. It is not the fault of Congress. The President had the right to call Congress together for whatever purpose he

desired. He exercised that right, and he called us together upon the financial question, and when he convened us he had gone to the end of his Executive power. The responsibility now rests with us as to what we shall do. The responsibility rests upon him for having Congress here. We did not call ourselves into existence here. He brought us here. He is responsible for that and we are responsible for what we do. Why should we bow to England? If we are going to adopt a financial policy why not adopt that of France, the country that stood by us in the dark days of the Revolution and helped us achieve our independence and to-day is a sister Republic? Why shall we bow the knee to England? Are we not old enough to establish a financial system? We are one hundred years old. That is a great age. Can you find any other nation on earth that has not established its own policy?

Mr. McPHERSON. May I ask the Senator from Missouri a question?

Mr. COCKRELL. Certainly.

Mr. McPHERSON. Is the Senator from Missouri quite ready to adopt the system of France—that is, to close our mints against silver, as France has done, to stop the purchase of silver as France has done, and to hold in our reserves $250,000,000 of gold to redeem $700,000,000 of silver, as France has done?

Mr. COCKRELL. Not at all. Not a dollar of it is redeemed in silver. I deny it in toto.

Mr. McPHERSON. Gold with which silver may be redeemed.

Mr. COCKRELL. No; it may not be redeemed in gold. It is not redeemable in that way. It can not be done.

Mr. McPHERSON. Standing there, then, as an evidence that the French people, the Bank of France, the French Government have an abundance of gold to maintain all their silver on a parity.

Mr. COCKRELL. No, sir; they have not one dollar of gold to maintain silver. I say to-day (and I challenge anyone to show to the contrary) that there is no nation, kindred, or tongue on earth that has given full legal tender to silver coin and redeemed it in anything else. Metallic money is irredeemable. I read to-day from the Indian currency commission report. They tell you that the silver in France is irredeemable. Every writer tells you that. Look at the law itself. There it is. The silver there is irredeemable. They comment upon the great spectacle of France, Belgium, and those nations maintaining a large amount of silver coin at the ratio of 15½ to 1 at a perfect parity with gold, while it is irredeemable in gold.

Mr. McPHERSON. Why did they close their mints?

Mr. COCKRELL. Simply because they were afraid they were going to be deluged, principally with the silver from Germany, and then with the exaggerated, falsely reported sums that were to come from the United States—$200,000,000 or $400,000,000 a year.

Mr. McPHERSON. If the silver is irredeemable, the silver being irredeemable, not a menace to anything, requiring no gold to maintain its parity and its circulation with gold, why would they be afraid of a deluge of silver? If silver is such a good thing why not take the silver of Germany?

Mr. COCKRELL. The Senator knows perfectly well the existing condition between France and Germany. Germany adopted the single silver standard in 1857, and had a great fierce war with France, the two nations with adjoining territory. France had been overrun and prostrated at the foot of Germany. Germany had demanded $1,000,000,000 of indemnity from prostrate France, and France had raised the money and paid it; and as soon as it was done, having largely paid it in gold, then Germany commenced to discard her silver standard and shipped her money across the border in order to get French gold and try to bankrupt France. That is the reason for it, and a good reason, when your neighbor is trying to cut your throat, to take away from him the instrument he uses.

Now, Mr. President, what shall our system be? I want to quote here (for I do not want to consume the time of the Senate much longer) from our distinguished bimetallic gold monometallist, Senator SHERMAN, in his speech of 1892. I will have his proposal inserted. It is as follows:

Mr. President, the policy of bimetallism, as understood by me, has always been the policy since the Government was founded. We never had in the true sense of the word, the free coinage of silver, strange to say, because, as I stated early in my remarks, Jefferson and Hamilton made a slight mistake in the ratio. Jefferson within twelve years afterwards stopped the coinage of silver, and only a little of it had been used. So we never had in actual practice the free coinage of silver, but we had what is called by scientists the alternative standard, the cheaper standard, that is, whenever one of the two metals fell below the ratio that metal alone became the standard of value, and when the scale changed back again and the other metal became lower, that again became the standard of value, and it so happened that that occurred three or four times in our brief financial history.

When Mr. Jefferson stopped the coinage of silver dollars because they were exported, American silver coin disappeared entirely and our people depended upon abraded Mexican or Spanish coin for change. In 1834, in the time of Gen. Jackson, the Secretary of the Treasury of that day first proposed a change of the ratio. He said that under the existing ratio silver went abroad, and sometimes all the gold went abroad. Two years after that, after full deliberation, Congress did change the ratio. It became 16 to 1, and the result was that silver was undervalued, because 1 ounce of gold was not equal in value to 16 ounces of silver.

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Mr. SHERMAN. The result was that silver was undervalued, because 16 ounces of silver were worth more than an ounce of gold, and the result was that silver disappeared. Then ten years afterwards, again under Democratic Administration, Congress passed a law in order to avoid this difficulty, and my memory goes back a little to that time. There was no change here to be had, and in the West we had what were called shinplasters, issued by banks and sometimes by private persons. Senators may have seen some of them. We had no change because silver had gone away. It was demonetized; not legally in the sense of demonetization, but it had gone out of the country; and therefore in order to provide for a currency that would not run away at every change in value, in good Democratic times, in 1854, Congress passed a law reducing the amount of silver in minor coins, 50 cents and quarters and all minor coins, 8 per cent, and then made them only a legal tender for $5, so that they would answer the purposes of change but could not be made the instrument of injustice as a depreciated coin.

Now, that is the law and that has always been the law. The Government of the United States has always adhered to that, and maintained its money always at the same standard. Most of this, it so happened, was in Democratic times. That very silver coin provided for by Mr. Hunter and his associates was adopted in the act for the resumption of specie payment. We provided for this minor coinage, the subsidiary coinage, as it is called in the law, to take the place of the fractional currency. It is the policy we are now acting upon, and the policy I advocate is the policy of our fathers from the beginning of the Government to this time.

Why does the Senator conceal apparently the actual facts, that during all the times to which he refers our mints were open to unlimited coinage of standard silver dollars and gold upon exactly equal terms. Knowing these facts, he opposes opening our mints to unliminted coinage of silver, and yet claims to favor our system from 1792 to 1873, the true bimetallic system, when our mints were so open.

And also I quote from the speech of Senator SHERMAN of 1893:

There is no doubt that the act of 1890 is made the imaginary pretext for many evils it did not produce. It is made to bear the results of wild speculation, of fears well or ill founded as to future legislation, of failures and disturbances with which it has no connection. It is made the scapegoat for extravagance and folly.

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Let us not deceive our people as to the reasons for this repeal; for when the purchasing clause is repealed you will still have to deal with the real causes of the prevailing stringency and distrust. I do not vote for this repeal with any expectation that it will in any considerable degree relieve us from the industrial stagnation that has fallen upon all kinds of business and production, and that has thrown out of employment hundreds of thousands of laboring men and women. They care little about the kind of money that is paid them, provided that it is equal in purchasing power to any other money, and is backed by the United States. They do not study the question of ratio, or the difference between silver and gold, and, if left to choice, prefer the notes of the United States to either coin.

* * * * * * * *

Now, I wish to make a few observations in regard to what ought to be done for the future. If the purchasing clause is repealed, what then? I do not want to advise either this Congress or the Administration. I have no right at all to be weighed in their council, but I take it that whether we are Democrats or Republicans we are all Americans, and that every American would desire to do that which is best for all interests and all parties. I think there are certain urgent duties resting upon the Democratic party at this time, and although I am not their adviser, I have the right as an American citizen to give them my opinion, and I will briefly do it.

The Senator then recommends—

1. Strengthening the reserve in the Treasury by issuing bonds or Treasury notes bearing interest, to be sold for gold, to maintain the parity of all our money.

2. In event of deficiency in revenues the Treasury Department should have power to meet and provide for it.

3. Coining the seigniorage in the Treasury and using it in the ordinary operations of the Government.

He then says:

I heartily and truly believe that the best thing we can now do is to suspend for a time, at least, the purchase of silver bullion. We should then turn our attention to measures that are demanded immediately to meet the difficulties of the hour. Let this be done promptly and completely. It involves a trust to your officers and great powers over the public funds. I am willing to trust them. If you are not, it is a strange attitude in political affairs. I would give them power to protect the credit of the Government against all enemies at home and abroad.

If the fight must be for the possession of gold, we will use our cotton and our corn, our wheat and other productions, against all the productions of mankind. We, with our resources, can then enter into a financial competition. We do not want to do it now. We prefer to wait awhile until the skies are clear and see what will be the effect of the Indian policy, and what arrangements may be made for conducting another international conference.

Mr. President, we have tried all these makeshifts which the opponents of the unlimited coinage of silver have forced us to adopt or leave their single gold standard of 1873 still in full force. We have tried them all. Now why not let the true friends of silver once try their policy? We have tried all the expedients that you gentlemen have forced us to take towards the rehabilitation of silver, and now why not let our proposition be tried for a while? Is there any reason for it? Why not let the friends of silver try their policies a while? They were tried in the United States for nearly a century, and they proved satisfactory. They have been tested by time and approved, and now why not let them be tried again?

You ask me what would be my policy. I ought to answer that by asking you what your policy is. What do you gentlemen propose to do when you get the act repealed, if you ever do? We would like to know something about it. We have a right to know.

As a great and growing nation increasing in population more rapidly than any nation, and also in wealth and the development of our manifold resources, this Congress and this Administration owe it to the sovereign people, the great masses whose servant and representatives we all are, to devise and establish by just and wise laws a safe and permanent financial system.

If I had the power to declare and enforce a monetary system for our great country I would open our mints to the unlimited coinage of gold, with full legal tender, and to the unlimited coinage of silver at the present ratio or 15½ to 1, and receive all the silver bullion offered to the mints at its market value and issue in exchange therefor standard silver dollars with full legal tender, and silver coin certificates payable in silver dollars, until 412½ grains of standard silver metal were equal to a coined dollar and then give free as well as unlimited coinage to the silver dollar, and coin all the silver so offered as rapidly as possible into standard dollars; retire the national-bank circulation as rapidly as practicable, and with the increase of the silver dollars, if the currency of the country increased more rapidly than the increase of population and the demands of commerce, I would extinguish the bonded debt as rapidly as possible and retire the noninterest-bearing legal-tender notes gradually, until we, as a nation, owed no man, woman, or child a dollar of debt.

That is the system I would adopt, and I would enforce it by the imperious demand of Andrew Jackson. I want to wipe out the bonded debt, and now, since this fierce contest has come, I want to wipe out every paper obligation of the Government. I do not want any pretext made that this Government is hereafter to keep a gold reserve. Wipe out your bonds and then your greenbacks and have nothing that the Government is compelled to redeem in gold or in silver for that matter.

We want no reserve held in the Treasury of the United States. We want no redemption fund there. We want the money of the United States to be in circulation in the hands of the people, and we do not want our finances to be in such a condition that a few foreign bankers and syndicates can form a ring upon us and draw out our reserves. That is the only reason on earth why I would retire the greenbacks. That is what our country wants as a great country, a permanent financial system. We do not want to be driven around by a parcel of foreign syndicates and bankers. We want to be above their power, above their influence, above their reach.

Then our money would be gold and silver coins of equal legal-tender paying and purchasing power, and our only paper currency the certificates for the deposited coins held in the Treasury for their redemption on presentation, and I would make these certificates call only for dollars in coin, and would pay such kind of coin, silver or gold, as the stock of each on hand might justify. If the prophecies of the opponents of silver should by any possible means be fulfilled, then when we had a sufficiency of silver dollars, together with the gold, I would suspend such coinage. If this plan be impossible of securing, the next best plan would be opening our mints to the unlimited coinage of gold and the silver produced from our own mines, exchanging for the silver at its market price silver dollars or silver coin certificates, as before stated.

According to the figures I have given, the reasonable probabilities are that we would receive of our own mine product for coinage each year, only about $60,000,000, not $1 per capita. Certainly there could be no danger in this.

Suppose we found there was some danger, is Congress impotent to save the country from danger? Not at all. It is in danger now. What we are trying to save the country from is real danger, but the friends who propose the unconditional repeal are trying to save the country from an imaginary danger, a midnight dream, a nightmare without foundation. It has already disappeared and is dissipated. We are trying to save the country from real danger, from gold monometallism, and the evils that have resulted to the world from it.

No one more strongly favors true bimetallism, the perfect equality of gold and silver as bullion or metal, and as coin, than I do, and no one labors more earnestly and consistently to secure such bimetallism than I do. The discriminating legislation of foreign nations and of our coinage act of February 12, 1873, and the very recent action of Austria-Hungary, and especially of India, have so greatly depreciated the value of silver as a metal in the market that it seems unfair to the great masses of our people to permit owners of silver bullion or metal to have the same coined free in our mints into standard silver dollars—silver money—endowed by our laws with full legal tender, with all monetary functions, when unlimited coinage in our mints of silver bullion at its market value in exchange for coined dollars would just as surely bring us to free coinage if our contentions proved true, and remove every possible ground that we are attempting to enact class legislation for the special benefit of silver-mining States and silver-bullion owners.

Therefore I would prefer unlimited coinage to free coinage as I have indicated; and the hue and cry that we propose legislation for silver simply for the benefit of silver miners is false so far as I am concerned. I have not a dollar of interest, directly or indirectly, and never expect to have, in any silver mine or in anybody interested in a silver mine except citizenship in this country. I am not advocating silver here because my people are interested in silver mining or in its metallic value. I am advocating silver for monetary purposes and because my people, in my judgment, demand its use for monetary purposes.

Mr. President, the first step to be taken, however, before we get any plan, is by way of amendment to the pending bill to require the coinage of all the bullion on hand in the Treasury, and to coin it into standard silver dollars, and with them, or with silver-coin certificates to retire and cancel every United States Treasury note issued for the purchase of silver bullion just as quickly as possible. That ought to be done in thirty-six hours. Coin certificates ought to be issued for the full amount of these Treasury notes, based upon the silver in the Treasury; they ought to be put in the subtreasuries and the national depositories, and every United States Treasury note which is outstanding ought to be taken in at once.

That is what the country needs; and it needs it quickly. In my judgment such an amendment ought to be put on the pending bill immediately or passed in a separate bill, which can be passed more quickly than this bill will ever get through in any shape, manner, or form. I would re-establish as quickly as possible the old constitutional Democratic bimetallism as nearly as the changed conditions would permit, with the hope and belief of finally attaining it in full. I would also increase the silver in the half and quarter dollars and dimes to the half, one-quarter, and one-tenth of the standard dollars and have but one currency for the Government and the people, the laborer and the office holder, the pensioner and the soldier, the producer and the bondholder, and wipe out any class distinction by law.

We hear some criticisms of those who only speak their sentiments in regard to the message of the President. Mr. Cleveland is not the Democratic party. The Democratic Senators on this floor do not make the Democratic party. We as well as the members of the House of Representatives, as Democrats, are the agents, the servants, and the representatives of the sovereign people just as Mr. Cleveland is. Mr. Cleveland is at the head of our Democratic Administration, and he has his constitutional functions. We as Democratic Senators here have our constitutional functions, and they are as separate and distinct as the midnight darkness and the noonday brightness. They go in separate spheres.

Why should criticism be had of a Democratic Senator now because he does not bow at once to the unconditional repeal of the Sherman law? Did anybody ever make such a criticism in 1885? Mr. Cleveland then demanded—no, not demanded, but recommended—the repeal of the Bland law. He sent his message to us. He did not call us in extra session; but if he had it would not have made a particle of difference. He sent his message to Congress recommending the repeal of the Bland law. Did we repeal it? No, sir; we did not. We never entertained the proposition. Were we read out of the Democratic party? Not a bit of it.

We come to 1886, when he again recommended the repeal of the Bland law, and we paid no attention to it. It was his duty to recommend it as he honestly believed, and it was our duty as honestly entertained to pay no attention to it. There was no reading of us out of the Democratic party. In 1887 the clouds had been dissipated, the fears and apprehensions had subsided, everything was going along peacefully and quietly, the country was on the road to prosperity, and the President did not say anything about the Bland act in 1887, but in 1888, in the farewell message of that session, he referred to it incidentally, and indorsed the recommendation of the Secretary of the Treasury.

I see no cause for any criticism. We have had struggles before, and we were not ignored or read out of the Democratic party.

I hold in my hand a letter dated "Executive Mansion, Washington, D. C., September 25, 1893," addressed to Hon. W. J. Northen, and signed Grover Cleveland.

I have not the time to read all of this letter, but it is about a safe and stable currency and one dollar being as good as another dollar, all of which we have to-day. The President says:

> In the present state of the public mind this law can not be built upon nor patched in such a way as to relieve the situation.

We do not want to build on it; we do not want to patch it over; but we want to wipe it out and pass a proper substitute for it. That is what we want, and that is just what the President wants. We stand side by side and shoulder to shoulder. I read, however, in this letter:

> I am astonished by the opposition in the S[illegible] to such prompt action as would relieve the present unfortunate situ[illegible]

So am I astonished, profoundly astonished that the President

should expect us, who have fought here for years and years for our honest and sincere convictions in regard to silver, to flee from the battlefield of silver and fall upon a single gold standard. Not quite yet, Mr. President. What right did the President have to expect us to yield because of the panicky apprehensions of Wall street and a few business men? The President continues:

My daily prayer is that the delay occasioned by such opposition may not be the cause of plunging the country into deeper depression than it has yet known, and that the Democratic party may not be justly held responsible for such a catastrophe.

Mr. President, would it be sacriligious in me, would it be improper in me to recommend to the President, when he offers up his prayers to accompany them with that grand old Presbyterian song:

God moves in a mysterious way
His wonders to perform;
He plants His footsteps in the sea,
And rides upon the storm.

* * * *

Ye fearful saints, fresh courage take;
The clouds ye so much dread
Are big with mercy, and shall break
In blessings on your head.

* * * *

Behind a frowning providence
He hides a smiling face.

* * * *

The bud may have a bitter taste,
But sweet will be the flower.

Blind unbelief is sure to err,
And scan His work in vain;
God is His own interpreter,
And he will make it plain.

The President has had fears that these lowering clouds were about to swamp this country ever since 1885. There is only one man in public life who has more unfulfilled predictions on record than the President, and that is JOHN SHERMAN. [Laughter.]

This is no disrespect to him. He is an honest and a brave man, and he has the courage to tell us what he thinks. But, oh, how often he has been mistaken! [Laughter.] There is no danger to the Democratic party. When Mr. Cleveland and every Senator here, and every member of the other House, and all the members of that grand old party who compose it to-day shall have passed to that bourn whence no traveler returns, the Democratic party will only be in its youthful vigor and manhood.

It is the only political organization which has survived the wreck and ravages of time for over a century. It was not organized to die and fade away from this earth. Its principles, crystallized and proclaimed by the immortal Jefferson, became vitalized with immortality, and they will stand as beacon lights and as monumental landmarks; they will be pillars of cloud by day and pillars of fire by night to guide the Democratic hosts to victory when all of us shall have passed away.

No, no, Mr. President, our differences will not destroy the Democratic party. It will survive us and all our struggles, and continue to bless the country as it has; and the enforcement of its principles will bring it to true Democratic bimetallism.

[NOTE.—Since the foregoing speech was delivered, the Secretary of the Treasury, in response to the resolution of the Senate, has reported to the Senate that he has not redeemed silver certificates issued on the deposit of silver dollars in gold or gold obligations. I am very glad to be able to make this statement, which sustains what I stated to be the law and removes from the Secretary any ground of criticism.]

Remonetization of Silver.

SPEECH
OF
HON. WILLIAM V. ALLEN,
OF NEBRASKA,

IN THE SENATE OF THE UNITED STATES,

Saturday and Wednesday, October 7 and 11, 1893.

The Senate having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. ALLEN said:

Mr. PRESIDENT: The first time I appeared in the Senate I felt as though I ought to apologize for doing so. The first time I had occasion to submit some observations upon the measure now under consideration I felt that I was under an obligation to apologize to the Senate for doing so and for breaking what I understand is an unwritten rule which has been in force in this body for many years, that a new member shall listen rather than talk. I presume if any apology is due from me to-day it is not to the Senate of the United States, but to Wall street and Lombard street for delaying somewhat the passage of the measure now before the Senate.

I have no desire, Mr. President, to consume unnecessary time.

Mr. STEWART. Will the Senator from Nebraska yield that I may suggest the want of a quorum?

Mr. ALLEN. No, I do not care for a quorum.

Mr. STEWART. All right; but I think Senators would learn something if they would come here.

Mr. ALLEN. I will make them hear me whether they are here or not.

The PRESIDING OFFICER (Mr. GALLINGER in the chair). The Senator from Nebraska will proceed.

Mr. ALLEN. I have no desire now to consume unnecessary time; and while it may be believed by those who have not been engaged in the active consideration of the question now before the Senate that much time has been consumed, and perhaps uselessly, I am well convinced in my own mind that the discussion which has gone on here for two months has been productive of very great benefit not only to the members of the Senate, but to the country at large.

The question, Mr. President, is of too much importance, it is too far-reaching in its effects upon the people of this generation and future generations of our countrymen, it has too much effect upon the form and substance of our republican system of government to be considered hastily.

I had the honor on the 24th of August to submit some observations in the Senate on the amendment which I propose to offer to the pending bill, providing for the free and unlimited coinage of silver at the ratio of 16 to 1, a return to the policy established by the Government on the 2d of April, 1792. I then discussed two propositions which it seems to me can not be controverted or successfully assailed.

The first proposition is that the Constitution of the Government under which we live recognizes silver as money, and the second proposition is that whenever a power is conferred upon any branch of the Government for the public benefit it becomes a duty enjoined upon that branch of the Government to enforce it, and power and duty under such circumstances are synonymous words. I had occasion in that speech to cite quite liberally quotations from judicial authority sustaining the several propositions then laid down. To-day, however, I propose to touch upon several other branches of this really important question. I desire to show that in the Senate of the United States false ideas of political economy are taught. Without further preliminary remarks, I now refer in a general way to the coinage legislation of this country.

On the 2d of April, 1792, the first mint of the United States was established at Philadelphia under an act of Congress passed at that time establishing a mint and regulating the coins of the United States. Under that act of Congress the dollar was declared to be the unit of value in this country. Silver and gold were admitted upon equal terms to the mint and to free coinage, and both were made full legal-tender money, and continued so from that time until the passage of the act of February 12, 1873, commonly known as the demonetizing act. Thus from the origin of the Government down to February 12, 1873, both gold and silver were money of this country. There had been no restriction upon the coinage of either of these metals, and there was no occasion at the time of the passage of the demonetizing act for any restriction.

All the marvelous growth of this country, from the days of its colonial existence to 1873, had been made under what was and is known as the double system of money, under a system admitting both gold and silver to free and equal coinage at the mints. However, on the 12th of February, 1873, the silver money of this country was stricken down by the act of Congress of that date.

It is needless for me to say that a great many of the people of this country believe that the demonetization of silver was a crime against the prosperity of the nation. I do not personally know anything about its history. Not having been a member of this body at that time, I am not able to say whether it was by procurement or not; but certainly the effect of the passage of that act has been detrimental to the prosperity and happiness of our people.

In 1878 Congress, under the compulsion of a strong public sentiment, enacted the law of February 28, 1878, commonly known as the Bland-Allison act, reëstablishing the coinage of silver in a qualified way. Instead of rehabilitating silver fully and putting it upon an absolute equality with gold as it existed before 1873, the Bland-Allison act provided for the purchase of a certain quantity of silver by the Government and the coinage of a maximum

or minimum sum per month, giving the Secretary of the Treasury discretionary power to coin not less than two million nor more than four million dollars' worth monthly.

July 14, 1890, the Sherman act (so called) was passed requiring the purchase monthly of four and a half million ounces of fine silver and the coinage of $2,000,000 per month up to July 1, 1891, from the silver thus purchased, and after that time the coinage in the discretion of the Secretary of the Treasury, and the issuance of legal-tender notes in the purchase of the bullion. It is that act which is now under consideration.

Briefly, then, the course of this nation has been in 1873 to strike down and destroy silver as the money of our people. In 1878 there was a partial re-establishment of silver as money, but so hampered and restricted by legislation as to make it almost inefficient. For instance, the Bland-Allison act contained a provision giving persons the right in a contract to discriminate against silver, something that had never been done before in the history of this country. The Sherman act retains the same provision, giving parties who make contracts the power to name the specific kind of money they will receive in liquidation of their contracts, and by that means putting it in the power of the money sharks to practically nullify silver legislation.

From 1873 to this moment silver has not occupied in the history of this nation the position the Constitution intended it should occupy and the position the requirements of the country demanded it should occupy; and because of this a disparity exists between the bullion value of silver and the coin value of gold at the present time, and it is urged that the true policy of this nation is to abandon silver until the parity, to which my friend from New Jersey [Mr. MCPHERSON] occasionally refers, is established.

Our friends upon the other side have taught many political heresies, and one of the heresies taught by them in this discussion has been that chief of heresies, intrinsic value. My friend, the Senator from Oregon [Mr. DOLPH], on two separate days sent out for a dictionary, had it brought in here, and read it to us to show that there was such a thing as intrinsic value in money.

What is meant by intrinsic value? The advocates of the gold standard tell us that intrinsic value is that commercial value which resides in the money, thing, or metal, and that there must be a correspondence between that thing and the coin value, or the money is fiat money, and therefore unsound. I think I have heard my friend from New Jersey [Mr. MCPHERSON] ring the changes on that question since this extraordinary session has been in existence. I have taken occasion once or twice to point out that it is the office or function performed, and not the thing which is the evidence of the money, which makes the money; it is the power or function which performs the office of exchange which makes the money, and not the commercial value of the material which is used in the performance of that function.

I know that this doctrine is met in the spirit of selfishness. I can understand how a few men, controlling the volume of gold in the world, can hire the closest financiers of this nation, and the cheap fellows of other nations to write essays, describing the beauties of the theory of intrinsic value. I can understand that, because, if once the theory of intrinsic value is overthrown, the occupation of the money changer, like the occupation of Othello, is gone.

I do not propose, however, to rest this point on my own argument or deductions. I propose to submit authorities which can not be questioned.

In February, 1877, a commission sitting in this city, consisting of Senator JONES of Nevada, as chairman, and Senators Boutwell and Bogy, and Representatives Willard and BLAND, held a session of the United States monetary commission. At that time Henri Cernuschi, a distinguished Italian scholar, appeared before the commission by invitation and gave valuable testimony, not only on the subject of the intrinsic value of money, but upon kindred subjects of vast importance. That gentleman, in answer to a question of the chairman of the commission, said:

I was an LL. D. and a graduate at Pavia, Italy, in 1842. The political events of 1848 caused me to leave my native country, and I came to Paris, where I became a banker. In 1870 I retired from business.

This is briefly the character of the man who testifies upon this subject.

On page 7, of this little book, he says:

I will give you my definition of money—

It is true that we must have a proper definition and a proper conception of the office to be performed by money before we can consider it properly.

I will give you my definition of money: Money is a value created by law to be a scale of valuation and a valid tender for payments.

Further down on the same page he says:

Certainly every one understands that, as regards paper money, the value is created by law; but it is, perhaps, not easy for every one to admit that, with regard to metallic money also, the value is created by law. It is, however, the fact. If you suppose that gold is not money, is not legal tender—if you suppose that silver is not money, is not legal tender—the value of gold and the value of silver is lost.

On page 8 he says:

This fact that money is a value created by law is one of great importance, and I can cite you the highest authorities in proof that what I say is true.

The question was put to the witness:

Q. Supposing the gold and silver metals to have no other use than as money, would they then maintain the same value that they now maintain as money?

A. There would be a diminution of their purchasing power, because the purchasing power of money is in direct proportion to the volume of money existing. If all gold and silver are used solely as money, all the ornaments and all the jewelry will be melted and coined, and the volume of money will be increased. It will be exactly as if a new mine of money had been opened. And the volume of circulating money being made larger than before, there will be a corresponding diminution in the purchasing-power of every metallic dollar.

On page 11 of this book he says:

Mr. Chairman, the doctrine that money is a value created by law was promulgated twenty-two centuries ago. It was advanced by Aristotle, the great philosopher—is practical and so positive that I would dare call him an American philosopher. I quote from his writings:

"Money (nomisma in Greek) by itself is but a frivolity, a futility, a trifle, and has value only by law (nomos in Greek), and not by nature, so that a change of convention between those who use it is sufficient to deprive it of all its value and power to satisfy all our wants. (Politica.)"

In virtue of a voluntary convention, money (*nomisma*) has become the medium of exchange. We say "nomisma," because it is not so by nature, but by law "nomos,' and because it is in our power to change it and to render it useless. (Ethica.)

After Aristotle we have the Pandects of Justinian, the great source of all modern laws.

I cite here a quotation from the Pandects of Justinian found in this book:

The origin of buying and selling began with exchange. Formerly money was unknown, and there existed no terms to differentiate merchandise and price, but everyone, according to the wants of the time and circumstances, exchanged things useless to him against things which were useful; for it happens frequently that one is in need of what another has in excess. But as it seldom coincided that what one possessed the other wanted, and conversely, a material was "elected" whose legal and perpetual value remedied by its homogeneity the difficulties of barter. This material being officially coined, circulates and holds its power, not so much from its substance as from its quantity: since then each of the two things exchanged is no longer called merchandise, but only one, the other is called price.

So Justinian says the power of money resides not in the substance, but in the quantity. Quantity is exactly what nature produces.

I turn now to volume 1 of Macleod's Elements of Economics, and on page 231 I find:

This unhappy phrase "intrinsic value" meets us at every turn in economics; and yet the slightest reflection will show that to define value to be something external to a thing, and then to be constantly speaking of intrinsic value, are self-contradictory and inconsistent ideas. And it came to be held that labor is necessary to and is the cause of all value.

On page 232 of the same volume the following occurs:

The expression "intrinsic value" is so common that persons are apt to overlook its incongruity of ideas; it is, however, a plain contradiction in terms, and if we use words of similar import whose meaning has not been so corrupted, its absurdity will be apparent at once. Thus, who ever heard of intrinsic distance, or of an intrinsic ratio? The absurdity of these expressions is apparent at once, but they are in no way more absurd than intrinsic value. If we speak of the intrinsic value of money, we may just as well speak of the intrinsic distance of St. Paul's, or the intrinsic ratio of five. To say that money has intrinsic value because it is material and the produce of labor, and that a bank note or bill of exchange is only the representative of value, is just as absurd as to say that a wooden yard measure is intrinsic distance, and that the space between two points a yard apart is the representative of distance.

On page 235 of the same book occurs the following:

That unfortunate confusion of ideas between the value of a commodity being the quantity of another commodity it will purchase, and the quantity of labor embodied, as it were, in the commodity itself, which is chiefly owing to Smith and adopted by Ricardo, has not only led to that mischievous expression "intrinsic value," the source of endless confusion in economics, but also to the search for something which very slight reflection would have shown to be impossible, namely, an invariable standard of value.

From pages 230 and 231 of the same book I read the following:

There is nothing which troubles this controversy more than for want of distinguishing between value and virtue.

Value is only the price of things, and that can never be certain, because it must be there at all times and in all places of the same value; therefore nothing can have intrinsic value.

But things have an intrinsic virtue in themselves, which in all places have the same virtue—the loadstone to attract iron, and the several qualities that belong to herbs and drugs, some purgative, some diuretical, etc. But these things, though they may have great virtue, may be of small value or no price, according to the place where they are plenty or scarce; as the red nettle, though it be of excellent virtue to stop bleeding, yet here it is a weed of no value from its plenty. And so are spices and drugs in their own native soil of no value but as common shrubs and weeds, but with us of great value, and yet in both places of the same excellent intrinsic virtue.

All articles of commerce have but one value, and that is the commercial value, a value fixed by the law of supply and demand. An article may have intrinsic virtue and a commercial value at the same time. For instance, all food products have intrinsic or life-giving virtues or qualities, and at the same time they have a commercial value, and in the sense that they have life-giving and life-sustaining qualities, they may be said to possess intrinsic virtue as well as commercial value, but when you go into the domain of commerce, it is an absolute absurdity to

speak of anything, more especially money, which is the representative of all things, as having intrinsic value.

What is meant when Senators use the expression "intrinsic value?" Is it not meant that nature through some subtle process has placed in gold or silver certain qualities which are inherent, which can not be removed? Is it not an internal virtue, a thing placed there and conferred by nature, and not by man? And yet it is a common occurrence that these very articles, which are said to possess intrinsic value, fluctuate, according to the law of supply and demand—up to-day and down to-morrow.

I believe if there is any fallacy which has been taught in this country and which is far reaching in its evil consequences, it is this fallacy of intrinsic value in money.

The material of which money is coined or on which it is stamped is withdrawn from the field of commerce when being used as money. It is as dead in its effect upon the commercial value of the class of articles to which it belongs as though it were in the bowels of the earth or in the bottom of the ocean; it is taken out of circulation as an article of commerce, and is used exclusively as a medium of exchange, performing the money function and losing its place as an article of commerce.

Works on political economy of recent date are discarding this doctrine of intrinsic value in money. It is the function, the office performed by the thing called money, which gives it its money value. It is the volume, the number of units in circulation, and which are exchanged against all other things, which gives money its proper power and its proper money value. There is no more necessity for a dollar's being made of gold or silver, for that matter, than there is for a yardstick to be made of ivory or gold. You might as well say that by measuring a yard of cloth with a yardstick made of gold, you would give the cloth measured more value than it would have if it were measured with a yardstick of wood or some other inferior material. The wealth resides in the articles which are exchanged, and not in the money which effects the exchange.

Mr. President, among the Jews gold as money dates from the time of David. King Pheidon, of Argos, it is said, introduced silver money into Greece about the middle of the eighth century before Christ. The Romans struck silver money for the first time in 209 B. C., and in 207 B. C. they struck the first gold coins. Among modern nations Venice, in 1285, and Florence, seem to have been the first to have coined gold in any quantity. Henry III, of England, about 1272, coined gold, but with so little success that, for a long time after, Edward III, about 1377, was regarded as the first English monarch who had coined gold. Edward III was able, only after a voluntary circulation had continued for a long time, to prohibit anyone from refusing *rose nobles*, a peculiar sort of coin of that date, current at 6*s.* 8*d.* and stamped with the figure of a rose.

Wampum was legal tender in Massachusetts in 1640 to the amount of 12*d.* In 1640 the court of Massachusetts re-rated wampum at 4 of the white and 2 of the black for a penny. In 1635 musket balls were used in Massachusetts for change at a farthing apiece, legal tender for sums under 12*d.*

Early in the eighteenth century tobacco was adopted as currency: it was placed in warehouses and the receipts passed as currency.

Some African tribes used cowrie shells, 200 being valued at 1*d.* The Mexicans, when conquered by the Spanish adventurers, were using grains of cacao as money. When the intercourse between the Europeans and the negroes upon the river Gambia first commenced the medium of exchange was iron; next it was tobacco. The legal currency of Lacedæmonia was made of iron, and that of the early Romans of copper.

I quote, Mr. President, from Say's Political Economy, volume 1, chapter 21, section 2, page 239:

> Money is a mere intermedial object of exchange between an object in possession and the object of desire. The choice of its material is of no great importance. Money is not desired as an object of food, of household use, or of personal covering, but for the purpose of re-sale, as it were, and re-exchange for some object of utility after having been originally received in exchange for one such already. Money is, therefore, not an object of consumption. It passes through the hands without sensible diminution or injury, and may perform its office equally well whether its material be gold or silver, leather or paper.

[At this point the honorable Senator yielded to Mr. PETTIGREW.]

Mr. ALLEN. In the book from which I have quoted, the work of Cernuschi, on page 8 occurs the following:

> Money is a value created by law.

The doctrine that money is a value created by law was promulgated twenty-two centuries ago. It was advanced by Aristotle, the great philosopher, a pupil of Plato, and is to be found in his works of a political character. It has been advocated in one form or another from that time to the present moment by those who have given careful thought to the subject of money; and, with the exception of a few political economists of fifty years ago, the political economists and writers upon the subject of money, of recognized authority, admit that it is not at all essential in the money thing to have any especial commercial, or what is commonly called intrinsic, value.

This Italian from whom I have quoted, who was himself a distinguished man in his own country, a practical financier for years, fully educated, qualified and equipped, seems to have made a thorough study of this question. He scouts the idea advanced in this Senate that there is any such thing as intrinsic value in money.

If Senators who talk about this matter—and I have heard my friend from Oregon [Mr. DOLPH] talk about it a good deal—mean to say that the intrinsic value they refer to resides in the function or office that money performs; that the volume of money should keep pace with population and with the growth of wealth, then I fully concur with them that there must be intrinsic value in that sense. But I have heard no Senator offer a reason (and if there be a reason I pause to hear it now) why there should be any commercial value in the thing which evidences money or which is called the money thing.

Mr. PALMER rose.

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Illinois?

Mr. ALLEN. Certainly.

Mr. PALMER. The best reason I can give is that commercial value is essential as a means of limiting its quantity. I ask the Senator whether his Italian philosopher suggests any means of limiting the quantity of money?

Mr. ALLEN. Oh, yes.

Mr. DOLPH. Will the Senator from Nebraska yield to me for a moment?

Mr. ALLEN. Certainly.

Mr. DOLPH. So far as the definition of intrinsic value is concerned, as applied to gold and silver, I do not care to discuss it. I do not care whether the term is properly used, if it is to be critically discussed and explained, when we speak of the intrinsic value of gold and silver. All that I have ever said in the Senate is that "intrinsic value" has for over two hundred years been used by the common people and by writers as synonymous with commercial value as distinguished from the money value of metals when stamped by the Government, and I read from Webster, and from a later lexicographer, to show that I was correct. Therefore, when I speak of the intrinsic value of gold and silver as distinguished from its money value as coin, I am simply using a phrase that the whole world understands. I do not care whether some critic thinks that the phrase is correct; it has been properly used for some two hundred years by the great mass of people.

In regard to the other proposition it seems to me that the Senator from Nebraska confuses two questions. Whether intrinsic value is necessary to make good money is another question. I do not care now to go into the question as to whether the Government, by simply stamping paper, without making any promise to redeem it in gold or silver, and making it a legal tender, can make good money. We should not agree upon that proposition if the Senator contends that it can be done.

Mr. ALLEN. Let me call the attention of the Senator to the fact that in 1813 and 1814 the English, Prussian, and Russian Governments issued several million dollars of international paper money that always stood cent for cent and dollar for dollar with gold and silver.

Mr. DOLPH. I am not familiar with the matter the Senator refers to.

Mr. ALLEN. It was an international money.

Mr. DOLPH. But I will risk my reputation that there was some obligation on the part of those governments behind that paper to redeem it. If the Senator takes issue with me upon that matter, I will endeavor to look it up. The Continental Government issued money, and the Senator will remember that it depreciated until it took $500 of that Continental paper money to equal $1 in gold or silver.

Mr. ALLEN. The Senator from Oregon does not answer the question I put to him. The Senator makes a mistake in assuming that I take the position of an unlimited issue of irredeemable paper money.

Mr. DOLPH. Or a limited issue. The principle would be the same if it were a limited issue.

Mr. ALLEN. I defy the Senator from Oregon or any other Senator in this Chamber to point out an instance in all history where the volume of paper money was limited by a government and it was given full legal-tender quality that it was not good money.

Mr. DOLPH. I defy the Senator from Nebraska to point out an instance in all history where paper money was issued without some promise of the Government behind it to redeem it in some

way in something more valuable that it did not depreciate until it was not worth anything.

Mr. ALLEN. I am not talking about the question of irredeemability. That is a creation of the Senator's own mind. I simply say this, that there is not an instance in all the history of finance, from the time the morning stars sang together until this moment, in any government in the civilized world where the volume of paper money was qualified and limited and given a legal-tender quality that it was not good money. You can go back to the time of the Bank of Venice and come down to this moment.

Mr. DOLPH. What does the Senator say to my proposition that all good paper money has had the promise of a government back of it to redeem it in some form in something more valuable than itself? The principle is the same as if a man without property should issue his promissory notes and undertake to float them. Nobody would take them, because, while there was a promise to pay, there would not be the ability to pay. Of course, if this Government should issue a large amount of paper money, agreeing to redeem it in gold coin and make provision for its redemption in gold coin, I do not know how much it could float, but a very large amount. If, however, it did not agree to redeem it in gold or silver coin, it could not float it; it would not remain at par with gold and silver money.

Mr. ALLEN. The Senator from Oregon will stray from the text. The question of irredeemable paper money is not being discussed now. I have taken no position upon that subject whatever, nor do I think the Senator from Oregon will be able to lead me there. Paper money that has heretofore been issued and has been in use in civilized countries has been a redeemable paper money. Now, let me ask the Senator if it is not true that the English Government to-day has several millions of dollars of paper money which has not a dollar of coin behind it. I think the amount is something like $100,000,000.

Mr. DOLPH. I do not think that is correct, but I am not prepared at this moment to go into a historical statement with regard to the finances of Great Britain.

Mr. ALLEN. I mean to say that there is circulating in that Empire that amount of money that has not a dollar of gold or silver behind it. Let me ask the Senator this question: Is it not true that this Government has issued a redeemable paper money without a dollar of gold or silver behind it, which paper money has always stood at par with gold and silver, even when they were at a premium?

Mr. DOLPH. Now, the Senator from Nebraska and I may be getting pretty near together. I do not consider the amount of reserve in our Treasury as of extreme importance so long as the Secretary of the Treasury is authorized to issue bonds and sell them at an hour's notice at any time for gold coin upon the markets of the world. He can provide $500,000,000, if that amount could be obtained, by the sale of bonds in a single day under the authority he now has for the redemption of our legal tenders and other notes which are payable in gold coin. But I undertake to say that the paper money of the Government of Great Britain which the Senator talks about has behind it the bonds of the Government, and they are redeemable by the Government in coin, whether the coin is actually in the Bank of England or anywhere else for that purpose or not.

Mr. PALMER. I wish to ask the Senator a question simply to ascertain his meaning.

Mr. ALLEN. Certainly.

Mr. PALMER. What does the Senator mean by having neither gold nor silver behind the paper? What does he mean by that phrase?

Mr. ALLEN. I mean to say that it is uncovered paper, in the ordinary sense of the term.

Mr. PALMER. Is that any more satisfactory than the other question? Does the Senator mean to say that there is no ultimate redeemability about it?

Mr. ALLEN. I have not said so.

Mr. PALMER. Oh!

Mr. ALLEN. I have been contending with the Senator from Oregon that he has not comprehended me. I am not discussing that question at all, but I say that the Senator from Oregon and the Senator from Illinois have not yet shown the Senate, nor can it, in my judgment, be shown that this so-called intrinsic value is at all essential to money. The Senator from Illinois says he thinks it is essential because of the ability to control its volume, if I understand him rightly.

Mr. DOLPH. Will the Senator tell me whether he uses the term "intrinsic value" as synonymous with commercial value? Does he think that good money must be either something that has commercial value or is exchangeable into something that has commercial value?

Mr. ALLEN. Now the Senator from Oregon agrees with me.

Mr. DOLPH. I will not discuss the question of the meaning of "intrinsic." We will take the term "commercial value." I repeat, I ask the Senator if he takes the position that it is not necessary that good money should be made of something that has commercial value, or that it must be money that can be exchanged into that which has commercial value?

Mr. ALLEN. Now, I want to compromise with the Senator from Oregon. I will not continue speaking of "intrinsic value," but will say commercial value. Let us then call it commercial value. Now, let me ask my friend from Oregon what office does commercial value in the money thing or the money material perform when the thing is being used as a medium of exchange? Point it out.

Mr. DOLPH. My dear sir, it makes the gold coin of the United States worth 100 cents on the dollar, not only in the United States, but in every civilized world upon the face of the globe. It is the commercial value of the gold that is in the gold coin that does that, and whenever a gold coin is taken from the United States the fact that it has upon it the stamp of the Government or the devices provided by law does not affect its value a particle. It is sold by weight and melted up and recoined in the foreign country, or sold there as bullion.

Mr. ALLEN. I have heard that argument used a great many times. We are told sometimes by gentlemen who maintain the theory the Senator from Oregon maintains, that the value of gold bullion is equivalent to the coin or money value of gold. They point to the fact that the gold bullion is equivalent to the gold coin in its value. Therefore they say it is good money, it is sound money the world over. Now, what makes the gold bullion in the gold dollar worth its face in the coined metal?

Mr. DOLPH. The fact of the great law of supply and demand, which gives value to every product of human industry. The fact that it is valuable for ornament and for use, valuable in the arts, and valuable for money. It is not the fact that it contains the stamp of the Government upon it or is made legal tender in the United States. These, when it leaves the United States, are of no value whatever. I admit that being used for money by many nations of the earth helps to give it commercial value, if you prefer that term to intrinsic value. It has more value by reason of the fact that it is used for money in the great commercial nations of the earth than if it were used alone in the arts.

But that does not show that the stamp of the Government, or the laws of the United States that make it a legal-tender, fix its value. The United States can help to make iron, or copper, or lead, or silver more valuable by providing a bounty so that mines will be more successfully worked and there may be a larger product of those metals; but that would not be fixing the value of a metal by legislation and by the stamp of the Government. All that governments do to enhance the value of gold when they provide for its use as money is by providing a greater use for it and making more demand for the market. They do increase the value of it, but just as they could increase the value of iron or copper or coal under such legislation as I have suggested.

Mr. ALLEN. The Senator from Oregon still runs away from the text. He does not answer the question, and I put it again: When gold or any material is being used as money and as a medium of exchange what office or function in that exchange does the commercial value of the thing used as money perform?

Mr. DOLPH. When the metal out of which it is used is commercially worth as much as the face of the coin, it makes the coin worth 100 cents on the dollar in this country and everywhere.

Mr. ALLEN. I understand that, if the Senator please, but what particular function in the thing called money does the commercial value of that thing perform?

Mr. DOLPH. It gives it its value.

Mr. ALLEN. Now, then, I have got the Senator down to the point. He says it gives it its value. Mr. President, that is a most fatal admission for the Senator from Oregon to make. There is not a schoolboy of 15 years of age in the State of Nebraska or in the Senator's own State who does not know that when you give a metal unlimited and free coinage the bullion is worth the coin value in consequence of coinage laws. It is the fact that the Senator can go to the mints of the Unites States and have his bullion coined into dollars without expense to him that makes that bullion worth a dollar.

Mr. DOLPH. Of course that is true. With the free coinage of silver the money value of the silver dollar would be the same as the commercial value of the silver in it. That is what I have been talking here whenever I have talked on this subject; and that is the reason why free coinage is not practicable. It would be the commercial value of the silver that would give the money value to the dollar.

Mr. ALLEN. Now, let me ask my friend from Oregon one more question. Suppose there was free and unlimited coinage of silver, would that make the silver bullion in the silver dollar worth the face of the coin?

Mr. DOLPH. The face value of the dollar?

Mr. ALLEN. Yes, the face value of the dollar?

Mr. DOLPH. No, not the par value of the dollar, but the silver dollar would be worth no more than the commercial value of the bullion it contained.

Mr. ALLEN. That is a strange doctrine. Now, the Senator from Oregon has put himself in a peculiar position.

Mr. DOLPH. With free coinage it is understood, without any undertaking by the Government to redeem it in something more valuable, either by receiving it for public dues or for any other use or as the equivalent of gold, and undertaking to maintain the gold standard or otherwise.

Mr. ALLEN. The Senator from Oregon says now with reference to gold, that the commercial value or the bullion value of the gold is equivalent to its coin value. He admits that it is equivalent to the coin value of the gold in consequence of the free and unrestricted coinage. That is the proposition the Senator makes. Suppose I go to my friend, the Senator from Oregon, who has some gold bullion in his pocket and offer him $4.90 for it. He will not take it because he can go to the mint and have it coined into a $5 piece and that is worth more to him, and it costs him nothing to coin it. Then it must be true that the value of the bullion in a dollar under a system of free and unlimited coinage is always equivalent in value to the coin. That the Senator from Oregon admits with reference to gold, and yet when it comes to the question of silver the Senator declares that the silver money will drop down to the bullion value of the silver in the coin.

Mr. DOLPH. Let me call the attention of the Senator to the trade dollar which contained more silver than the standard dollar, and which depreciated and was worth no more than 80 cents.

Mr. ALLEN. Yes, I understand that; and it was because the trade dollar lacked the essential of all money, and that is the legal-tender quality.

Mr. DOLPH. It was a legal tender to the amount of $5 until 1876.

Mr. ALLEN. It was a legal tender to the amount of $5, but that was practically striking out the legal-tender quality. It never was designed for circulation at home. It was because it was simply a token money and was restricted in its legal-tender quality that it did not possess the value of the standard dollar of 412½ grains.

Mr. DOLPH. Will the Senator yield to me again?

Mr. ALLEN. Certainly.

Mr. DOLPH. I suppose what would be the rule in the United States would be the rule in Mexico, would it not?

Mr. ALLEN. I do not care anything about Mexico.

Mr. DOLPH. The Senator knows that Mexico coins silver dollars with more silver in them than in our own dollar, and yet you can take one of our silver dollars into Mexico and get nearly two of their Mexican dollars for it.

Mr. HARRIS. Will the Senator from Nebraska yield to me for a moment?

Mr. ALLEN. Certainly.

Mr. HARRIS. I want to ask the Senator from Oregon if the legal-tender dollar, that will pay as much debt, that will buy as much property, whether that dollar be composed of gold or silver or paper, is not within its own jurisdiction the equal of any other legal-tender dollar, and when you go beyond its own jurisdiction there is not one of your dollars that is a dollar; they go as commodities? If your gold eagle goes, it goes as bullion: if your silver dollar goes, it goes as bullion; if your paper dollar goes, it goes as a mere promise to pay; but none of them are money when they pass beyond the jurisdiction of their own country.

Mr. DOLPH. Very well; that is true, as I stated before; but the gold dollar is worth just as much if you melt it up or hammer it into a slug or a bar when it leaves the country as the gold piece is worth here.

Mr. ALLEN. I beg the Senator's pardon, it is only worth——

Mr. DOLPH. Now, the rule that will work in the United States will work in the adjoining Republic of Mexico.

Mr. ALLEN. Oh, no.

Mr. DOLPH. Oh, yes, it should do it if it is a universal rule, as the Senator says it has prevailed in all time from earliest history substantially. Then it will work as well in Mexico as it will in the United States. In Mexico to-day their silver dollars are worth only about half as much as a gold dollar and will only purchase commodities at that rate. Then how is it that the rule does not work in Mexico?

Mr. ALLEN. The Senator from Oregon is not going to get me down into Mexico. But the law of the United States giving our money full legal tender power and the difference in the civilization of the two countries account for any difference in their money.

Mr. DOLPH. A moment ago the Senator wanted to go through all time and over all the world, and now he is bound to stay within the limits of the United States.

Mr. ALLEN. We are solving the question so far as its effects in this country are concerned. I put the Senator in this position according to his own admission, and I desire to repeat it so that the country may know the position these gentlemen occupy; and that is this, that the gold bullion in a gold dollar is worth the coin, under a system of free and unlimited coinage of gold; but the bullion in the silver dollar, under a free and unlimited coinage of silver, is not worth the bullion in the coin.

Mr. DOLPH. A gold dollar.

Mr. ALLEN. Oh no, the bullion in a silver dollar is not worth the coin.

Mr. DOLPH. "The coin value of the metal?" I do not understand exactly what the Senator means.

Mr. ALLEN. I mean the 412½ grains of standard silver that are coined into a dollar.

Mr. DOLPH. Under our present system such a dollar is now the equivalent of a gold dollar, because, as I have asserted, and I do not care to go over the ground again, it is substantially redeemed by the Government in gold; but under free coinage, where everybody would carry bullion to the mints and have it converted into the standard dollar, the coin value of a silver dollar as measured in gold would be exactly what the commercial value of the silver was.

Mr. ALLEN. We have not a dollar of silver money redeemable in gold in this country, and never had.

Mr. DOLPH. That is substantially the case.

Mr. ALLEN. Our silver money is money of final payment in this country; and yet it must be patent to the Senator from Oregon, as it certainly is to the thinking people of the United States, that the free and unlimited coinage of any metal makes the bullion equivalent to the coin. It is only when you have restricted coinage, such as we had under the Bland-Allison act and such as we have under the Sherman act, where there is a great body of surplus metal that is not admitted to the mints and not coined, and the surplus is used as a commodity, that there is a disparity between the bullion value and the coin value.

Mr. DOLPH. Will the Senator yield again?

Mr. ALLEN. Certainly.

Mr. DOLPH. The Senator asserts a most remarkable proposition. Up to the time of the so-called demonetization of silver there were only a little over 8,000,000 silver dollars coined in the United States and the whole amount of silver coinage, the fractional coins and all others, I think did not exceed $100,000,000 in eighty years of our existence. Between 1873 and 1878 we coined more silver in the United States than we had ever coined in all our history. In about four months after the passage of the Bland act we coined as many silver dollars as we had coined in eighty years. We made a market for more silver under the Bland act and the Sherman law than we ever had before and could ever hope to have under the free coinage of silver. Still, the Senator says that we are not using it all; that we have left such a surplus to go upon the markets of the world that we have depreciated the price of silver. It is a most astonishing statement.

Mr. ALLEN. The Senator from Oregon forgets the fact that this country has been growing some. Besides, the surplus always fixes the value of an article, and there being silver not admitted to the mints it becomes simply a commodity and fixes the commercial value of the silver in the silver coin.

Mr. DOLPH. It has not grown in that proportion.

Mr. ALLEN. We coined in round numbers probably of subsidiary coins and silver dollars something like $100,000,000.

Mr. DOLPH. And on our purchases of silver by the depreciation of silver we have lost more since 1878 under the purchases of the Bland act and the Sherman act than we coined in eighty years of our existence.

Mr. ALLEN. The Senator from Oregon seems to overlook the fact that this country has developed so rapidly and its population has become so great that it requires much more money than we needed in the early history of our nation. The Senator seems to forget the fact that the development of the country, the increase of wealth and population call for much more silver money to-day than was called for at the time he mentions.

But all that, Mr. President, is foreign to the proposition. I say neither the Senator from Oregon nor any other Senator nor any human being can point out any distinction or can show that gold as money is worth any more under a system of free and unlimited coinage than silver is worth under like circumstances. It is because the bullion value is equivalent to the coin value of the dollar that fixes the bullion value of gold to-day. It is because there are no restrictions thrown around it here or in Europe, and it is because there is restriction in the form of limited coinage in this country that depreciates, as my friend says, the bullion value of silver.

Now, Mr. President, I was discussing the question of "intrinsic value," and I am glad my friend from Oregon has abandoned the name and comes out and agrees with me that we shall call it commercial value after this.

Mr. DOLPH. Oh, no; I did not agree to any such thing. I said the Senator could have his choice.

Mr. ALLEN. Then I will take my choice. The authorities from which I have cited are somewhat divergent from my friend from Oregon upon this important question. I desire to return to and read from page 22 of this little work by Cernuschi, heretofore cited. Says this gentleman:

Here I beg to make another quotation from an American author. I refer to a letter written by Mr. John White, who, in 1829, was treasurer of the Bank of the United States, addressed to Mr. Ingham, Secretary of the Treasury. The letter is a very interesting one. It is as follows:

[Office Bank of the United States. John White, cashier.]

BALTIMORE, *November 16, 1829.*

Upon a careful review, it appears to me that the following singular but instructive conclusions are evidently deducible:

Whatever degree of uncertainty may exist as to the precise quantity of the precious metals which was imported into Europe during the fifty-three years succeeding the discovery of America, the records of that time abundantly testify that gold constituted the chief part of the supply, and that, nevertheless, its great preponderance did not produce any sensible effect upon the market value in reference to silver. It is evident that the enormous importations of silver consequent upon the explorations of Potosi—which mine alone is estimated to have supplied $150,000,000 of silver (in ten years subsequent to 1545)—did not vary the relative value of these metals by a rise in gold, as we find that Queen Elizabeth and her eminent advisors considered it expedient, in 1560, to reduce the standard proportions from 11$\frac{1}{12}$ to a fraction under 11.

The discovery of the alluvial mines in Brazil in 1695 quadrupled the annual average amount of gold previously produced; yet in 1717, when this inundation, as it may be termed, was at its height, the value of gold remained the same as in 1650—1 to 15.

Although it appears that the explorations of new mines, but especially of Biscaina, Sombrerete, Catorce, and Valenciana in Mexico, toward the middle and latter half of the last century, increased to enormous amount, yet the market value of silver was almost uniformly higher in England than in 1717.

These extraordinary circumstances in the history of the precious metals appear to invite and authorize the inference that it is impossible to affix with accuracy or utility the value of gold and silver by a comparison of the quantities produced.

Then this author, after quoting the letter I have read, says:

You will observe that these statements (which will be found in the Senate documents of 1830) are of the greatest importance. Yet, if the variability in the relative production of silver and gold does not affect their relative value, some reason must be found for explaining why the old ratio 1 to 10 and to 12 has risen gradually to 1 to 15½, and why the gold coins relative by to the silver coins are now lighter than they were during the sixteenth and seventeenth centuries. It seems to me that the fact is due to certain mint regulations concerning the duties of seigniorage and brassage paid by individuals whose gold and silver were coined at the public mint. As these duties were levied rather with reference to the weight of the metals than to their legal value, the cost of coinage was less to the owners of gold than to the owners of silver. For coining a million of dollars of gold the cost was much less than for coining a million of dollars silver.

This difference in the cost of mintage gave certainly a preference to gold against silver. When a payment was to be made by one country to another, it was certainly more preferable to send gold than to send silver, because in melting down the gold in order to obtain a new coin in a foreign country, the coinage expenses were much less than the expenses in melting down and recoining silver. When the country was so deprived of gold, its mint changed its ratio in favor of gold in order to induce the return of gold. Your law of 1834, raising the value of gold as against silver from 1:15 to 1:16, was enacted precisely with the aim of inviting the importation of gold, and furnishes an illustration of my meaning. When the mint of a country had so changed the ratio between gold and silver in reducing the weight of the gold coins, the mints of the other countries followed the example: and these migrations of gold coins and reduction of their legal weight, being repeated many times, have had the effect of raising, step by step, the general mint ratio from 1:12 to 1:15½. Subsequently the rise has ceased, because of the duties of seigniorage and brassage having been considerably reduced, and then gold has lost the great advantage which the former mint regulations assured to it.

On page 27 I read:

So you see that the voyage of gold or silver is not the result of the changing productiveness of the mines, but that it is dictated by the laws alone. If you establish in India your ratio of 1834—1 to 16—and introduce in England your ratio of 1792—1 to 15—you will see all the gold of England going to India and all the silver of India going to England. The relative value in the market between gold and silver is the result of a struggle between the laws of the different countries. If a treaty was made establishing everywhere the same relative weight between gold and silver coins, with everywhere a uniform charge for the coinage of the two metals, there would be no more reason for exporting the one than for exporting the other. The globe is round. If the mint laws are the same in every nation the exportation of gold or silver leaves no profit. "No more temptation," as was remarked by Isaac Newton.

And if the relative value of gold and silver has always been determined by the conflict of the several legislations, how can we deny that, when the legislations will be everywhere and forever the same, the relative value of the metals will always remain the same?

To fix by law a relative value between sugar and coffee, between two perishable commodities, or between a legal tender and a commodity, would be a ridiculous attempt.

There is the argument of the Senator from Oregon thoroughly met and refuted.

But nothing is easier, nothing more rational and convenient, than to fix by law the relative value between two everlasting legal tenders, gold and silver. If it is admitted that law can fix the weight of the gold coins, how can we assume that law can not fix simultaneously the weight of the gold coins and of the silver coins?

Now, Mr. President, it occurs to me, as I have said before, that there can be no question about the fact that the masses of the people of this country have been misled upon the subject of the "intrinsic value" of money. Every penny-a-liner has been employed to deceive and mislead the people upon this subject. The people accustomed to attend to their own duties, to work daily in the field and in the shop, have left too long for their own benefit the determination of the question of finance to the politicians and to an interested press and the banking institutions of the country. We have been told repeatedly, and are daily told, that there is such a thing as sound money in the country and such a thing as dishonest money.

Mr. President, there is not a dollar in this nation and there never has been a dollar in the nation, with full legal-tender qualities, from its origin to this moment that it was not an honest dollar and worth as much as any other dollar. It is only because the volume of gold is scarce: because it is in the grasp of the Shylocks, because they control it and, through it, control the destinies and the progress of the peoples of the earth, that we hear so much about the necessity of sound money, of honest money. This very heresy of intrinsic value is one of the things that has been seized upon to deceive and mislead the people, thus permitting a gang of aggressive money-changers to control the destinies of the people through a limited volume of money, through the control of gold.

I repeat, sir, during the interesting discussion in this Chamber, extending now over sixty days, no Senator has offered a reason (if he has I have not heard it) why any especial commercial value should reside in silver or gold or paper used as money.

Mr. PEFFER. It has not been discussed.

Mr. ALLEN. My friend from Kansas says it has not been discussed, and that is my recollection. It seems to have been passed over. It seems to have been assumed here that we must have gold or we must get some other metal equivalent to gold and of limited output before we can have such a thing as sound money.

And why so? It is simply to give the money lords control of the volume of money and afford them the power to reach out into the mines of the West, into the great fields of the West and South, and into the factories of the country and control the price of labor and the price of the property of the common people. It is based upon selfishness, and is unsound. If you adopt silver as money, it is too plentiful. The occupation of these men will be gone; they can not control it; the money will get out among the common people and they will become prosperous, getting fair wages and good prices for their products. There is the trouble; and this very doctrine of "intrinsic value" has been seized upon as one of the things by which the people have been led to believe that we must have money of a particular commercial value.

Now, Mr. President, I again make the challenge to the Senators representing the other view of this question. I repeat, what function does the commercial value of the money material perform in exchange? Why is it needed? Why is it needed, when it is simply the office of money to exchange one thing for another or to liquidate contracts? Why is there a necessity for commercial value in the money thing of, say, 90 or 100 per cent, as against 10, or 20, or 30, or 50 per cent?

Mr. ALLISON. I do not like to disturb the Senator, but he is now arguing a very interesting point as respects money, and I should like to ask him, in view of the letter he has just read from Mr. John White, whether money does not perform the double function of exchange and the measuring of values? If we measure values in silver, for example, the value depends upon the silver which measures it. I agree with the Senator from Nebraska that if we have free and unlimited coinage—I want to occupy but a moment——

Mr. ALLEN. All right; go ahead.

Mr. ALLISON. If we have free and unlimited coinage of silver in the United States, I agree with the Senator that silver bullion and the gold dollar will represent the same thing. There is no doubt about that in the United States, and that will be our measure of value because the unit of value in the United States is a dollar; and if we say that 412½ grains of silver are a dollar that will be the measure of value in this country. But, as the Senator quoted from Mr. White a moment ago in that letter, if we undertake to use both gold and silver as a measure of value, then we raise a new question of ratio between them; and as he truly stated, as was just quoted by the Senator, if there is a ratio of 15 to 1 in England and another ratio of 16 to 1 in India, all the gold will go to one country and all the silver to the other, because one metal is over-valued in one country and the other metal is over-valued in the other country, as respects the two metals.

Mr. ALLEN. That has been our own experience.

Mr. ALLISON. Now, the contention here, at least my contention, has been that with this disparity in the bullion value or commercial value, if you please, of these two metals, if we open our mints to the free coinage of silver, the silver will be the dollar in use here and the gold will be expelled; I do not mean immediately, but in time. Now, why? Because gold will have more value elsewhere as a measure of value than it has here.

Now, that is all there is in this question. It is a question of ratio. I do not dispute that if we have the free and unlimited coinage of silver in this country the man who owns silver bul-

lion and carries it to the mint will get a dollar's worth of silver, and his bullion here will be equivalent to a dollar; but the measure will be a measure far below the measure we have now. Therefore I have argued that it is unjust to change that measure from gold to silver at this time. That is what I regard as the kernel of this question.

Now, when we come to the commercial value—if I may interrupt the Senator one moment further—why is it that silver and gold have a commercial value? It is because their chief use is money; and gold now being used chiefly by what we call the commercial world, it has a wider demand than silver has at this moment, and therefore it has, as between the bullion in the silver dollar and the bullion in the gold dollar, a greater value than the silver dollar; and its commercial value depends upon its use. That is true of both gold and silver. I believe that if we would follow the suggestions of Mr. White in that letter and the commercial governments of the world would agree upon a common ratio which he there proposed in 1829, then there would be use for both gold and silver, and there would be no object in exporting one and importing the other.

Mr. WHITE of Louisiana. May I interrupt the Senator from Nebraska one moment?

Mr. ALLEN. Certainly.

Mr. WHITE of Louisiana. If I understand the object of the Senator's argument as to intrinsic value it would be to demonstrate that the question of the value of bullion has nothing to do with the question of coinage, because the value to be attributed to the coin results from the stamp of the Government and the legal-tender power given to the dollar. That is the position the Senator has taken, as I understand him?

Mr. ALLEN. With some qualifications, that is correct.

Mr. WHITE of Louisiana. That is correct?

Mr. ALLEN. Yes, sir.

Mr. WHITE of Louisiana. Then the Senator comes to this position. As I understand his position it is that the question of the intrinsic value of the silver dollar has nothing to do with this discussion whatever. The position of the Senator is that the promise of the Government will make it good whether it is good or not, and therefore we ought to do it. Now, I ask the Senator, if that be his position, why is he voting for a bill for silver coinage when an issue of paper money would answer his purpose more completely than silver coinage?

In other words, let me put this question to the Senator: If the Government wants to issue paper how would it issue it? It would issue it for something, would it not? The Government would do as was suggested by the Senator from Kansas [Mr. PEFFER] some time ago, send a man with a carpetsack full of money to the capital of each State and provide for its ratable distribution.

Mr. PEFFER. The Senator does not mean to say that I used such language?

Mr. WHITE of Louisiana. That is the result I understand of the Senator's argument. Now, if the Government issues paper it gets a *quid pro quo* for it, does it not?

Mr. ALLEN. It ought to.

Mr. WHITE of Louisiana. It ought to do so. It could not issue it otherwise.

Mr. ALLEN. Not necessarily.

Mr. WHITE of Louisiana. What would it issue it for? Would it give it away?

Mr. ALLEN. Certainly not.

Mr. WHITE of Louisiana. It would not give it away. Therefore, when the Government issued paper it would get a *quid pro quo*.

Mr. ALLEN. It ought to do it.

Mr. WHITE of Louisiana. But when the mints are opened to free coinage and the bullion man steps up with his bullion and presents 57 cents of bullion and gets the stamp of the Government, the Senator says it is the promise of the Government that makes it worth a dollar. He gets the promise of the Government that that shall be a dollar. What does he give to the Government? What does the Government get for the difference between 57 cents and the dollar which the Senator says it becomes worth by virtue of the promise of the Government?

Mr. ALLISON. The people?

Mr. WHITE of Louisiana. What do the people get? The people have promised this silver man. They say to this silver man, "You have given me 57 cents of bullion. I have handed you back," according to the argument of the Senator, "100 cents, my promise, of value." Now, I ask the Senator, in that case what does the Government get as an equivalent in consideration of the promise? It would be a great deal better I think to issue paper, for the Government to print our money and issue it for all, so that all the people of the United States can have something for the promise.

Mr. ALLEN. I take very great pleasure in answering the questions of both my friend from Iowa and my friend from Louisiana as far as I can. They have, however, embraced enough in their questions to require a day or two of discussion.

I desire to say that the question of the Senator from Louisiana reminds me of the old mathematical problem of putting eleven men in ten beds and having only one man in each bed at a time. The Senator from Louisiana assumes that there are only 60 or 70 cents' worth of silver in a dollar. Now, let us look at that for a moment. The Senator estimates silver bullion, uncoined silver, from a coined gold standpoint. That is not the proper way to estimate it at all. Here is gold appreciated and given an unusual power in consequence of its free and unlimited coinage and the restricted coinage of silver; and from that standpoint, from the heights of gold coined, the Senator from Louisiana wants to look down on restricted and demonetized silver and estimate it from that standpoint.

The truth is that gold, in fact money, is not a proper point to start from in estimating the value of anything. You can not take a metal like gold, that is circumscribed in its volume, that is constantly appreciating, and say that it is a proper standpoint from which to view labor or the products of labor, or silver or anything that is crippled by restrictive legislation. That will not do. Remove the restriction of limited coinage of silver and give gold and silver an equal opportunity before the law in performing the office of money, and they will readjust themselves and stand where they stood in 1873 and before that time.

Mr. WHITE of Louisiana. May I interrupt the Senator again?

Mr. ALLEN. Certainly.

Mr. WHITE of Louisiana. Does the Senator think that the divergence between the value is the result of the demonetization of silver?

Mr. ALLEN. I have no doubt of it.

Mr. WHITE of Louisiana. Then the proposition of the Senator is that governmental action since 1873 has had the effect of reducing the value of silver?

Mr. ALLEN. I think so.

Mr. WHITE of Louisiana. Then, if governmental action has had the result of reducing the value, and that governmental action is coterminous with and is as wide as civilized mankind, and the Senator is legislating for only a part of civilized mankind, I ask the Senator how he expects to destroy that universal effect by partial legislation when the evil comes from universality and not from partiality?

Mr. ALLEN. I will answer the question of the Senator.

Mr. PEFFER. In regard to that point and in connection with it, I wish to ask the Senator from Nebraska—for I think it will be helpful to the discussion, and I call the attention of the Senator from Louisiana especially to it—whether it is not a fact that the dollar value, as originally established in the act of 1792, was 371¼ grains of pure silver; second, whether at any time in this country or in any other there has been a statute requiring that the bullion used in making coin shall have any specific value; and, third, whether the present value of the dollar is not 371¼ grains of silver, independently of any commercial value that silver bullion as a commodity may have in the open market; in other words, simmering it down to one question, whether it is not a fact in law that 371¼ grains of pure silver arranged under the law in a coin named a dollar, is a dollar to-day independently of the commercial value of either gold or silver, or cotton, or wheat, or any other commodity?

Mr. ALLEN. The question of the Senator from Kansas, in my judgment, must be answered in the affirmative.

To come back to the Senator from Louisiana for a moment: I made the assertion that you can not look at demonetized silver from the standpoint of unlimited and free gold coinage. The truth is that money of any kind is not the proper point to start from in estimating values. That is another fallacy which has been put forth to deceive and mislead the people of this country. The only proper point to start from in estimating value is that sea-level of prices fixed by standard articles of consumption throughout the world. Starting from that point silver stands to-day, crippled and uncoined as it is, nearer the true value of such articles than gold.

Mr. WHITE of Louisiana. The Senator started with the statement—I hope he will not beg the question—that the depreciation of silver resulted from legislation. That was his proposition. He followed that by the further proposition that the remonetization of silver would lead to the increment of value, restore value. I asked the Senator the question if he considered that legislation had the result of depreciating silver, and he said yes. Now, if this legislation was world-wide and had taken place since 1872 in every great commercial country of the world, and that was the cause of the depreciation, which he admitted, I asked how he expected to cure that evil by a partial application of a remedy, by legislation in this country alone?

Mr. ALLEN. I desire to answer the Senator from Louisiana in all candor and fairness. In the first place, the Senator's premises are incorrect. He assumes that silver is not worth to ex-

ceed 57 cents; that is, that the bullion value of the metal in a dollar of silver is worth but 57 cents. That is an incorrect assumption.

Mr. WHITE of Louisiana. I beg the Senator's pardon. I started with no such premise; but for the purposes of this question I am not considering the value of silver at all. The Senator admitted that silver had depreciated.

Mr. ALLEN. Oh, no; only as viewed from a gold standpoint.

Mr. WHITE of Louisiana. And he said that that depreciation came from legislation. Then I wanted to know from him if that legislation was general, how he expected to cure the general evil by particular local legislation? That can not be escaped by discussing the question of the value of silver. Whatever may be the value of silver the premise is that it is depreciated, and that the efficient cause of the depreciation is legislation. Now, if legislation has been the cause of the depreciation, how are you going to restore the appreciation without removing the legislation which has been general throughout the commercial world?

Mr. ALLEN. I think I shall be able to answer the Senator from Louisiana very successfully. He must not assume that I admit that there is a depreciation of silver in the comprehensive and broad sense of that term. There is a disparity between coined gold and silver bullion; and, viewed from the standpoint of gold coined, there is a depreciation of silver; but I shall come to that in a moment.

I say that the United States produces pretty nearly 46 per cent of the total silver output of the world. Release the binding power of limited coinage in this country, come back and wipe out the act of 1873, cut silver loose from its restrictions, place it where the framers of the Constitution placed it, where it stood when at a premium in 1873, and that moment silver and gold throughout the world will reëstablish themselves, and the one will be worth as much as the other. That is the determination of the whole question.

Mr. WHITE of Louisiana. May I state to the Senator further, that after we demonetized this metal in 1873, there was a depreciation in silver. That depreciation reached its level here probably not long ago when India demonetized silver. Nobody questions that.

Mr. ALLEN. India did not demonetize silver.

Mr. WHITE of Louisiana. India demonetized silver, and went to a gold basis; at any rate India acted. Let us not stop to quibble about words. She certainly acted, whatever that action was. The result of that action was unquestionably in the markets of the world to depreciate silver and drop the value of silver bullion all over the world. There is no question about that.

Mr. ALLEN. It dropped the gold value of silver.

Mr. WHITE of Louisiana. It dropped the value of silver bullion all over the world.

Mr. ALLEN. The gold value.

Mr. WHITE of Louisiana. It dropped the value of silver for every purpose all over the world. Then, does the Senator propose to restore by remonetization here, that which was lost by the action of India, when we can not repeal the action of India?

Mr. ALLEN. The premises of the Senator from Louisiana are wrong again. There is the trouble with him. He still wants to stand upon the mountain heights of unlimited gold coinage, and look down on discredited silver and estimate it in its stricken and prostrate condition.

Suppose, Mr. President, two men were put out here to run a race, and they were almost equal in their fleetness, it would be a question under such circumstances if each was unhampered which would succeed; but about the time the race is to be run you take one man and cut off one of his legs, then it might be said, "Why that fellow can not run; he is not as valuable, not as swift as the other man; he has not the intrinsic value for racing, as is suggested to me by my friend from Kansas [Mr. PEFFER], because one of his legs has been cut off. I say that is a fair illustration of this proposition of the Senator from Louisiana. Now, here is gold which is pampered and favored, and silver stricken down and the life almost beaten out of it, and Senators say silver has not the value of gold; is not worth as much. Release it from bondage and it will reëstablish itself fully.

That is the position these gentlemen constantly take here and before the country, that necessarily there is a difference between the value of gold and silver, and, therefore, the commercial theorist wants something, as my friend from New Jersey [Mr. MCPHERSON] says, to establish the parity.

Let us take this matter up and put silver upon the same basis with gold; let us put these two metals before the world, so far as position is concerned, unrestricted and unhampered by adverse legislation, and the moment the United States of America cuts the leading strings which bind silver, that moment throughout the civilized world you will find that silver will reëstablish itself with gold, that the price of one will be the price of the other where the coinage is unrestricted. Certainly if this Government puts the two metals upon an equality and gives to them free and unlimited coinage, the man who owns bullion in some other country will not sell it at the present price, because it will be worth its coin value, as the Senator from Iowa [Mr. ALLISON] admitted.

But there is another thing—and that is one of the surprising things to me—Senators tell us in effect that we must bring our laborers, the workingmen of this country, down to the level of the workingmen of Europe. They say you must first get Europe, or the commercial nations of the earth, to agree to the coinage of silver; you must have some kind of an agreement with those countries. It is a mere subterfuge. Four times in thirty years this nation has had a monetary conference, and four times that monetary conference has eventuated in nothing. There is no intention to reëstablish these metals.

Every monetary conference which has been held with reference to this subject has been organized, I was about to say, for the purpose of destroying silver, for the purpose of making dearer money throughout the civilized world, for the purpose of reducing the value of the property of the common man, for the purpose of reducing the value of the wages of the laboring man. Through the constant shrinkage of the volume of money and the value of the property of the people of this country and of the people of civilized Europe, the right of the free coinage of silver is to be taken from them. So there is nothing to be expected, nothing to be gained from a monetary conference.

The Senator from Louisiana gives us to understand that the people of this country are in this position, that, if we can not go to England or Germany or some other of these nations and get them to agree on the coinage of silver so that our country may be prosperous, then we must suffer our present condition.

Mr. President, what a monstrous proposition! This great nation made its struggle for liberty, its struggle against the political institutions of Europe, its struggle for the establishment of a republic in the New World, and established it, based upon different political principles and different social conditions, based upon the equality of every man, woman, and child before the law; and yet before one hundred and thirty years of our national existence have gone by, we are told in the Senate of the United States that the prosperity of our people is dependent upon the consent of the monarchical governments of Europe!

[At this point the honorable Senator yielded for an adjournment.]

Wednesday, October 11, 1893.

Mr. ALLEN. Mr. President, when taken from the floor on last Saturday I had not finished my discussion of the question of the intrinsic value of money. I was at that time engaged in a running debate with the Senator from Louisiana [Mr. WHITE], the Senator from Oregon [Mr. DOLPH], and the Senator from Iowa [Mr. ALLISON]. I answered the questions put to me at that time by them, but I now desire to give a more specific and concise answer than I then gave.

Turning my attention, then, to the questions of the Senator from Louisiana, I desire to say:

If silver was demonetized or reduced in value by law, can it be remonetized or increased to par value by remonetizing silver?

England stopped coining silver in 1816; Germany in 1871. The United States demonetized silver in 1873, and India ceased coining it in 1893. If the United States goes back to free coinage, it carries up the price of silver, which was in good condition until the United States demonetized it in 1873.

Did not France limit the coinage of silver because the United States, the greatest silver-producing nation, refused to stand by it? Did not England suspend the coinage of silver in India, believing that the United States was going to take unfavorable action?

Although Germany ceased coining silver in 1871, and England had not coined silver since 1816, silver held its own until it was demonetized in 1873 by the United States. If it is remonetized by the United States, is it not reasonable to suppose that it will gradually go back to the position it occupied before 1873? In other words, will not the same privileges and laws produce the same effects now as they did prior to 1873?

Turning my attention to the Senator from Oregon, who spoke of the coinage of $8,000,000 in silver prior to 1873, I have this to say: The reason only $8,000,000 in silver was coined from 1792 to 1873 is that in 1794 and 1795 the ratio established by the United States was 15 to 1, when the true ratio was more than 15 to 1. This caused gold to go to countries where it could buy more than silver. In other words, gold was at a slight premium. United States bank notes circulated from 1791 to 1811 and from 1817 to 1833, when the deposits were removed.

Gold was undervalued until 1834. It was then over-valued by the ratio being increased to 16 to 1. From 1834 to 1873 it was more profitable to ship the silver and sell it as bullion than to coin it. There was, after 1853, less silver in the subsidiary coin in proportion than there was in the dollar, and consequently subsidiary silver was coined extensively.

From 1792 to 1853 there was a little over $87,000,000 of silver coined, principally subsidiary. The total coinage of gold from 1792 to 1847 was $43,000,000.

We made an error in 1792 by over-rating silver. We made another error in 1834 by underrating it. We made the arch-error in 1873 by demonetizing it when we had not a dollar of silver in circulation. There was no silver then circulating. Why, then, should we have demonetized it?

The legislation in respect to silver in this country has been a series of gigantic blunders.

Turning my attention, Mr. President, to the question put by the Senator from Iowa, which was certainly a very adroit and skillfully put question, I desire to say that we now find the Senator reduced to that point where it becomes necessary to defend the fallacy of intrinsic value by relying upon and bringing forward another fallacy, viz, that gold and silver, or that money is a perfect measure or standard of value, all of which I deny in toto.

In 1834 the gold eagle of the United States was reduced in weight from 270 to 258 grains, and the alloy increased from 1 part in 12, to 1 part in 10, yet the coins bore the same name as before.

The original so-called measure of value in France, England, and Scotland was the pound weight of silver. No coin of that weight was ever struck; but a pound of silver was cut into 240 coins, called pence. Twelve of these pence were called a solidus, or shilling. Thus, as applied to silver, the "lb." weight and the "£" denoted equivalent weights, the former of uncoined metal, the latter of coined metal. But in course of time more than 240 pence, so called, and at last in Elizabeth's reign, 744 pence came to be coined out of a pound of silver. Yet all the while 240 of these pence were called a "£;" £ and pound, both a contraction of the Latin libra, were no longer equivalent. The pound of weight continued stable; the £ of money had dwindled to less than one-third, yet the name pound continued to attach to 240 pence, although the pence embodied a less and less quantity of silver to the measure—that is to say, the denomination represented a less quantity of silver. It is therefore clear that money is not a perfect measure of value.

The French have a perfect system of weights and measures. Their mathematicians measured an arc of the earth's circumference, and thus determined the absolute length of a degree of latitude; three hundred and sixty times this length makes up the length of the earth's circumference, an invariable measure, recoverable again if it should be once lost. This measure, divided by 40,000,000 gave the French nation their meter, which is a perfect unit for the measure of length. A tenth part of the meter cubed gave them their liter, which is a perfect unit for their measure of capacity. The weight of a hundredth part of a meter cubed of distilled water at the temperature of maximum density, is the gram, an invariable unit of weight. A linear unit of 10 meters squared gives the arc, the unit of surface.

A perfect measure of anything demands for its starting point something absolute and invariable; in value there is nothing absolute. We begin with a relation and therefore an unchangeable measure is not to be looked for. (Perry's Political Economy, pages 219–225.)

Now we come to the main point.

Labor is the real measure and standard of values. Man's labor, assisted by nature, acting and exercised upon the soil, brings forth grain and fruit, vegetables and crops; exercised upon the mine, brings forth the coal and iron, the base and precious metals therefrom; this same labor acting upon the sea, brings forth its products, and man's labor acting upon the raw material, produced by man's labor, brings forth the finished product of manufacture.

This labor may cause greater or less results according to circumstances, surroundings, machinery used, etc., but the result of this labor is production, and the amount of production depends upon the amount of labor sensibly employed; the result of production is the various products which fill the markets of the world; these products are wealth, and labor is the measure and standard of this production; of these products, this wealth, these values. As the labor decreases, the amount of product decreases, and vice versa. Money is simply a medium of exchange of different denominations and not a measure of values; it is useful to facilitate the exchange of these values created by labor and discharge pecuniary obligations. "Labor is the ultimate price that is paid for everything" (Ricardo).

The law of supply and demand is measured and regulated by labor; that is, labor regulates the supply of commodities as well as the demand, and it is admitted by all economists that supply and demand regulate the price, fix and measure the value of commodities. Let us cease to "muzzle the ox that treadeth out the corn," give honor to whom honor is due and credit to whom credit is due. Let us now cease to worship the golden calf of money as a measure of value and give the praise and credit to labor where it justly belongs. Labor, and the law of supply and demand, a child of labor, measure values.

There should be a sufficient volume of the medium of exchange to effect or carry on the trade or exchanges of the people.

Directing attention again, Mr. President, to the question I was then discussing, I desire to read from a little book entitled Labor and Capital, by Edward Kellogg. I read first from page 41:

Value consists in use; it is that property, or those properties which render anything useful. A house that could not be occupied would be worthless unless its materials could be employed for some other purpose. A horse is valued for his useful qualities; if he becomes disabled he is worthless, for his use is destroyed. So of everything necessary to the support and comfort of man, it is valuable because it is useful.

The same is true of ornaments. They are valuable because they are useful for ornamental purposes. If diamonds were deprived of their beauty, their use and therefore their value as ornaments would cease to exist. A valuable portrait might be rendered worthless by erasing the features. The canvas and the paint, the material of the picture, would remain, but its use would be destroyed.

The value of all property is estimated by its usefulness. For instance, the income that a city lot can be made to produce determines its value. The interest on the money that its improvements will cost must be first deducted, together with the taxes, insurance, and repairs necessary to keep the improvement permanently good. The surplus it will yield after making these deductions determines the true value of the lot.

There are two kinds of value—actual value and legal value. Actual value belongs to anything that inherently possesses the means of affording food or which can be employed for clothing, shelter, or some other useful purpose, ornamental or otherwise.

Legal value belongs to anything which represents actual value or capital. Its existence depends upon actual value. The worth of things of legal value depends upon their capability to be exchanged for things of actual value.

The author, Mr. President, here gives an example of this doctrine and shows the distinction between actual and legal value:

The followiug illustration shows the distinction between actual and legal value, and the dependence of the latter upon the former. The national debt of England exceeds £800,000,000 sterling, say $4,000,000,000.

This book was written in 1846, I think.

It bears interest at about an average of 3 per cent per annum, amounting to an annual sum of $120,000,000. A hundred and twenty millions of dollars' worth of the products of labor of actual value must be sold annually to pay the interest; to pay the principal would require a large proportion of the wealth of the country.

If the paper, the legal value which represents and secures the debt and interest, were collected and burned, it would not diminish the real wealth of the nation. It would merely cause a change in the individual ownership of property. But alter the circumstances, and suppose a similar amount of actual value to be consumed, houses, manufactories, machinery, fences, grain, etc., to the amount of $4,000,000,000, and nearly every improvement would be swept from the British Islands. Destroy merely the 3 per cent interest of actual value or the debt for one year—*i. e.*, products to the amount of $120,000,000, and a famine would ensue; for actual value, the products of labor, would be destroyed instead of a legal representative, as in the case of the conflagration of the paper securing the interest.

Again, this author says, on page 43:

The power of money, like the power of a bond and mortgage, is legal.

On the same page:

The value of notes of hand, bonds and mortgages, book accounts, and money, depends upon their capability of being exchanged for property. Their power to accumulate is given by law, and they accumulate a mere legal representative; that is, interest in money which is valuable only because like the principal it can be exchanged for a certain amount of actual value. Hence, the value is in the property, and not in the money or in the obligations. Money and all obligations are mere representatives, and depend upon property for their value.

I read now from page 71:

The natural powers of any material do not make it money. Its powers and agency as money are delegated to it by law, in addition to its natural capabilities. When gold is used the powers conferred upon it make it an equivalent for every species of property. If gold had not been selected for the material of money, and a legal power given to it to exchange property, and to accumulate interest for its use, a man would have as little occasion for more gold than he needs for utensils and ornaments, as for more clothes than he can wear, or more tools than he can use. It would have been subjected to the same laws of trade as other merchandise, and must have waited a demand for consumption before it could have been sold. It is clear that gold possesses no peculiar or inherent excellence to endow it with power to determine the value and control the use of all other things. But when it is made the agent of these legal powers, it becomes necessary to acquire the gold in order to discharge debts; and the quantity of the metal being limited, its owners are enabled to extort from the necessitous a very high price for its use. If gold were not used as the material of the currency, its abundance would cause no inflation of business, nor would its scarcity produce distress, because, compared with other metals, its use is very limited.

In that quotation the author foresaw quite fifty years ago the fact we realize to-day, that the chief value in gold is a selfish value that can control and depreciate the purchasing power of labor and property. That is the very thing we are contending with to-day—that is, a limited volume of gold that is to be exchanged against all the property and all the labor of the civilized world.

The author proceeds:

The following statement will show the different effects upon our own people of the use of the precious metals as utensils and their use as the material of money. All will probably admit that there were, in 1846, twelve thou-

sand families in the city of New York owning, on an average, $800 worth of gold and silver ware, such as tea, coffee, and dinner services, vases, ornaments, etc. Including jewelry, the amount of the metals probably far exceeded the sum named. But calculating the twelve thousand families to have owned $800 worth each, they owned, in the agregate, $9,600,000; while, according to the bank reports, the specie in all the banks in the State of New York on the 1st day of November, 1846, amounted to but $8,048,348.

Suppose the twelve thousand families owning these silver and gold utensils and ornaments had in one week collected them together and shipped them to England. The shipping of these wares would have had no more effect upon the monetary affairs of the State or nation nor upon business than the shipping of the same amount in cotton and tobacco, but had the people drained the $8,048,348 of coins from the banks, and shipped them abroad, the banks throughout the State and throughout the United States would have been compelled to suspend specie payments, and hundreds of thousands of our people would have been bankrupted or thrown out of employment. Yet by shipping the gold and silver wares more than one million and a half more of the precious metals would have left the country than by shipping the coin.

The shipment of the smaller amount would have shaken the country to its center, while the shipment of the larger amount could not have unfavorably affected business. And yet our gold and silver utensils and ornaments are more in use than our coins, for the coins are mostly in kegs and boxes in the vaults of banks, and if they are moved at all it is usually from one bank vault to another without even emptying them from the kegs. If money is merchandise, why should not the shipment of our gold and silver utensils affect the business of the nation as much as the shipment of our coins? The same twelve thousand families were doubtless the owners of a much larger amount of the capital stocks of the banks than the $9,600,000, and could at any time have sold stock enough to draw all the specie from the banks, and thus have caused a suspension of payments and distressed producers even without shipping the specie.

On page 270 of the same book I read:

Governments have falsely assumed that the value of money consists in the inherent worth of the gold, silver, and copper materials out of which it has been coined. This is not only palpably a false assumption, but the laws of nations prove it to be so; for in nearly every civilized nation the governments have authorized paper money (when secured by state and national stocks, bonds, and mortgages, etc.) to be issued in the form of bank notes and to circulate as money. England has made paper money a tender in payment of debts.

Bank notes are called money, although the laws do not make them a tender for debts. Banks are, however, chartered by law, and, therefore, the bank notes issued by them are generally considered as money, and answer all its purposes. They are founded, or based, on a promise to pay specie on demand. Let us see, however, if they are not practically money, instead of being merely representatives of gold and silver coins. A man exchanges at a bank in New York a hundred dollars in specie for a one-hundred-dollar bank note, and takes it to the Western country to buy land.

The note is thus put in circulation there, is loaned and reloaned on interest, and is used in the purchase of property and products. It is continually active; while the silver for which the bank note was taken in lieu lies dead in the vault of the bank, and is neither used to purchase property or products, nor to fulfill contracts, nor to produce an income.

The bank note has performed all while the specie has performed none of the functions of money. If the former should circulate for any number of years, and should be loaned for an income, and used to purchase property thousands of times, and when it was returned to New York there should be no specie in the vault of the bank to redeem it, still every purchase made by the bank note would be valid, and every mortgage for which it had been received would be a binding lien upon the property of its drawer for the payment of specie both for the principal and the interest.

Coins and bank notes have a legal power to accumulate, not natural to either of them. Both are generally received in tender for debts, so that one is practically as much money as the other. In fact, if either is to be despoiled of its character as money it must be the specie, for this is mostly deposited in the vaults of the banks, and while so deposited is not practically money; but the bank notes, which perform more than ninety-five hundredths of the exchanges, are really the money of the country, and fulfill all its uses with greater convenience and celerity than could gold and silver. Paper made to represent landed property instead of specie, and endowed with legal power to accumulate, measure, and exchange property, would answer every purpose of money, and would be money.

I read now from page 4 of Bryant on Money:

When one has brought himself to fully and thoroughly know what it is that makes the value or purchasing power of money—

Using "value" and "purchasing power" as synonymous—

he has obtained the key that unlocks all other mysteries of money, and has possessed himself of the knowledge that will enable him to defeat and overthrow the most adroit and insidious argument that the advocates of hard money can possibly concoct. You have possessed yourself of the lamp of truth, whose light will penetrate and reveal the schemes of these people, no matter how cunningly they may strive to conceal them with sophistry and insidious arguments.

I am endeavoring to leave out some epithets in the text which I think ought not to go in the RECORD.

What is it, then, that gives money its value or purchasing power in the markets? In finding the answer to that question we shall discover that the principle that gives money its value or purchasing power is the same principle, identically, unqualifiedly, and absolutely, the same principle that gives anything whatsoever its value or purchasing power in the market, namely, the principle of quantity relatively to the uses—the law of supply and demand.

But this unquestioned and unquestionable truth is greatly obscured and mystified by the operations of law—the national legislation of a people—which steps in to interfere with money, as it does not do with anything else, and can not do. For instance, law can make that money which costs little to produce it immensely more valuable than that which was produced at a great outlay of labor. Law can give a paper dollar ten or a hundred thousand times greater value, or purchasing power, than a gold or any other kind of a dollar, in despite of the fact that the gold dollar costs perhaps a hundred times as much as the paper dollar.

One might term this the miracle of law and of money, since the same is not true of anything else produced by man. This truth arises from the fact that it is entirely practicable to regulate the quantity of the money issued or permitted to circulate; and from the further fact that the quality of any one or several kinds of money is utterly the creature of law, the law which makes it a full or a restricted legal tender, or not a legal tender at all.

We can illsutrate th s fact regarding the principles of money by supposing that the United States were to issue, say, fifty millions of paper dollars and make them the only legal money to pay any tax or debt due to the Government; and, say, five hundred millions of silver dollars, and make them the only legal money to pay any private debt due from one person to another; and, say, one hundred millions of gold dollars which were not legal money for any purpose whatever, leaving the people free to accept or reject them, just as they pleased.

What would be the result from that action of our Government? Simply this: The law of "supply and demand" would at once assert itself, and work in combination with what the law had decreed regarding the money, whereby there has been created three kinds and three qualities. Whereas if the law regarding each had been the same there would have been but one kind and one quality, even if it were made of a hundred different materials. As every tax or debt due to the Government would have to be paid in the paper dollars, thereby creating an enormous demand which could only be met by the small supply of fifty millions, the paper dollars would command a very high premium over the silver or gold dollars.

I think, Mr. President, that Senators who on Saturday undertook to answer the position which I stated, namely, that there is no necessity for any commercial value or any specific amount of commercial value in the money thing, have wholly failed to make it appear that that quality is essential. I again assert if there is any reason to be offered by Senators upon the other side of this question why there should be any specific amount of commercial value in the thing called money, I pause now and here to hear it. [A pause.] There is no necessity for it.

It is simply one of those fallacies which has been advocated so constantly and so frequently by politicians, through the newspapers, and by a certain class of political economists, that perhaps the great mass of the people of the United States have come to the conclusion that there is a necessity for some commercial value in the money thing or the money material, whereas the truth is that the only office of money is simply to exchange articles of property and labor as a matter of convenience in the transaction of business. Whenever anything is taken from the domain of commerce and coined into money, its commercial value is lost as effectually to the commercial world as though it were at the bottom of the ocean or as if it had never existed, and it ceases to perform any office in the commercial world and to influence the market value of the species to which it belongs.

Now, I desire to direct the attention of the Senate briefly to another fallacy which has passed current here, and which has gone uncontradicted, it seemingly being tacitly admitted that it is a truism in political economy, and that is the so-called double standard. Ever since I came into the Senate on the 7th of August, in almost every speech which has been delivered here, I have heard it iterated and reiterated that we have a double standard of money, some contending that we must maintain a double standard, others contending that we must go on to a single gold standard; but throughout the entire discussion it has been assumed that we have a double standard of money.

Mr. President, if my position is the correct one—and I think it is, and believe it to be capable of demonstration—that money is the function performed by the thing and not the material which is evidence of that function, then it is true that there can be no such thing as a double standard of money, unless you give to one part of that money full legal-tender quality and a restricted legal-tender quality to the other.

It is true that we use both gold and silver, but we use them simply as evidence of the money thing, the money function. Whether we use gold, or silver, or paper, or any other article, if these things are declared by law to represent 100 cents in exchange, then they are money, they are all based upon the law, and there is not a double, but a single standard if the full legal-tender power is given. As well might we say that a wagon which is composed of iron and wood is a double wagon or two wagons. It takes the wood and the iron to constitute the thing called a wagon; and when it is completed and fashioned by the labor and skill of man, it is a wagon, and not two wagons.

As well might we say that the brass, steel and gold in a watch constitute a triple watch; it would be as sensible to say that, when the truth is that it takes all three of these different materials to constitute the thing we call a watch. So we might go on with illustrations where two or three different materials enter into the construction of anything, and we might speak of those different materials as constituting two or three different things of their particular class.

So I say when the law of this nation fixes the volume of money, when it says that so many dollars shall be issued, that they shall have full legal-tender power and be received by the people in the liquidation of their debts, in the payment of their taxes, in the discharge of obligations, public and private—if the full legal-tender power is given to that thing called money, then it is a single standard, regardless of whether it be represented by gold, silver, copper, or paper, or all of them.

Mr. HOAR. May I ask the Senator a question?

Mr. ALLEN. I yield with pleasure.

Mr. HOAR. The Senator is making a very interesting and clear statement of his doctrine; and I wish to ask him whether he goes to the length of considering that the use of the costly materials of gold and silver by mankind for the purposes of money or for the manufacture of valuable articles is a sheer waste of so much value?

Mr. ALLEN. I may get to that at length, Mr. President, but I have not reached it yet.

Mr. HOAR. I understood the Senator to say that the intrinsic value of the thing used for money, to use that convenient phrase, did not in the least make it any more valuable for money purposes, but that it derives its whole value from law giving it the legal-tender and exchangeable quality. If that be true, would not the use of $10,000,000,000 worth, or whatever it may be, of gold and silver in the money furnished for mankind be, in the Senator's judgment, a sheer waste?

Mr. ALLEN. For domestic purposes that is true, but to answer the demands of the world, to pay the balance due the world, if we owe them anything, I am perfectly willing to use the Senator's kind of metal. For domestic purposes, however——

Mr. HOAR. That was not my question. I did not ask whether the Senator was willing to use it or not, but whether the Senator marches fully up to what seems to me the logic of his position. He says that the use of gold and silver, which have a certain intrinsic value in the estimation of mankind, other than the value which they get on account of being used as money and the demand for that purpose is of no sort of importance, that we might just as well take an entirely valueless substance and make it money by law, and it would answer every purpose and function. If that be true, does it not clearly follow, in the judgment of the Senator, that from the beginning of mankind the nations of the world have been guilty of an enormous and inexcusable waste in using these valuable substances for the purposes of money?

Mr. ALLEN. Well, Mr. President, I shall hardly be drawn by the question of the Senator from Massachusetts into passing judgment upon the entire world in all of its past history.

[At this point the honorable Senator yielded to Mr. DUBOIS.]

Mr. ALLEN. Mr. President, to resume the course of my argument when interrupted, the Senator from Massachusetts [Mr. HOAR] asked me a question the tendency of which was to lead me into a discussion of the question of irredeemable paper money. I declined to discuss that question on Saturday last. I decline to discuss it now.

I have taken no position in favor of irredeemable paper money, nor do I propose to take any position in favor of it. I will not be led upon grounds of that kind in this discussion, and the Senator from Massachusetts and other Senators may as well understand it now as at any other time. I do take the position, as I asserted awhile ago, that one of the rankest heresies that has been taught in the Senate Chamber, one of the rankest heresies that has found expression in the metropolitan press, one of the rankest heresies that has emanated from the closet financiers of this country who are undertaking to formulate public sentiment upon this question is the rank heresy of a double standard.

Money, as I have said, consists in the function performed and not in the metal or paper that is evidence of that function. The power of money is controlled by the quantity that is in circulation against the quantity of business and property in the country. It is the quantity with full legal-tender power that gives it its purchasing power and its debt-paying power, and therefore its value. The theory of a double standard is one of the arguments that has been used to lead the public mind of this country astray and to make the people believe that there are three or four different kinds of money in this country, when the truth is there is but one kind of money, evidenced by three or four different kinds of material.

Another heresy that has been taught here, and I desire to say that these are matters that I have not myself heard fully discussed in the Senate, they seem to have been taken for granted: another of the fallacies taught is that there is no such thing as a contraction of the volume of money by going upon what is called the single gold standard. I think I heard my distinguished friend from Delaware [Mr. GRAY] assert repeatedly here that the fact that we went upon a gold basis did not have any influence or effect upon the price of property or labor; that labor and property brought as much, exchanged for as much, were as valuable in the market under a single gold standard and a contracted gold standard as they would be and were under a larger volume of money.

It is a little singular that when you come to the discussion of this gold question Senators should say that a contraction of the volume of money has no effect upon the price of property or labor, and just the moment you speak of enlarging the volume of money, making it greater, they begin to fear the effect of what they call the inflation of money. Inflation will affect prices, so they say and so we know, but they tell us that contraction, which is the other extreme, will not affect them.

Mr. President, if it be true that inflation will affect prices of property and labor, then it is equally true that the other extreme, which is contraction, will affect the prices of property and labor and shrink the prices of those things. If you touch a pendulum that hangs at a perpendicular and swing it out to the left, will not the return action of that pendulum be within a hairbreadth as far to the right of the perpendicular line as it went to the left? So if you start at a given point in the volume of money and inflate that money, will it not have an effect upon prices; and if then you go like the pendulum to the other extreme, does it not equally affect the price of property and labor?

This country is suffering to-day by reason of a contracted volume of money. The lockouts, the strikes, the difficulties that we hear of going on throughout this country are due, in my judgment, in a large measure to a contracted and constantly shrinking volume of money.

I propose to go into the discussion of the question somewhat fully to see if this fallacy can not be thoroughly exposed. Its effect upon the country has not been fully discussed here, and it occurs to me that it is of such importance that it ought to be fully considered.

Mr. President, this question of contraction has occasioned more evil in this country in the last twenty-five years, in my judgment, than all other questions combined. It is a question that has been deftly and skillfully kept from the people. It has been persistently directed at the prosperity of the business and the homes of the people of this nation, and has been prolific of evil consequences. I direct your attention for a moment to some expressions upon this question to be found in the report of the Brussels monetary conference in 1892. I turn to page 90 of that report and read from the remarks of Mr. Allard, the honorable delegate of Belgium:

I do not think that the proposal of Mr. de Rothschild—

Speaking of the proposal that Mr. de Rothschild had made that this country should continue the purchase of 4,500,000 ounces of fine silver monthly against £5,000,000 annually on the part of Europe. Says Mr. Allard:

I do not think that the proposal of Mr. de Rothschild is a sufficiently efficacious remedy for the evils from which the nations are now suffering and from which they have suffered during the last twenty years. The crisis which oppresses us is no birth of yesterday. It dates from 1873, the moment when free coinage of silver was suspended in Europe. The true remedy, which would be at the same time efficacious and thorough, would be the re-establishment of free coinage.

On page 92 of the same book I read from Mr. Allard:

Unfortunately Mr. de Rothschild is not troubled by the fall in prices. He is disposed to think "that wheat at 30*s.* a quarter, instead of 45*s.*, is rather a blessing than otherwise." But, I ask him, what do the British farmers think of it? In Belgium, I can assert, agriculture is suffering from this deep evil.

Speaking of the question of a congestion of prices of produce—

In Belgium, I can assert, agriculture is suffering from this deep evil; and as for England, I do not think that Mr. de Rothschild's views are shared by Mr. Chaplin, formerly minister of agriculture, who has traversed the whole of England in the search for remedies to be applied to these evils. It appears, too, from the reports contained in the English newspapers a week ago, that Monsignor Walsh, the archbishop of Dublin, is concerning himself with the monetary question, on account of the disasters which are befalling Ireland. When giving evidence before an English commission on the subject of Irish evictions, he spoke in an absolutely bimetallic sense. He pointed out the evils which had been produced in England by the scarcity and the appreciation of gold, and also the extremely difficult, embarrassing, and disastrous position in which the Irish farmers were placed by the same cause.

Mr. de Rothschild does not appear to be much disturbed by this fall in prices, which, nevertheless, affects all the interests of his country. In view of this, it is a remarkable fact that he does not deny scarcity of gold, but, on the contrary, himself states that that scarcity exists.

In this connection I desire to read the expression of de Rothschild's which called forth this criticism upon the part of Mr. Allard. I read from page 69 of this book:

Advocates of bimetallism maintain that the fall in the price of silver has brought about a corresponding fall in the prices of various commodities.

Proceeding upon the line of reasoning employed on the question of the contraction of the currency:

This may or may not be the case; but, supposing the former hypothesis to be correct, I am not prepared to say that it would be a misfortune for England or the world in general.

Mr. de Rothschild, the great money monarch of this world, who is at the head and front of this movement to dethrone silver, is not prepared to say that it would not be a blessing to have a shrinkage in the prices of farm produce and labor throughout the civilized world. He continues:

Nor do I share the opinion of certain distinguished exponents of that theory who deplore the fact of the Indian exporter being able to send wheat remuneratively to England, thus interfering seriously with the interests of the British farmer; but I hold that wheat at 30*s.* a quarter, instead of 45*s.*, is rather a blessing than otherwise.

That wheat at 30 shillings a quarter, rather than 45 shillings, is a blessing to Mr. de Rothschild and his class of people, rather than otherwise. What does that mean? It means wheat in Liverpool at 90 cents a bushel as against $1.35 a bushel, or relatively so; it means that the great wheat fields of this country, the great farms of America, are to be made less and less productive to the tillers of the soil, to the masses of the people, in consequence of this system of shrinking the volume of money. When Mr. de Rothschild looks into the New World, and looks throughout the civilized world where agriculture is being conducted, and sees constantly falling prices of farm produce and less and less

compensation to the farmer and the laborer, when he sees stealing over the people of this country, and over the people of civilized Europe, a condition of serfdom, then Mr. de Rothschild sees a condition arising in the financial affairs of this nation that is to be regarded as a blessing, rather than a curse!

Mr. President, the American Senate is asked to join in this raid upon the rights of the people of their own country, to shrink the values of property, to join De Rothschild and his gang of Shylocks in a raid upon the rights of the great common people of this nation, of his own nation, and of every nation which encourages agriculture, and that is to be done by means of a contracted volume of money.

I read now from page 325 of this book, as follows:

To render money more scarce or more abundant is to make all prices rise or fall. An increase of money, as in 1850, corresponds to the growth, the progress, the life of society; monetary contraction will always lead to an anæmia, sickness, and crisis.

If you diminish the quantity of blood in the human body will it not bring about anæmia? Diminish the amount of money in the social body and that diminution will bring about a crisis.

The author of these remarks was a prophet when he said that if you diminish the volume of money to a certain point it will bring about a crisis. With what are we contending to-day? We are contending with a monetary crisis brought about by the fact that the volume of money in this country is so small that eight or ten thousand men can control it as against nearly seventy million people. It is because a comparatively insignificant portion of the people of this country have the volume of money under their control that this crisis is precipitated upon the country; and the cry is set up by these fellows, by the newspapers, and the gangs which they represent, that this crisis is produced by the Sherman act, when the Sherman act was simply seized upon as a subterfuge or an excuse to precipitate the panic, the great ulterior purpose being to still further contract the volume of the currency, to make the volume of money still smaller and smaller, so that labor and labor's product will be lower and lower and the people be brought eventually into subjection to the will of this class of men.

Strange as it may seem, Mr. President, there appear to be men high in office in this country, occupying responsible positions, holding within their grasp, as it were, the destiny of the people of this country, who are influenced by considerations of this character, who seem to be lashed into the support of this infamous measure contrary to their wishes. They do not seem to be strong enough to resist the demands and the threats of the taskmaster.

What we demand is that the blood taken from us twenty years ago be given back. History proves that we are right. When America was discovered, towards 1500, all prices rose in Europe in the exact measure of the quantity of money which arrived from the New World.

A chicken worth 4 sous in 1500 was worth 15 in 1600. Forty-eight years after the discovery of America, rents in England had risen 400 per cent. The immense discoveries acted upon this growing society with a power which the same discoveries would not exercise in our days. In 1548 Bishop Latimer, at the court of Edward VI, claimed that the landlords ground down the farmer—it was then as to-day the subtle action of money which disturbed social relations in England. Europe has recently contracted its circulation; prices have fallen just as they rose in the sixteenth century.

What did we see from 1851 to 1873? That is modern history, familiar to everybody. Prices increased 15 per cent. You may see it in my diagrams; California and Australia poured out their floods of gold upon our civilization.

It would be difficult, without doubt, to estimate the immense benefit which resulted for all the nations of the universe, the chief of which are here represented, but I can give you a point of comparison.

In France land which was valued on the average at 1,292 francs the hectare in 1851 rose to 2,000 francs in 1874. According to the statistics of Mr. Alfred Neymarck, the total value of cultivated land in France increased from 67,000,000,000 to 120,000,000,000, a rise of 53,000,000,000 in twenty-three years in France alone. I leave you to calculate the benefits which, following the same in those proportions, the whole world must have experienced. According to Mulhall, there was four times as much business done in 1880 as in 1850; that was the glory and climax of the commercial, industrial, and agricultural world.

It was too good. It could not last forever. "Peoples, like individuals, enjoy dangers," says Joubert; "when they are lacking, they create them."

That is what they did in 1873; they demonetized silver, and the danger was born.

Gold became rare, as was natural, as was certain, and as had been predicted; the duty was put upon it of replacing silver.

Mr. Currie and Mr. Weber, our honorable colleagues, will not agree. We have white grapes and red grapes for making wine. If we discarded the white, would not the red grapes certainly rise in value? We eat beef and mutton. Can it be admitted that if beef were prohibited the price of mutton would not rise?

Mr. President, how true that statement is. Suppose in this country a law were passed prohibiting the consumption of one class of meat products, does not every citizen know that the prices of other classes which were not prohibited would be doubled in value? The demand would be doubled for them, and that is what increases prices. If the Government should, for instance, strike down wheat, if it should be decreed that the people should not eat wheat bread, would it not create a greater demand for corn, oats, and other kindred products? It certainly would, because the functions performed by wheat would be transferred to other products. So it is with silver. Whenever the Government strikes down silver, and says that it shall not be used for money purposes, and puts the entire basis of the currency upon gold, that increases the value of gold and gives it a greater purchasing power than it would otherwise possess. That is contraction.

It was for the same reason—

Says this author—

that gold appreciated, that it bought more and more commodities, and prices fell in consequence. This is a great revolution in which all take part, and which prevails in England more than anywhere else.

Have we not been witnessing the consequences of contraction in England within the last few years? In fact there is a tremendous strike involving hundreds and thousands of men going on there to-day. Strikes and lockouts have been the watchwords in England for the last twenty years. A great army of men, led by a former secretary of agriculture there, is introducing a social revolution in that country by reason of the shrinkage in the value of property and the fall in the wages of labor. Less than thirty thousand men in the British Empire own its soil. Not one man or woman out of a hundred—I might say out of a thousand and be within the bounds of truth—ever own a foot of soil upon which their feet stand. They are born in a country where they own no part of its soil; they live and die and own no portion of it except in the potter's field, that portion necessarily dedicated to them as a last resting place by the public; and yet the example of this pirate of the high seas, the example of this country, which is constantly degrading her own people, is held up to us as an example worthy of our emulation!

The only object—

The author continues—

with which a man works is that he may sell his products for more than they cost.

When a fall of prices takes place in the interval, personal interest ceases to act, and what Bastiat called so aptly the mainspring of humanity ceases to operate.

Hence, the crisis under which industry suffers, and the alarming figures published by Mr. Giffen, for the board of trade, which note since 1866 a growing depression in England.

Hence, the contraction of English industry, the closing of workshops, and labor crises.

But why, one asks, was silver demonetized? The story would be amusing if it had not had such fatal consequences. Gold and silver had been in circulation more than two hundred years in a legal proportion of 15½ of silver to 1 of gold, and that legal proportion had given rise to a scandal: there were variations of value between the two metals.

During two hundred years variations were noted from a maximum of 15.92 to a minimum of 14.14: that is, a deviation of as much as 1.8. It was horrible! It was necessary to stop at once such an abuse. How was it done? Silver was deprived of the right of conversion into coin.

The variations went from a maximum of 24 to a minimum of 15.92; that is, a variation of 8 points, or more than four times as much as what was formerly complained of. The means employed recalls the famous Gribouille, who threw himself into the water to avoid being wet by the rain.

Adam Smith, the father of political economy, says, page 205:

From the high or low money price either of goods in general, or of corn in particular, we can infer only that the mines which at that time happened to supply the commercial world with gold and silver were fertile or barren.

Any rise in the money price of goods which proceeded altogether from the degradation of the value of silver would affect all sorts of goods equally, and raise their prices universally a third, or a fourth, or a fifth part higher, according as silver happened to lose a third, or a fourth, or a fifth part of its former value.

John Stuart Mill, in Principles of Political Economy, says, page 301:

The proposition which we have laid down respecting the dependence of general prices upon the quantity of money in circulation—

The author uses the word "quantity" rather than "quality"—

must be understood as applying only to a state of things in which money—that is, gold or silver—is the exclusive instrument of exchange, and actually passes from hand to hand at every purchase, credit, in any of its shapes, being unknown. When credit comes into play as a means of purchasing, distinct from money in hand, we shall hereafter find that the connection between prices and the amount of the circulating medium is much less direct and intimate, and that such connection as does exist no longer admits of so simple a mode of expression. But on a subject so full of complexity as that of currency and prices, it is necessary to lay the foundation of our theory in a thorough understanding of the most simple cases, which we shall always find lying as a groundwork or substratum under those which arise in practice. That an increase of the quantity of money raises prices, and a diminution lowers them, is the most elementary proposition in the theory of currency, and without it we should have no key to any other.

So, Mr. President, here is laid down a proposition, in direct contradiction of the argument made in this Senate Chamber that the contraction of the volume of money and putting a country upon a gold basis, will not have any effect upon the prices of property and labor. Again, he says:

If the whole money in circulation was doubled prices would double. If it was only increased one-fourth prices would rise one-fourth. The very same effect would be produced on prices if we suppose the goods (the uses for money) diminished instead of the money increased; and the contrary effect if the goods were increased or the money diminished. So that the value of money—all other things remaining the same—varies inversely as its quantity; every increase in quantity lowering its value and every diminution raising it in a ratio exactly equivalent.

Ricardo plainly says in regard to this question:

That commodities would rise and fall in price in proportion to the increase or diminution of money, I assume as a fact that is incontrovertible. That such would be the case, the most celebrated writers on political economy are agreed. * * * The value of money does not wholly depend upon its

absolute quantity, but on its quantity relative to the payments it has to accomplish, and the same effect would follow either of two causes, from increasing the uses for money one-tenth, or from diminishing its quantity one-tenth; for, in either case, its value would rise one-tenth.

William Stanley Jevons, professor of political economy and logic in Owen University, England, says:

I can not but agree with Mr. Macculoch, that, putting out of sight individual cases of hardship if such exist, a fall in the value of gold (increasing the quantity of money) must have, and, as I should say, has already a most powerful, beneficial effect. It loosens the country from the old bonds of debt and habit, as nothing else could. It throws increased rewards before all who are making and acquiring wealth, somewhat at the expense of those who are enjoying acquired wealth. It excites the active and skillful classes of the community to new exertions, and is, to some extent, like a discharge of his debts is to the bankrupt and insolvent long struggling against his burdens. All this is effected without the break of national good faith, which nothing could compensate.

In his work on Money and the Mechanism of Exchange, Prof. Jevons says, on page 338:

To decide how much money is needed by a nation, we must first determine the quantity of work which money has to do. This will be proportional, *caeteris paribus*, to the number of the population. Twice the number of people, if equally active in trade and performing it in the same way, will clearly want twice as much money. It will be proportional, again, to the activity of industry and to the complexity of its organization. The more goods are bought and sold, and the more often they pass from hand to hand, the more currency will be needed to move them. It will be proportional, again, to the prices of goods, and if gold falls in value and prices are raised, more money will be needed to pay the debts increased in normal amount.

Prof. Thompson, in his Political Economy, quotes from many eminent authors, as follows:

Mr. Ricardo (following Say and Torrens) also elaborated the theory of international exchanges, in connection with the notion that money is a purely passing instrument of exchanges, changing its purchasing power according to the amount of it that a country possesses. From this it was an inference that a drain of money from a country would either have no effect or would correct itself by so increasing the purchasing power of money in comparison with commodities as to make the country a bad place to sell in, but a good place to buy in.

Quoting Thomas Tooke, he says:

Hence new uses will be found for it when it is abundant, new avenues of commerce will be opened, new branches of industries will be essayed, until increased production finds employment for the increase of money. If money has increased, industry and trade are increased, and thus the tendency to depreciation is met and strongly counteracted.

Prof. Chevalier, of France, than whom no greater authority on money has ever lived, in speaking of the increase of money, says:

Such a change will benefit those who live by current labor and enterprise; it will injure those who live upon the fruits of past labor. In this respect it will work in the same direction with most of the developments which are brought about by that great law of civilization to which we give the noble name of progress. * * * It has been wisely said that there is no machine which economizes labor like money, and its adoption has been likened to the discovery of letters.

Prof. A. L. Perry, in his work on Political Economy, page 66, says:

Price is indeed only a case under the class values, but practically it becomes a very important thing in political economy, because the value of almost all exchangeable things is determined through price. So far as commodities, personal services, and claims are exchanged against each other directly without the intervention of money or the use of the denominations of money price plays no part though value does, but these cases are few and insignificant as compared with the whole. It is hardly necessary to add that price, though relative, is specific and not general, and consequently that there may be a general rise or fall of prices. If the money of a country becomes relatively more abundant than before, general prices will rise in that country for reasons already made apparent; and when money becomes less abundant prices will fall for corresponding reasons.

Mr. Fawcett, in his Hand Book of Finance, pages 146 to 148, says:

The decline of prices since 1872-'73 is explained by the increased value of gold. The first effect was to cause a collapse in "speculative securities"—viz, bonds of railroads, etc., which were based on the expectations of a continuance of high prices for commodities, or, in other words, a low value for gold. The losses which followed caused panic and a decrease in manufacturing industry and improvement enterprises. This diminished employment for labor and necessarily decreased the consumptive demand for all commodities. Theorists have been jangling for three years about the cause of the reaction which began in 1872-'73, and the decline of prices which has continued almost without interruption since. These causes are, however, not obscure. The progress of the physical sciences and of labor-saving inventions has undoubtedly had an important tendency to reduce the prices of nearly all manufactured articles and to a small extent also the value of raw materials. But the increased burden of debt, the increase of traffic (thus requiring a larger volume of the circulating medium), and the demonetization of silver have all contributed to increase the value of gold beyond its equitable value as a measure for values of commodities.

The era of golden debt, like the era of gold, has had its culmination, and the causes at work are now preparing the way for some new era in financial affairs which will, in all probability, be as unique as either of the two which have preceded it. No man can yet foresee what it is to be. It is, however, not difficult to distinguish a few tendencies that must operate toward the new development. The first of these is the decline in the rates of interest for money in order to reduce the burden of funded and mortgaged debt everywhere. This will be accomplished partly by the repudiation and complete loss of a very large portion of the existing volume of funded debts, and partly by the concentration of capital (seeking safety rather than high rates of interest), on a smaller amount of the debt. Another tendency that must continue is the necessity for supplementing the stock of gold in the world with the stock of silver, and a universal recognition of both metals as money at about the same relative values they maintained prior to the era of gold. Until these things are accomplished "prices" will continue to decline, and the commercial world will be in distress.

I read now from Alison's History of Europe. In speaking of a shrinkage of the volume of money, he says:

The evils complained of arose from the unavoidable result of a stationary currency, coexisting with a rapid increase in the numbers and transactions of mankind, and these were only aggravated by every addition made to the energies and productive powers of society. * * * But if an increase in the numbers and investings of men coexists with a diminution in the circulating medium by which their transactions are carried on, the most serious evils await society, and the whole relations of its different classes to each other will be speedily changed; and it is in that state of things that the saying proves true, that "the rich are every day growing richer and the poor poorer."

[At this point the honorable Senator yielded to Mr. DUBOIS.]

Mr. ALLEN. Mr. President, Henry Clay, during the debates on the subtreasury in 1840, made the following eloquent, truthful, and logical speech. It shows clearly that his great mind had grasped the idea that price, not only of products but of labor, depended upon the quantity of money in circulation:

The proposed substitution of an exclusive metallic currency to the mixed medium with which we have been so long familiar, is forbidden by the principles of eternal justice. Assuming the currency of the country to consist of two-thirds of paper and one of specie, and assuming also, that the money of a country, whatever may be its component parts, regulates all values, and expresses the true amount which the debtor has to pay his creditor, the effect of the change upon that relation and upon the property of the country would be most ruinous.

All property would be reduced in value to one-third of its present nominal amount, and every debtor would, in effect, have to pay three times as much as he had contracted for. The pressure of our foreign debt would be three times as great as it is, while the six hundred millions, which is about the sum now probably due to the banks from the people, would be multiplied into eighteen hundred millions! * * * Have gentlemen reflected upon the consequences of their system of depletion? I have already stated that the country is borne down by a weight of debt. If the currency be greatly diminished, as beyond all example it has been, how is this debt to be extinguished?

Right here, Mr. President, it is pertinent for us to inquire how it will be possible for us through a shrinking and falling volume of money to be able to discharge our obligations if this country goes upon a single gold basis, our volume of money is contracted, and debts made payable in gold?

Mr. Clay further said:

Property, the resource on which the debtor relied for his payment, will decline in value, and it may happen that a man who honestly contracted a debt, on the faith of property which had a value at the time fully adequate to warrant the debt, will find himself stripped of all his property, and his debt remain unextinguished.

Debts contracted, payable in lawful money, when gold and silver have been money from the organization of the Government down to the present moment, followed by a contraction of the currency—debts, I say, contracted under these circumstances, if they become eventually payable in gold, or gold equivalent, under a complete demonetization of silver, will produce the fall in prices and the ruin so vividly portrayed by Mr. Clay of Kentucky in this speech.

Certainly that is a condition of affairs among the people of this nation that any high-minded, patriotic man does not care to see. It is to prevent this condition, it is for the purpose of lightening their burdens as far as can be done through just legislation, that the friends of silver desire that this purchasing clause shall remain in the law until something better in the line of silver legislation is offered.

Continuing, Mr. Clay says:

The gentleman from Pennsylvania [Mr. Buchanan] has put the case of two nations, in one of which the amount of its currency shall be double what it is in the other, and, as he contends, the prices of all property will be double in the former nation of what they are in the latter. If this be true of two nations, it must be equally true of one, whose circulating medium is at one period double what it is at another. Now, as the friends of the bill argue, we have been and yet are in this inflated state; our currency has been double or in something like that proportion of what was necessary and we must come down to the lowest standard. Do they not perceive that inevitable ruin to thousands must be the inevitable consequence? A man, for example, owning property to the value of $5,000 contracts a debt for $5,000. By the reduction of one-half of the currency of the country his property in effect becomes reduced to the value of $2,500. But his debt undergoes no corresponding reduction. He gives up all his property and remains still in debt $2,500. Thus this measure will operate on the debtor class of the nation, always the weaker class, and that which for that reason most needs the protection of Government.

Mr. President, at this point allow me to give the effect of this contraction upon the interests of the agricultural classes. Let me suppose that we are under the present system of bimetallism and of miscellaneous currency, with probably a somewhat expanding, rather than contracting, volume of money. Let me suppose that I have earned $1,000. I take that money and invest it in a farm, borrowing $1,000 to put with it in purchasing the farm, giving a mortgage on my farm to secure the borrowed money.

Now, suppose, through some means, before that mortgage becomes due, which is ordinarily from five to seven years, the volume of money has contracted, so that the value of money is made double what it was when I purchased the farm, borrowed the money, and gave the mortgage. When I gave the mortgage, for instance, 1 bushel of wheat would pay $1. But when the time comes to pay the mortgage it takes 2 bushels of my wheat to pay

$1, or it takes two days of my work to pay $1, whereas 1 bushel of wheat or one day's work would have paid the $1 at the time the money was borrowed.

Now, under such a system as that, Mr. President, we all understand that prices fall, produce becomes comparatively worthless, and the slightest misfortune renders it impossible for the farmer to discharge his obligation. The time comes when the mortgage matures. The time comes in the history of that transaction when the farm, that was well worth $2,000 when it was bought, becomes scarcely security for the $1,000 mortgage that is against it. The time comes when a great many farmers, situated as I have described myself in the supposed case, can not meet and discharge their obligations.

What is the result? When the mortgagee calls for the payment of this debt it can not be met. The mortgage is foreclosed. The sheriff sells my farm. Now, I ask what has become of the honest money that I put into that transaction? By this robber system of contracting and doctoring the currency, by this system which stealthily comes into the humble homes of this nation and robs them of their prosperity, it has simply been merged in the $1,000 of the mortgagee and made it that much more powerful in the markets of the world. Then I step out with a loss of my money, and my property is gone.

I am not supposing a case that does not exist. I say there are thousands, even hundreds of thousands, of acres of some of the most magnificent portions of our domain that in the last few years have passed out of the hands of the people into the hands of loan and trust companies and corporations of different kinds. Hundreds of thousands of honest men and women have been driven out under the stars in consequence of this system of contraction.

Yet, Mr. President, we are invited to a feast of contraction again. We are invited to agree to continue to contract the volume of money, to strike down the purchasing power of silver, to cease using silver as money, excepting that which we have on hand and coined, and to return to gold values in everything, maintaining the parity, as it is said, of silver and gold, which means fixing a gold value on silver.

Mr. DOLPH. Will the Senator yield to me?

Mr. ALLEN. In a moment. We are invited to do this, and to make the condition of our countrymen a thousand fold worse in the future than it has been in the past.

Now, I yield to the Senator from Oregon.

Mr. DOLPH. Do I understand the Senator to say that we are asked to repeal any law by which silver is now being coined into standard dollars or into any other money? If the present law is to continue, it provides for an increase of the circulating medium.

Mr. BLACKBURN. Will the Senator from Nebraska allow me to answer?

Mr. ALLEN. Certainly.

Mr. BLACKBURN. I say that under the provision of the law known as the Sherman law of 1890, compulsory provision was made for the coinage of not less than two millions of standard silver dollars every month up to July 1, 1891.

Mr. DOLPH. Which time has passed.

Mr. BLACKBURN. Which time has passed. But I say that even that law, bad as you describe it, and bad as I admit it to be, at least left it discretionary with the Secretary of the Treasury after July 1, 1891, to go on with the coinage of silver bullion in sufficient amount to meet the Treasury notes that were issued against its deposit.

Mr. DOLPH. Is that discretion of the Treasury Department interfered with by the measure now before the Senate, so far as silver bullion is concerned?

Mr. BLACKBURN. With the permission of the Senator from Nebraska, I answer, and say yes; that that discretion is not only interfered with, but it is abrogated, and the pending bill professes to repeal that provision of the Bland-Allison law and put silver back under the operation of the demonetization law of 1873.

Mr. DOLPH. The Bland-Allison law was repealed when the act of 1890 was enacted.

Mr. BLACKBURN. And the repeal of the purchasing clause of the Sherman law remits us to the act of 1873, which discredited silver as money in this country.

Mr. DOLPH. The passage of this bill will simply repeal the purchasing clause of the Sherman act of 1890. It stops the further purchase of silver, but it does not demonetize the silver dollar.

Mr. BLACKBURN. No; it reënacts the demonetization act of 1873.

Mr. DOLPH. But it does not demonetize a single silver dollar.

Mr. BLACKBURN. Because the act of 1873 had already demonetized silver.

Mr. DOLPH. No; the act of 1873 did not demonetize a single silver dollar.

Mr. BLACKBURN. Did it not drop the standard silver dollar from the list of coins in this country?

Mr. DOLPH. It stopped the coinage, but it did not demonetize a dollar in circulation.

Mr. BLACKBURN. Precisely.

Mr. DOLPH. We have now over six hundred millions of silver, including bullion and notes, which have been issued by the Treasury on the bullion purchased. We have over $600,000,000 in circulation, and it is not proposed to demonetize a dollar of that sum.

Mr. BLACKBURN. Mr. President, the Senator from Oregon will not say that we carry in our circulation to-day $600,000,000 of silver money.

Mr. DOLPH. Including bullion in the Treasury.

Mr. BLACKBURN. That is not in circulation.

Mr. DOLPH. It is represented by Treasury notes, which are in circulation.

Mr. BLACKBURN. Which are paid in gold on demand.

Mr. DOLPH. Gold or silver, at the option of the Secretary of the Treasury.

Mr. BLACKBURN. Have they ever been paid in silver?

Mr. DOLPH. I can not say as to that.

Mr. BLACKBURN. I can.

Mr. DOLPH. They should have been paid in silver.

Mr. BLACKBURN. So I say, but they have not been.

Mr. DOLPH. Then we agree upon one thing.

Mr. BLACKBURN. Yes.

Mr. DOLPH. But what I was trying to ask the Senator from Nebraska was, what law have we now for an increase of the circulating medium? No law except the act of 1890, which provides for an issue of Treasury notes for the purchase of silver bullion. That is the only increase.

Mr. ALLEN. That is nearly $50,000,000 annually.

Mr. DOLPH. I understand that, and I admit it. I admit that the repeal of the purchasing clause of the act of 1890 will stop the increase of the circulating medium; and to that extent, unless there shall be some other provision made for increasing the circulating medium, the volume of currency will be contracted.

Mr. STEWART. I should like to ask the Senator from Oregon if there is any other way to stop purchasing silver except to repeal the Sherman law?

Mr. DOLPH. I think so.

Mr. STEWART. Any legal way?

Mr. DOLPH. I will not say any legal way. I think the amount required by law to be purchased by the Secretary of the Treasury has not been purchased during the last three or four months; and I should not be surprised to see the purchases suspended altogether.

Mr. STEWART. Do you think that would be right?

Mr. DOLPH. It would be as much right as it would be to suspend any part of them.

Mr. STEWART. Do you think it would be right to suspend any part of the purchases?

Mr. DOLPH. I leave that subject for the Senator to discuss.

Mr. STEWART. I should like to have the opinion of the Senator from Oregon.

Mr. DOLPH. I think that no executive officer, not even the President himself, has the right to suspend the operation of any law of Congress.

Mr. ALLEN. Mr. President, when the Senator from Oregon interrupted me to put a question, which was perfectly proper to be put and which I am glad he did put, I had asserted that the repeal of the purchasing clause of the Sherman act would be, in effect, demonetizing silver and producing a contraction of currency or the volume of money, whatever you see fit to call it, using those two expressions as synonymous. Let me answer the Senator. Under the Sherman act to-day there is issued, in round numbers, $50,000,000 annually of money, legal-tender notes redeemable in coin, gold or silver, at the option of the Secretary of the Treasury. Now, let me ask the Senator from Oregon if that does not increase the volume of money or the thing that performs the office of money in payment of debts?

Mr. DOLPH. Of course that is in circulation. I said that, and I admit that the currency will be contracted to that extent; yet the volume to be maintained will not be increased by that increase, if the measure now before the Senate should pass.

Mr. ALLEN. Let me ask the Senator from Oregon one more question. If you repeal the purchasing clause of the Sherman act and do not substitute anything, do you not stop the possibility of the coinage of more silver?

Mr. DOLPH. Not at all. The Secretary of the Treasury can proceed to coin all the silver bullion already in the Treasury.

Mr. ALLEN. I admit that, to the extent of 174,000,000 ounces.

Mr. DOLPH. Congress can provide for the use of the silver at any time.

Mr. ALLEN. Yes; Congress can "provide." There is the trouble. After you have coined the 174,000,000 ounces of bul-

lion in the Treasury Department then you stop the coinage of silver, and I say you stop the issuance of the $50,000,000 Treasury notes.

Mr. DOLPH. Do we not stop that if we repeal the Sherman act?

Mr. ALLEN. I admit that, Mr. President, and therefore when you stop the coinage of silver you not only stop the coinage, but you demonetize it or take the money power or function away from silver as a metal.

Mr. DOLPH. You can not demonetize a thing until it has been monetized.

Mr. ALLEN. I shall not stand here and split hairs with the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Nebraska has the floor.

Mr. ALLEN. The people of this country understand quite well that when you stop the coinage of silver, the volume of money stands still and we are deprived of the $50,000,000 of Treasury notes now annually issued; that while population and wealth are growing the volume of money is standing still; and that between the contraction of the volume of money on the one side and the increase of population on the other, the gap is growing wider and wider. The Senator understands that and the people understand it.

Mr. President, I return to the remarks of Mr. Clay. He said:

But if the effect of this hard-money policy upon the debtor class be injurious it is still more disastrous if possible on the laboring classes. Enterprise will be checked or stopped, employment will become difficult, and the poorer classes will be subject to the greatest privations and distresses. Heretofore it has been one of the pretensions and boasts of the dominant party that they sought to elevate the poor by depriving the rich of undue advantages. Now their policy is to reduce the wages of labor, and this is openly avowed.

This was in 1840.

And it is argued by them, that it is necessary to reduce the wages of American labor to the low standard of European labor, in order to enable the American manufacturer to enter into a successful competition with the European manufacturer in the sale of their respective fabrics.

My protectionist friends may find some consolation in this language.

Thus is this dominant party perpetually changing; one day cajoling the poor and fulminating against the rich, and the next, cajoling the rich and fulminating against the poor. It was but yesterday that we heard that all who were trading on borrowed capital ought to break. It was but yesterday we heard denounced the long established policy of the country by which it was alleged the poor were made poorer and the rich were made richer.

Mr. President, of all the subjects of national policy not one ought to be touched with so much delicacy as that of the wages, in other words the bread of the poor man. In dwelling, as I have often done, with inexpressible satisfaction upon the many advantages of our country, there is not one that has given me more delight than the high price of manual labor. There is not one which indicates more clearly the prosperity of the mass of the community.

In all the features of human society there are none, I think, which more decisively display the general welfare than a permanent high rate of wages and a permanent high rate of interest. Of course I do not mean those excessively high rates of temporary existence, which result from sudden and unexpected demands for labor or capital, and which may, and generally do, evince some unnatural and extraordinary state of things; but I mean a settled, steady, and durable high rate of wages of labor and interest upon money.

Such a state demonstrates activity and profit in all the departments of business. It proves that the employer can afford to give high wages to the laborer in consequence of the profits of his business, and the borrower high interest to the lender in consequence of the gain which he makes by the use of capital. On the contrary, in countries where business is dull and languishing and all the walks of society are full, the small profits that are made will not justify high interest or high wages.

Mr. President, in 1840 the same causes that are at work to-day producing distress to the American farmer and laborer were at work. The chief cause in producing the condition of affairs that we are witnessing to-day, namely, the contraction of the volume of money, was at work at that time. The result then was, as it is to-day, to shrink the price of property, the price of produce, and to deprive the honest laborers of work, making paupers and destroying homes. Yet to-day we are invited to take the same course that was taken then. We are invited to repeat the history of 1840 in this country.

They did not then undertake to abandon silver and gold, the money of the Constitution. The men who lived in this country in 1840 had some respect for the Constitution. It had not then become a mere bauble, to be kicked about by parties and to be respected or ignored as convenience might dictate. Notwithstanding they stood by the money of the Constitution (gold and silver), the volume was contracted, just as is attempted to-day to put us in the scandalous and the unenviable attitude of struggling with our labor and our property in the scramble for gold.

Mr. DOLPH. Will the Senator yield to me?

Mr. ALLEN. Certainly; cheerfully.

Mr. DOLPH. Does the Senator dispute the proposition that there is more money in circulation to-day in the United States per capita than ever before?

Mr. ALLEN. Oh, yes; I dispute it seriously.

Mr. DOLPH. Then the Senator disputes the reports of the Secretary of the Treasury on that subject, which are issued from time to time.

Mr. ALLEN. No; so far as the Secretaries tell the truth I do not dispute them.

Mr. DOLPH. Does the Senator dispute what the Secretary of the Treasury does say, that we now have in circulation over $25 per capita for all the population of the United States?

Mr. ALLEN. No; I do not dispute that in the sense in which the terms are used by the Secretary.

Mr. DOLPH. Do you dispute the fact that the circulation per capita is larger than it ever has been before?

Mr. ALLEN. I do.

Mr. DOLPH. Then the Senator disputes the reports which the Secretaries of the Treasury have issued from time to time.

Mr. ALLEN. It does not make any difference whether I do or not.

Mr. DOLPH. I merely wanted to know the fact.

Mr. ALLEN. I dispute that the volume of per capita circulation in this country is greater to-day than it has ever been. It is surprising to me that my friend from Oregon, who has been here ten or twelve years in the public service, does not understand that to be true. In 1865 there were over $47 per capita in circulation in this country.

Mr. PEFFER. Fifty-two dollars.

Mr. ALLEN. Fifty-two dollars, my friend from Kansas says.

Mr. DOLPH. I dispute that proposition.

Mr. ALLEN. Does the Senator from Oregon dispute that the sun is shining?

Mr. DOLPH. Yes, I do to-night. [Laughter.] The Senator mistakes gaslight for sunlight, and that is what he has done in regard to currency.

Mr. ALLEN. In 1865, if the Senator from Oregon will read the history of his country, he will find that there were $47 per capita, and my friend from Kansas [Mr. PEFFER] says, $52; but it was not what the Senator from Oregon or the Secretary of the Treasury calls money. That is the trouble. It was made up of a variety of evidences of debt in the form of certificates of indebtedness and 7-30 notes, etc. All these were in circulation. Although I am a younger man than the Senator from Oregon, I know from ocular evidence that the smaller bonds were in circulation among the people, and passed current and were used as money. Now, I ask the Senator from Oregon if, counting all these things as money that I have enumerated——

Mr. DOLPH. But they were not.

Mr. ALLEN. I ask him if the volume of money, counting those, was not greater than it is to-day?

Mr. DOLPH. I say that the interest-bearing obligations of the Government were not money. They did not perform the office of money.

Mr. ALLEN. Mr. President, we all know that they did perform the office of money, were used as a medium of exchange until they eventually were called in, and over $1,000,000,000 were burned between 1866 and 1873; they were burned up until Congress was compelled to pass the act of 1874 to prevent the destruction of greenbacks, and fix them at their present volume of $346,000,000 in round numbers. Your Secretary of the Treasury, Mr. McCulloch, was destroying the money of the people.

Mr. DOLPH. I was not talking about greenbacks.

Mr. ALLEN. Oh, no; you think they are not money.

Mr. DOLPH. They have always been money, or performed the function of money.

Mr. ALLEN. Now, does the Senator from Oregon dispute that, taking these small bonds, I speak of, the evidences of indebtedness I have mentioned, with the bank currency and all of the various forms of currency, we did not have more than $25 per capita.

Mr. DOLPH. I have stated to the Senator that what he calls currency and money was not money, in any sense of the term, and did not perform that function.

Mr. ALLEN. There is the trouble. Prof. Walker, who is "a gold bug," says that whatever performs the money function is the money thing; that whatever performs its office is money. So some of the principal writers, sustaining the view the Senator from Oregon upholds, give utterance to the same great truth, that the thing which performs the office of money is money for all purposes. The Senator from Oregon admits that in 1865, calling the things money which I have enumerated, we had a per capita circulation almost twice as large as we have to-day.

Mr. PEFFER rose.

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Kansas?

Mr. ALLEN. Certainly.

Mr. PEFFER. With the permission of the Senator from Nebraska, I should like to set this matter right. I have in my hand the finance report of the Secretary of the Treasury for 1866. On page 25 I find a statement of the public debt of the country at that time. It is divided into two parts, bonds and notes. The amount

of bonds given is $1,210,221,300. Then there are two classes of bonds due, one in 1867 and the other in 1868, amounting together to about $18,000,000. Then come the different classes of notes which were in circulation as currency. Upon that point, of course, the Senator from Oregon will differ with me; but of that in a moment. There were compound-interest notes due in 1867 and 1868 amounting to $159,012,140.

Mr. DOLPH. They are notes that bore interest and the interest was compounded, I suppose?

Mr. PEFFER. Of the 7.30 Treasury notes due in 1867 and 1868 there were $806,251,550.

Mr. DOLPH. They were interest-bearing obligations, were they not?

Mr. PEFFER. Then there were other bonds past due and not presented, Texas indemnity bonds, etc., $559,000; of bonds, Treasury notes, etc., past due and not presented, $3,815,675.80. Then there were temporary loans, ten days' notice, $120,176,196.65; certificates of indebtedness past due and not presented, $26,391,000; then there were United States notes, commonly called greenbacks, $400,891,368; fractional currency, $27,070,876.96; gold certificates of deposit, $10,713,180, making a total of bonds and notes of $2,783,425,871.21.

The following is a statement of the public debt, June 30, 1866, exclusive of cash in the Treasury:

Bonds, 10-40's 5 per cent, due in 1904	$171,219,100.00
Bonds, Pacific railroad, 6 per cent, due in 1895 and 1896	6,042,000.00
Bonds, 5-20's 6 per cent, due in 1882, 1884, and 1885	722,205,500.00
Bonds, 6 per cent, due in 1881	265,317,700.00
Bonds, 6 per cent, due in 1880	18,415,000.00
Bonds, 5 per cent, due in 1874	20,000,000.00
Bonds, 5 per cent, due in 1871	7,022,000.00
	1,210,221,300.00
Bonds, 6 per cent, due in 1868	8,908,341.80
Bonds, 6 per cent, due in 1867	9,415,250.00
Compound-interest notes, due in 1867 and 1868	159,012,140.00
7.30 Treasury notes, due in 1867 and 1868	806,251,550.00
	983,587,281.80
Bonds, Texas indemnity, past due, not presented	559,000.00
Bonds, Treasury notes, etc., past due, not presented	3,815,675.80
	4,377,675.80
Temporary loan, ten days' notice	120,176,196.65
Certificates of indebtedness, past due, not presented	26,391,000.00
	146,567,096.65
United States notes	400,891,368.00
Fractional currency	27,070,876.96
Gold certificates of deposit	10,713,180.00
	438,675,424.96
Total	2,783,425,879.21

By turning over to page 168 of the same report, I find a recapitulation of the outstanding United States notes and fractional currency, which are described as not now used for circulation, and I will repeat them:

Demand notes redeemable in coin	$288,121
One-year 5 per cent notes	2,151,287
Two-year 5 per cent notes	5,209,335
Two-year 5 per cent coupon notes	1,078,550
Three-year compound-interest notes	172,369,511
Making a total of	181,096,804

Of notes that had been withdrawn and held in abeyance, as it were, and reported as "not now used for circulation." These different classes of notes, five of which I have enumerated, were all used for circulation, but at that time were in the Treasury and were not being sent out.

On page 164 I find this language:

Currency—

That is to say, paper notes of the Government that had been used as money and called very properly currency—

Currency has been retired, counted, and destroyed during the fiscal year, as follows:

Old issue demand notes	$200,440.75
New issue legal-tender notes	6,764,370.65
One-year 5 per cent notes	6,316,104.50
Two-year 5 per cent notes	2,506,427.50
Two-year 5 per cent coupon notes	33,383,097.50
Six per cent compound-interest notes	81,246,822.50
Gold certificates	64,913,800.00
First issue fractional currency	2,897,307.88
Second issue fractional currency	7,596,479.78
Third issue fractional currency	5,414,844.49
Discounted on above for mutilations	17,813.35
Total	211,239,515.41

If we put the $181,000,000, in round numbers, on page 168 of the report, with the $211,000,000, on page 164, we have nearly $400,000,000. Add that to the amount of notes still outstanding at the end of the year, which was $1,500,000,000, or about that, and we have $1,900,000,000 of notes of different kinds, which were then in circulation as currency. Add to that the $170,000,000, or thereabouts, of national-bank notes, and we have a total of nearly $2,100,000,000 of paper money then outstanding among the people. Divide that by the population, and you will find that it amounts to a trifle over $52 per capita.

Then, if the Senator from Oregon will take up the report for 1869, which I do not happen to have here, on page 244 he will find a recapitulation under the head of all the different kinds of Government paper that had at any time been issued and circulated and used as money, he will find the 7.30 notes, compound interest notes, demand notes, and all of the different classes of notes to which I have referred here.

Then, if the Senator will take up the report of 1869, and look at the statements in very small type on some of the pages he will find a description of the 7.30 notes, the compound interest notes, and all the other different classes which had been issued and were made legal tender.

So I think there can be no question about these different classes of notes having been out and circulating as money.

As I have repeatedly said, in my humble opinion, the Treasury Department, from 1869 to the present time, has been purposely—I use the word "purposely," and if it is any more forceful I will say "willfully and knowingly"—deceiving the people in reference to this matter.

Mr. KYLE. Is it not true that John Jay Knox, once Comptroller of the Currency, regarded the 7.30 notes as money?

Mr. PEFFER. They were so accepted by all the Secretaries of the Treasury until 1870.

Mr. KYLE. I should like to state to the Senator from Nebraska, with his permission, that he is occupying no very unusual ground in making the statement he has just now made in relation to the circulation of the 7.30 notes. He is occupying the position formerly occupied by the Republican party itself and by one of the most prominent Republican journals.

I have before me a statement of one of the most prominent journals of the United States, the Chicago Inter Ocean. Let me give a statement made in that paper for 1865. The author gives the currency of the country as $1,651,282,373; population 34,819,581, and the per capita circulation $47.42.

I will now supplement this by the Inter Ocean's report of the per capita amount of currency for each succeeding year down to 1877:

The volume of currency was for—		The volume of currency was for—	
1866	$50.76	1872	$17.00
1867	36.68	1873	17.48
1868	22.05	1874	17.89
1869	19.80	1875	17.35
1870	19.20	1876	15.89
1871	18.47	1877	14.40

In the same connection, the Inter Ocean makes this remark in regard to the circulation of the 7.30 notes:

The 7.30 three-year notes, whose circulation as currency is most scouted, were outstanding on the 1st of September, 1865, to the amount of $830,000,000, every dollar of which was legal tender for its face value under the terms of the law "to the same extent as United States notes."

That is Republican authority. Further, touching the point of the amount of the present circulation, I am not disposed to dispute the statement of the present Secretary of the Treasury or any previous Secretary of the Treasury, but I have a statement made, by one whom I consider one of the best authorities upon the Republican side of this Chamber, in late years and that is the late lamented Senator Plumb. In his speech upon this floor in June, 1890, he makes this very remarkable statement, which I hope the Senator from Oregon will consider:

Let us see, therefore, how much money is available for actual use among the people. From the total of $1,550,000,000, arrived at as above, must be first deducted an average of $260,000,000, which the Treasury always keeps on hand, and about which something has heretofore been said in the debate on this bill. That leaves as the maximum which by any possibility can be used $1,300,000,000.

There ought, in fairness, to be deducted from this $150,000,000, error in estimate of gold in the country, which would reduce the money outside the Treasury to $1,150,000,000. From this is to be subtracted the $700,000,000 kept as a reserve (in the banks), as before computed, leaving a balance of but $550,000,000 which is available for delivery or other use in the transactions of the business of all the people, or a trifle over $8 per capita. But the force of my argument is not materially weakened by conceding the gold coin to be as estimated by the Treasury Department, which would leave in actual circulation $700,000,000. In order to make up this amount all doubt must be resolved in favor of the Treasury and against the people, both the doubt as to the lost and destroyed notes and that as to the gold supply. If I was deciding this case upon what I consider the best evidence, I would be bound to say that I believed the money in actual circulation did not much, if at all, exceed $500,000,000.

This, I believe, has been followed out by the statements of other prominent Republicans on this floor. The Senator from Oregon, therefore, is not combating the present statement of the Senator from Nebraska, but the statements of the ablest financiers we have in this nation to-day.

Mr. DOLPH. Will the Senator from Nebraska yield to me now. I think as the trio have got after me on this question I am entitled to reply.

Mr. ALLEN. I yield to the Senator from Oregon with pleasure.

Mr. DOLPH. Mr. President, it does not take a financier to understand that a note bearing interest or compound interest ceases to circulate as money the moment the interest accrues upon it. As soon as there is a half year's interest or a quarter year's interest on such a note it would be kept in the vaults of the bank, and it would not perform the functions of money. As a matter of fact, these notes did not perform the functions of money.

As far as the newspapers are concerned, if the statement which has been read by the Senator from South Dakota is better authority than the report of the Secretary of the Treasury, then I will have to give up this proposition or any other which may be mooted. The Senator might get up and assert that this body had outlived its usefulness, is obstructing the necessary measures upon which the prosperity of the country depends, and should be abolished. The Senator from South Dakota can prove that assertion by any number of newspapers in the United States.

Mr. KYLE. We do not have to refer to the Chicago Inter-Ocean; we can refer to other prominent Republican newspapers and magazines; we can refer also to the Secretary of the Treasury before the year 1869, and to the Comptroller of the Currency before that time.

Mr. DOLPH. I do not think so.

Mr. KYLE. And they understand the question quite as well as the Senator from Oregon.

Mr. DOLPH. If the Senator will read the reports of the Secretaries of the Treasury and then put his own construction upon those reports, he can make out to his satisfaction that a certain set of facts exists. That is what I object to.

Mr. ALLEN. The Senator from Oregon will certainly not ignore current history.

Mr. DOLPH. The difference between myself and the Senators who assert that our per capita circulation has been so large in previous years, is that they assert certain notes have performed the function of money, which I think did not.

If the Senator is going to prove by the statements of Senators on this floor any proposition in regard to the currency, or in regard to almost anything else under the sun, he can do it. What proposition in regard to the currency can not be proved by the utterances of Senators on this floor in the last six weeks? Certainly the most absurd propositions in regard to the amount of circulation, the office of money, and the fundamental principles in regard to money and in regard to the use of gold and silver have been asserted.

I do not care to continue this discussion. I should have gone out and got the statement of the predecessor of the present Secretary of the Treasury to show the precise per capita circulation in this country during a series of years, but I wanted to hear what Senators had to say. I did not wish to be discourteous to them. I shall endeavor to procure that document, and will let the Secretary of the Treasury determine which is right, the Senator from Nebraska or myself.

Mr. ALLEN. I hope the Senator from Oregon will not run away from this contest. I think if he continues to inquire——

Mr. DOLPH. I think I have the statement now. Will the Senator allow me to have it read at the desk?

Mr. ALLEN. Certainly. The Senator, however, is quoting from a scratch book.

Mr. DOLPH. I know; but I am quoting what I assert to be an extract clipped from the report of the Secretary of the Treasury.

Mr. ALLEN. The same as the newspaper the Senator from South Dakota quoted from.

Mr. DOLPH. I ask that the paper which I send to the desk may be read.

The VICE-PRESIDENT. The Secretary will read as requested, in the absence of objection.

The Secretary read as follows:

Third. Upon the subject of the amount of money in circulation I submit the following table prepared by the Treasury Department:

Amounts of money in the United States, and in circulation, on July 1 of each year from 1860 to 1892, inclusive.

July 1—	Amount of money in United States.	Amount in circulation.	Population June 1.	Money per capita.	Circulation per capita.
1860	$442,102,477	$435,407,252	31,443,321	$14.06	$13.85
1861	452,005,767	448,405,767	32,064,000	14.09	13.98
1862	358,452,079	534,697,744	32,704,000	10.96	10.23
1863	674,867,283	595,394,038	33,365,000	20.23	17.84
1864	705,588,067	669,641,478	34,046,000	20.72	19.67
1865	770,129,755	714,702,995	34,748,000	22.16	20.57
1866	754,327,254	673,488,244	35,469,000	21.27	18.99
1867	728,200,612	661,992,062	36,211,000	20.11	18.28
1868	716,553,578	680,103,661	36,973,000	19.38	18.39
1869	715,351,180	664,452,891	37,756,000	18.95	17.60
1870	722,898,461	675,212,794	38,558,371	18.73	17.50
1871	741,812,174	715,889,005	39,555,000	18.75	18.10
1872	762,721,595	738,309,549	40,596,000	18.70	18.19
1873	774,445,610	751,881,809	41,667,000	18.58	18.04
1874	806,024,781	776,083,031	42,796,000	18.83	18.13
1875	798,273,509	754,101,947	43,951,000	18.16	17.16
1876	790,683,284	727,609,388	45,137,000	17.52	16.12
1877	763,053,847	722,314,803	46,353,000	16.46	15.58
1878	791,253,576	729,132,634	47,598,000	16.62	15.32
1879	1,051,521,541	818,631,793	48,866,000	21.52	16.75
1880	1,205,929,197	973,382,228	50,155,783	24.04	19.41
1881	1,408,541,823	1,114,238,119	51,316,000	27.41	21.71
1882	1,480,531,719	1,174,290,419	52,495,000	28.20	22.37
1883	1,643,489,816	1,230,305,096	53,693,000	30.60	22.91
1884	1,705,454,189	1,243,925,969	54,911,000	31.06	22.65
1885	1,817,658,336	1,292,568,615	56,148,000	32.37	23.02
1886	1,808,559,694	1,252,709,525	57,404,000	31.50	21.82
1887	1,900,442,672	1,317,539,143	58,680,000	32.39	22.45
1888	2,002,955,949	1,372,170,870	59,974,000	34.39	22.88
1889	2,075,350,711	1,380,361,649	61,289,000	33.86	22.52
1890	2,144,225,159	1,429,251,270	62,622,250	34.24	22.82
1891	2,195,224,075	1,497,440,707	63,975,000	34.31	23.41
1892	2,372,599,501	1,601,347,187	65,520,000	36.21	24.44

Amounts of money in the United States and in circulation, etc.—Continued.

NOTE.—The difference between the amount of money in the country and the amount in circulation represents the money in the Treasury.

Mr. DOLPH. Will the Senator from Nebraska yield to me just a moment?

Mr. ALLEN. Certainly.

Mr. DOLPH. The Senator will see that in 1873, when the discontinuance of the coinage of the standard dollar was made, the per capita circulation, according to this report, was $18.04, and that it has gradually increased every year from that time until 1892, when it was $24.44 per capita. That is money in circulation. I will state that during the years 1861, 1862, 1863, and 1864 the money of the United States was only circulating in the States that were still in the Union. It did not circulate in the States that had seceded; and, therefore, taking that into consideration, there has been a remarkable uniformity, with a slight increase every year, since 1860.

In regard to the notes which the Senator would include among our circulation, the truth is that they were not put out to pay the debt of the Government like the legal-tender notes. I understand that with the exception of a few that officers and soldiers in the Army were allowed to take, they were sold by the fiscal agents of the Government just like the bonds, and performed the same office; that they did not really circulate any more than the bonds, and were immediately retired from circulation.

Mr. PEFFER. With the consent of the Senator from Nebraska——

The VICE-PRESIDENT. Does the Senator from Nebraska yield to the Senator from Kansas?

Mr. ALLEN. Yes, sir.

Mr. PEFFER. I think this is a good time to set this matter right. In the first place I desire to call the attention of the Senator from Oregon and of all other Senators present to the fact that in the statement which has been read purporting to have come from the Secretary of the Treasury (and I do not doubt but that it came from that source) the Secretary counts as money not only the silver certificates which are in circulation among the people, but also the silver dollars in the Treasury which are covered or represented by the certificates. It is the same in relation to the gold certificates, so that perhaps about $600,000,000 are doubled in the report. The truth is that the only money which can be properly called money, that which is acting singly, is now between $1,500,000,000 and $1,600,000,000, and not $2,100,000,000 as the report of the Secretary shows.

I wish to call the attention of the Senator from Oregon, and other Senators as well, to a matter which I find on pages 40 and 42 of the Finance Report for 1866, giving an abstract of the different acts of Congress authorizing the issue of papers which enter into the circulation of the country. I hope the Senator from Oregon will give me his attention, for I have found repeatedly in this Chamber when I have called attention to these facts that about the only response I receive is a smile, as much as to say, Is it possible that the Senator from Kansas does not know any better? Perhaps that is the case, but I have, ignorantly or otherwise, followed the acts of Congress and the reports of the Secretary of the Treasury.

Mr. DOLPH. I do not understand the Senator's proposition. Will he repeat it? My attention was diverted for a moment.

Mr. PEFFER. Now that I have the Senator's attention, I will state that in the act of June 30, 1861, there was a large number of Treasury notes, 7.30 notes, provided for; and the Senator will find that in the act it is provided that they shall be a legal tender to the same extent as United States notes for their face

value excluding interest, and may be paid to any creditor of the United States at their face value, etc. What does the language that they shall be a legal tender mean if it does not mean—the Senator can answer me after I get through; I wish to take up all this matter at once so that it will be connected—I ask what such language means if it does not mean what the Secretary of the Treasury in his report, I believe for 1864, stated it means, that the 7.30 notes were prepared and issued as a kind of security circulation, so that there would be a double incentive to their circulation; that they should draw interest, and to that extent persons would accept them instead and in place of the United States notes or the greenbacks?

I find on page 43, and also on page 25, that there were outstanding at the end of the fiscal year 1866 $159,000,000, in round numbers, of that particular issue of currency. Then I find that, in the act of March 3, 1863, Treasury notes to the amount of $400,000,000 were authorized; and I find in the same act that they were made a legal tender for their face value, excluding interest. I find that of those notes $120,176,196 were reported as being in circulation at the end of the fiscal year 1866.

Now, turning to the report of the Treasurer, F. E. Spinner, who knew as much about this matter as any other man in this country, I find that, on page 244, Mr. Spinner gives a recapitulation, and I will read it.

Mr. HOAR. Will the Senator before he begins to read point out where those notes are reported as being in circulation?

Mr. PEFFER. Yes, sir; right here. (Indicating).

Mr. HOAR. Now, if the Senator will pardon me——

Mr. PEFFER. I ask the Senator not to interrupt me just at this moment.

Mr. HOAR. A very erroneous impression is made by what the Senator has stated.

Mr. PEFFER. I will come back to it in a moment. On page 244, under a subheading "Outstanding Circulation", I find these words:

Recapitulation of all kinds of Government papers that were issued as money, or that were ever in any way used as a circulating medium, and that remained outstanding and unpaid on the 30th day of June, in the year 1869.

I will read the different classes of notes without giving the figures showing the amounts. Seven and three-tenths notes; that is to say, the 7-30 notes, old issue; 7-30 notes, new issue; temporary loan certificates; certificates of indebtedness; 6 per cent compound interest notes; gold certificates; 3 per cent certificates; old two-year 6 per cent notes; one-year 5 per cent notes; two-year 5 per cent notes; two-year 5 per cent coupon notes; demand notes, payable in gold; legal-tender notes; fractional currency, first series; fractional currency, second series; fractional currency, third series. Then he adds the discount on mutilated currency, making a total of $475,679,033.57 of those different classes of papers which were issued and used for currency during the war still outstanding at the end of the fiscal year 1869.

Mr. ALLEN. The trouble with the Senator from Oregon——

Mr. HOAR. The Senator from Kansas said he would go back to his first statement. As I understand the volume from which he has read, the phrase which the Senator used, doubtless by an inadvertence, does not occur in it. It is not stated that there is so much currency or so much circulation. It is an account of the indebtedness of the United States. When the seven-thirties; which were made face value without interest, had any interest accumulating they could not be made a legal tender without the loss of the interest, and therefore they ceased to be legal tender, ceased to be in circulation, and are properly enumerated as the report enumerates them as indebtedness not in circulation at the time.

Mr. PEFFER. That is the way I intended to give them.

Mr. HOAR. The Senator said in circulation, but doubtless inadvertently.

Mr. PEFFER. I stated what the record shows, the amount of those particular notes still outstanding. Then I referred to the reports on pages 25, 164, and 168, showing that these different classes of paper, as they are termed, had been used among the people as a circulating medium.

I have not said, neither do any of us intend to say, that they were issued originally upon the same plan and with the same object in view to the full extent that the greenbacks were issued, because they were limited to an issue of $400,000,000; but it was found that there was a necessity for a further circulation, a temporary circulation.

The greenbacks were intended for a permanent circulation, but in the midst of a great war there was a need for a greater circulating medium; so there were a great many different shifts and devices resorted to in order to provide circulation, and one of them was these compound-interest notes, one of them was demand notes, one of them 7-30 Treasury notes, and two-year notes, and three-year notes, and so on, and then as a summing up, at the end of the year 1869, after about $1,300,000,000 of this paper currency had been withdrawn from circulation, there was still outstanding $475,000,000, including the greenback circulation that was still out, showing that there were, if I remember correctly, over a hundred million dollars of this kind of paper money in circulation. The Treasurer, Mr. Spinner, who had charge of the entire transaction, the receipt and disbursement of all of this currency, gives it plainly over his own signature that these different classes of paper were used as money at one time or another during the period of their existence.

Mr. DOLPH. If the Senator from Nebraska will allow me, some Senator sitting near me stated that the Senator from Kansas said that silver dollars and silver certificates, and I think gold dollars and gold certificates, were both counted in the current statements of the condition of the Treasury.

Mr. PEFFER. Yes.

Mr. DOLPH. To swell the amount?

Mr. PEFFER. Yes.

Mr. DOLPH. I think the Senator is clearly mistaken about that.

Mr. PEFFER. I think I can show the Senator I am not.

Mr. ALLEN. Let me ask the Senator from Oregon if it is not true that the silver bullion was counted at its commercial value?

Mr. DOLPH. It is not used in the statements. The Treasury notes are used, and very properly, because they are money; but the Senator from Kansas is certainly mistaken in stating that in the current statements of the condition of the Treasury both gold and silver certificates and gold and silver coin deposited when certificates were issued are counted as cash in the Treasury or as money. I hold in my hand the statement for September 1, 1893, which is as follows, as far as gold and silver coin are concerned: Gold coin, general stock coined or issued, $547,516,035; in the Treasury, $78,019,667; amount in circulation September 1, $469,466,368; amount in circulation September 1, 1892, $411,154,411; standard silver dollars, general stock coined or issued, $419,332,450; in the Treasury, $357,677,820; amount in circulation September 1, 1893, $61.654,630. The Senator is certainly mistaken in the statement he makes as to both coin and certificates being counted.

Mr. PEFFER. If the Senator will consult the Statistical Abstract of the United States for 1892, at page 29, he will find a full statement of this whole matter. I will give him the book in a moment. He will find the amount of United States notes and the national-bank notes. There is no fractional currency, and there are no State bank notes. He will find that the total circulation is $1,601,347,187. That includes the silver certificates.

Mr. DOLPH. What amount?

Mr. PEFFER. All that are out.

Mr. DOLPH. What is the amount?

Mr. PEFFER. Three hundred and thirty-one million six hundred and four thousand three hundred and four dollars.

Mr. DOLPH. Exactly; and how much silver coin?

Mr. PEFFER. Silver dollars in the Treasury and in circulation.

Mr. DOLPH. And in circulation.

Mr. PEFFER. Four hundred and ninety-one million fifty-seven thousand five hundred dollars.

Mr. DOLPH. Exactly. That is not counted in making up the gross amount of money in circulation.

Mr. PEFFER. That is just what I say; it ought not to be counted, because it is covered by certificates.

Mr. DOLPH. I was told the Senator said it was.

Mr. PEFFER. The statement that was read from the desk puts the total of money at $2,303,000,000, when in truth it is only $1,600,000,000. That is the point I made, and if I have not proved it I am mistaken.

Mr. DOLPH. I desire to make one further suggestion which ought to go into this discussion. I have already stated the fact that during the years 1861, 1862, 1863, and 1864 the population which was accommodated by this circulation was decreased by reason of the secession of certain Southern States, and United States currency was not used in those States. Another fact must be taken into consideration: All our currency was depreciated. Our circulation was mainly legal-tender notes which were worth much less than par, and it took a larger amount of depreciated money than of the present currency to accommodate a given number of people.

Mr. STEWART. I should like to ask the Senator from Oregon one question.

Mr. DOLPH. I am occupying the time of the Senator from Nebraska.

Mr. ALLEN. All right.

Mr. STEWART. Does the Senator think we have too much circulation now?

Mr. DOLPH. Oh no, I do not think so.

Mr. STEWART. The Senator does not think we have too much?

Mr. DOLPH. No. Does the Senator from Nevada?

Mr. STEWART. I do not.

Mr. DOLPH. Then we agree upon that point.

Mr. STEWART. Does not the Senator think we ought to have some more as our population increases?

Mr. DOLPH. I think the circulating medium ought to be increased as the population increases.

Mr. STEWART. How would the Senator increase it?

Mr. DOLPH. I am not prepared to submit a plan now. I am in the minority. Let the majority do that.

Mr. STEWART. Has the Senator any idea how we could get a larger circulation?

Mr. DOLPH. There are a good many ways. I do not propose to interrupt the Senator from Nebraska to go on and make a suggestion as to a financial plan. That is for the Administration to do.

Mr. ALLEN. I will yield to the Senator from Oregon ample time to answer the question. The trouble with the Senator from Oregon is that he is contending all the while that the per capita circulation was smaller than I have stated it to be, and he does not admit that any of the notes and certificates and evidences of indebtedness which I have described were any portion of the volume of money in circulation in 1865.

Mr. DOLPH. No, the law read by the Senator from Kansas is to the effect that they were legal tender for the face, not including interest. Suppose half a year's interest accrued, three cents and a half on every dollar, is it likely that they would be circulating, that people would pay debts with them when they could pay with currency and sell those notes at a profit for currency? They were just as much the obligation of the Government as bonds, and they were not in circulation when worth more than the face.

Mr. ALLEN. It is known that these notes were in circulation, and it is true that many of them were bought up and used for banking purposes, but they simply went into the banks and put into circulation other money and currency that was used so that the total volume of money was just as great whether they eventually went out of the hands of the people as if they had remained in circulation. It was the contraction of that volume of currency, embracing all of the different items I have mentioned, that started the decline of prices and the decline of products in this country.

But the trouble with the Senator from Oregon, the trouble with the Secretary of the Treasury, the trouble with gentlemen dealing with this question is they will not let the people of this country know the truth about it. When they come to make up their calculations as to the amount of money in circulation and the per capita, they exclude all these items, Senators in this Chamber know were actually used as money in 1865 and for some time afterward. There is the trouble. It is a suppression of the truth, which is as bad as the expression of a falsehood. It is because Senators will not talk out plainly, because the Secretary of the Treasury will not tell the people the truth about this matter that there is so much higgling and questioning about per capita circulation. The truth is it was over $47 per capita, as proved by the Senator from Kansas. According to the report from which he read, it amounted to more than that up to the close of the war.

Mr. ALDRICH. Will the Senator allow me to interrupt him for just a moment?

Mr. ALLEN. I ask the Senator to wait a moment until I finish with the Senator from Oregon. At the close of the war something like 11,000,000 people more were to be supplied with the same volume of money. That, of itself, caused a less per capita sum of money; and in addition to that, as was declared by Gen. John A. Logan in the lower House in 1874, as found in the CONGRESSIONAL RECORD of that year, on page 139, the circulating medium was actually contracted $1,018,167,784 by the process of calling in this paper, and absolutely destroying it and taking it out of circulation.

Now I will yield to the Senator from Rhode Island.

Mr. ALDRICH. It may seem intrusive to take the Senator's time to answer a statement made by the Senator from Kansas, but I trust the Senator will be courteous enough to allow me to say just a word in regard to that point.

Mr. ALLEN. Certainly.

Mr. ALDRICH. The Senator from Kansas made a statement which, if it were true, would be a serious indictment of the Treasury Department and of the statistics which that Department sent to the Senate. He stated that in the published reports showing the per capita circulation of the United States both silver certificates and silver dollars against which the silver certificates were issued were counted. I hold in my hand the statement to which the Senator referred.

Mr. PEFFER. I referred to the statement made here.

Mr. ALDRICH. Which was read at the Clerk's desk?

Mr. PEFFER. Yes.

Mr. ALDRICH. This statement shows that in 1892 the total amount of money in the United States was a trifle over $2,000,000,000; amount in circulation, $1,601,000,000; per capita circulation, $24.41. In the amount in circulation the silver certificates and the silver dollars are not both included, as will appear from the detailed statement which I have here.

Mr. PEFFER. Now, will the Secretary please read again what he read a few moments ago?

Mr. ALDRICH. I have it in my hands.

Mr. PEFFER. Just read the statement for 1892.

Mr. ALDRICH. Eighteen hundred and ninety-two: Amount of money in the United States, $2,372,000,000; amount in circulation, $1,601,347,167; circulation per capita, $24.41. It shows that the Senator was mistaken, and I thought the matter of enough importance to call the attention of the Senate to the fact.

Mr. PEFFER. That is all right.

Mr. ALLEN. The Senator from Rhode Island will, I think, agree with me that the reports of the Treasury Department are very unsafe guides sometimes.

Mr. ALDRICH. I do not agree with the Senator at all upon that subject. They are not unsafe guides if they are properly understood.

Mr. ALLEN. In 1892 the Secretary of the Treasury gave the per capita circulation of this country at $25.38. The very last report in the Harrison Administration, made, I think, some time in February of the present year, gave the circulation at $25.38; and in less than sixty days from that time the Cleveland Administration put it down to something like $23. I will not undertake to state the exact amount. So it seems to make a little difference who has control of the Treasury Department upon the question of per capita circulation.

Now, I should like to ask the Senator from Rhode Island what money has been retired in this country since that time, or what has taken place in the financial history of the nation since the report of the Secretary of the Treasury under the Harrison Administration to cause a decrease in the per capita circulation of something like $2?

Mr. ALDRICH. I have no knowlege of the statements the Senator refers to. I have never seen them. If I had them here I think likely I could remember.

Mr. ALLEN. I speak in round numbers. It will be found in the report of the Director of the Mint for 1892.

Mr. ALDRICH. I have no idea of entering into a discussion with the Senator from Nebraska in regard to matters which I have not within my knowledge.

Mr. ALLEN. I speak of this for the purpose of showing that these reports are only approximately true, that they can not be taken as reflecting the actual fact. We all understand that the last report of Mr. Harrison's Secretary of the Treasury put the circulating medium of this country (and when I speak of circulating medium, I mean everything that operates as money) at something like $25 per capita.

I do not pretend to give the exact figures, but that was the amount approximately. And yet within something like seven months from that time the Cleveland Administration gave it as about $23 per capita. I ask any Senator in this Chamber to point out to me what the difference has come from. From what legislation? What has been done at the Treasury Department to make the difference? Mr. President the people of this country will not be imposed upon by statements of that kind.

Mr. HOAR. Has the Senator the statement in his possession?

Mr. ALLEN. I am speaking, if the Senator from Massachusetts pleases, in round numbers. I will send out and get the figures, if desired.

Mr. HOAR. I am not speaking about the exact dollars or cents, but my question was if the Senator has in his possession the statement of the Cleveland Administration to which he refers?

Mr. ALLEN. I have not the report of the Director of the Mint. I will get it in a short time. Possibly I have it here.

Mr. HOAR. I should like to see it.

Mr. DOLPH. When does the Senator from Nebraska say the amount was $1,600,000,000?

Mr. ALLEN. I say it was reported under the Harrison Administration as being something like $1,600,000,000.

Mr. DOLPH. The table I had read shows the amount in 1892 to have been $2,372,599,501.

Mr. ALLEN. That is the compilation made very recently, I think.

Mr. DOLPH. This was issued in 1892, the last year of the Harrison Administration.

Mr. ALLEN. Mr. President, I do not propose to take a pencil and go to figuring upon this subject, and get down to a question of fractions. The truth is that the people of this country

understand that the statistics are manipulated, and they are manipulated to deceive the masses of the people.

Mr. WHITE of Louisiana. Will the Senator be kind enough to give some statement of the manipulation, so that we can understand him? Will he be kind enough to give us some fact?

Mr. ALLEN. Mr. President, I do not propose to stand here and answer such questions as are put to me by the Senator from Louisiana. I am speaking in round numbers of the amount of money reported. I am speaking of what thousands of people of this country believe, and what I believe.

Mr. WHITE of Louisiana. Will the Senator allow me to interrupt him?

Mr. ALLEN. Certainly.

Mr. WHITE of Louisiana. The Senator says he does not propose to answer such questions as I ask. The Senator, under the responsibility of the great office which he fills here, has seen fit to rise upon this floor and state that the people of this country know the reports of the Treasury Department are fabricated and manipulated.

Mr. ALLEN. The Senator from Nebraska said nothing of the kind.

Mr. WHITE of Louisiana. What did the Senator say?

Mr. ALLEN. I said that the people of this country believe that the reports are manipulated, and instances have been cited.

Mr. WHITE of Louisiana. Manipulated?

Mr. ALLEN. And I said the Senator from Nebraska thinks so, and I say so again.

Mr. WHITE of Louisiana. Then I ask the Senator from Nebraska will he be kind enough in making such a grave and serious charge as that to give us one statement of fact, and not his opinion to justify that which he has said, so that we can meet him in debate and not rely upon the mere loose expressions of an opinion when he prefers a grave charge and points to no single fact which sustains it.

Mr. ALLEN. The Senator from Nebraska will pursue his own course in this debate, as long as he keeps within the rules of debate, and I do not propose to go into any further particularization upon this proposition. Instances have already been cited and fully read—I repeat it, and I know what I say—you can find it in the country press, you can find it in the expressions of the people that there is almost a universal distrust of the accuracy of these statistics. Who does not know that it is in the mouth of all the people that the census of 1890 was a fraud? That is the belief of the people of this country, and when I say the people, I mean the people with whom I have come in contact, and they number a good many thousands in the States over which I have traveled. It is believed that the census of 1890 is a rank fraud, and yet that census was conducted by a great officer selected for that purpose. The people of this country believe the census was manipulated, to put it in no stronger language, for the very purpose of deceiving them.

Now, Mr. President, when the Secretary of the Treasury undertakes to put out a statement as to the amount of money in circulation, the per capita in circulation, why does he not tell the people that the certificates of indebtedness, interest-bearing notes and similar forms of currency are not reckoned in that account? Why does he lead them to believe that all the things they knew as a part of the currency twenty-five or thirty years ago were taken into the account, when, as a matter of fact, he does not take them into account? Why does he not tell them that? Why does the Senator from Oregon and other Senators constantly reiterate in this Chamber that the circulation per capita is greater than ever before, when they tacitly admit that to count the certificates of indebtedness, to count all the notes which were in circulation, there was a per capita circulation in 1865 of almost double the per capita circulation to-day?

Mr. KYLE. Will the Senator from Nebraska allow me?

Mr. ALLEN. Certainly.

Mr. KYLE. I should like to ask the Senator why it is, in his judgment, that the present Secretary of the Treasury, or the one who was his predecessor, does not include in the circulating medium the 7.30 notes and others mentioned by John Jay Knox when Comptroller of the Treasury and by Treasurer Spinner, and included also in the report by President Grant himself and other distinguished Republicans before him?

Mr. ALLEN. Mr. President, I do not know. The ways of Republican and Democratic politicians are beyond my comprehension.

Mr. KYLE. I should like to ask whether those are not specific instances in which the accounts have been manipulated by the late Secretaries of the Treasury?

Mr. ALLEN. I think so. I think everybody understands that. Instances have been fully cited, as I have before stated.

Mr. KYLE. I think the question of the Senator from Louisiana is satisfactorily answered.

Mr. ALLEN. Now, Mr. President, in 1864 there were in round numbers in circulation in this country, including all forms of money, greenbacks, postal and fractional currency, interest-bearing legal-tenders, certificates of indebtedness, national-bank notes, old State-bank circulation, $941,000,000. Adding to that $836,000,000 of 7.30 Treasury notes, which Mr. Spinner said were engraved, stamped, and paid out to the soldiers as legal-tender money, it makes when the war closed $1,771,000,000 in circulation.

Mr. SQUIRE. I should like to ask as a question of fact, is it true that the last item read by the Senator from Nebraska was in circulation? I do not so understand it.

Mr. ALLEN. The Senator from Washington is an older man than I am, and I have seen those notes in circulation. I was not at that time running any portion of the Government, but I know they were in circulation. As a soldier I know that; and if the Senator from Washington was where that kind of money was paid out he got some of it.

Mr. SQUIRE. I was a soldier, and I am very proud to learn that my friend from Nebraska was a soldier. I served for nearly four years during the war. I never had any of that kind of money in my possession; I never saw it circulated as money, and I never heard of it except that I heard the same statement made once before, but I have never heard it corroborated.

Mr. ALLEN. On the 30th of June, 1873, Secretary Sherman reported the paper circulation of this country to be $750,062,000, so that between 1865 and 1873 there had been a contraction of something like $1,021,000,000. Gen. Logan, in the speech I have just referred to, put the amount at $1,018,167,784.

Mr. PEFFER. Within what dates?

Mr. ALLEN. Between October, 1865, and June 30, 1873. Now, there is the source of much of the trouble experienced in this country at that time. What was the condition of the country? Concurrently with the contraction of the money the tramp made his appearance in the country.

There was a constant increase in the number of failures and the amount of money lost in failures. There was not a tramp act upon the statute book of any State in the United States of America before the great contraction of 1865 to 1873 which brought ruin and destruction to thousands of homes in this country. Then for the first time there appeared upon the statute books of many States legal enactments which declared certain men to be tramps who were going from house to house begging, or asking for something to eat or for clothing, and declaring penalties against them, when they were simply victims of currency contraction.

I recall well, and let me ask the Senator from Washington if he recalls, the fact that those tramps went from the East into the great Mississippi Valley and into the trans-Mississippi country by the thousands in 1873, 1874, 1875, and 1876. They went there by the thousands, and why? Simply because the volume of money had been contracted until there was a contraction of business, and constant failures in business; and the man who depended upon his daily work for his support was thrown out of employment and compelled to seek new fields of labor.

Yet, Mr. President, we are told that this infamous system of contraction must go on. It is true that we are not told it in so many words; but when Senators undertake to repeal the act of 1890 without giving us anything in place of it, when they undertake to stop the output of necessary money, when they undertake to compel the volume of money of this country to stand still, while its population and its wealth are increasing, they tell us effectually by the attempt to inaugurate a system of that kind that the volume of money to-day is too large and that we must go to a gold basis, deserting the silver of the Constitution.

Mr. SQUIRE. Will the Senator refer to this pamphlet, showing the amount of money in circulation in the United States on July 1 of each year from 1860 to 1892, inclusive? It is an official document, and I ask him if it is correct or not correct. It shows an increase every year from 1860 down to 1892.

Mr. ALLEN. I do not think I will permit the Senator from Washington to inject anything into my speech.

Mr. SQUIRE. But the Senator asked me a question.

Mr. ALLEN. I will examine the document the Senator hands me, and if it is an official document and germane to the discussion I will introduce it later in my remarks.

Mr. PEFFER. All that has been gone over.

Mr. SQUIRE. I did not hear it.

Mr. ALLEN. I have no desire to run away from this discussion. If I am wrong I am perfectly willing to stand here and acknowledge it. I have no caprice, no pride to serve in this matter.

Mr. SQUIRE. If the Senator will allow me, I am told by those who sit near me that this matter was brought up before, and therefore I will not renew it. I will withdraw the question. In my absence it was brought up.

Mr. ALLEN. I read from page 72 of the volume entitled "The Philosophy of Price, and its relation to the Domestic Currency," by N. A. Dunning:

Undue contraction, on the other hand, is fraught with like evil to the same

classes. I can not better illustrate this than by quoting from Sir Archibald Alison, in his England in 1815 and 1845; or a Sufficient and Contracted Currency, wherein he says:

"The period of a contraction of the currency and consequent fall in the money prices of all the articles of human consumption is one in which great profits are sure to be realized by the larger capitalists and great losses sustained by the smaller. The former prosper because the magnitude of their transactions enables them to realize a handsome income upon the whole from a declining and, at length, almost inconceivably small amount of profit from each transaction; and they gradually get the monopoly of the market in their own line of business by the extinction of the lesser capitalists whom the fall in the price of commodities has ruined, or the diminished profits have repelled from entering into competition with them.

* * * "Small traders, therefore, and farmers without capital are speedily ruined in such a state of things, and the laboring or destitute condition is only rendered the more distressing by the contrast which it affords to the wealth and splendor with which the holders of large capital in the same line of business are surrounded. * * * A period of contracted currency is one of embarrassment, difficulty, and generally, in the end, of insolvency to the small farmer and moderate land owner.

* * * "If a supply proportioned to the increase of men and the wants of their commercial intercourse is not afforded, the circulating medium will become scarce; it will rise in price from that scarcity, and become accessible only to the more rich and affluent classes. The industrious poor, or those engaged in business but possessed of small capital, will be the first to suffer."

I ask if that has not been the experience of the poorer classes of this country. The poorer classes of this country have always suffered, as they must always suffer, as the first victims of a contracted system of money. Every panic in this country—I say it deliberately—from the organization of this country down to the present moment, has marked the minimum in the circulating medium of the country. There never was a panic from the first time down to this moment when the circulating medium of this country had not reached its minimum, and as a result of contraction combined with other causes a panic ensued.

So to-day we are asked to continue this infamous system of contracting the currency. We are not only asked to do that, but we are asked to enlarge the opportunity of the national banks to grind the face of the poor by extending their power to issue money to the par value of their bonds with almost unlimited and unchecked power to contract or expand it at their will. We are asked to put in possession of the banks and banking corporations of this nation the financial welfare and destiny of our people.

We are asked to abdicate the power to make and control money. We are asked to abandon the sovereign power of making and regulating the value of money, placing these powers in the hands of men whose profit consists in shrinking the prices of property and shrinking the values of labor.

Continuing, and quoting from Doubleday's Financial History of England:

As the memorable 1st of May, 1823, drew near, the country bankers as well as the Bank of England naturally prepared themselves, by a gradual narrowing of their circulation, for the dreaded hour of gold and silver payments on demand, and the withdrawal of the small notes. We have already seen the fall in prices produced by this universal narrowing of the paper circulation. Ths effects of the distress produced all over the country, the consequence of this fall, we have yet to see.

The distress, ruin, and bankruptcy which now took place were universal, affecting both the great interests of land and trade; but among the landlords whose estates were burdened by mortgages, jointures, settlements, legacies, etc., the effects were most marked and out of the ordinary course. In hundreds of cases, from the tremendous reduction of the price of land which now took place, the estates barely sold for as much as would pay off the mortgages; and hence the owners were stripped of all and made beggars.

I was myself personally acquainted with one of the victims of this terrible measure. He was a school-fellow, and inherited a fortune, made principally in the West Indies. On coming of age and settling with his guardians, he found himself possessed of fully £40,000, and with this he resolved to purchase an estate, to marry, and settle for life. He was a young man, addicted to no vice, of a fair understanding, and most excellent heart, and was connected with friends high in rank and likely to afford to him every proper assistance and advice. The estate was purchased, I believe, about the year 1812 or 1813, for £80,000, one moiety of the purchase money being borrowed on mortgage of the land bought.

In 1822-'23 he was compelled to part with the estate in order to pay off his mortgage and some arrears of interest, and when this was done he was left without a shilling, the estate bringing only half of its cost in 1821! Thus, without imprudence or fault of any kind was this amiable man, together with his family, plunged into irretrievable and inevitable ruin, by the act of a Legislature which ought to have protected both, and which was fully warned of the consequences of what it was about to do; but which, in requital, chose to laugh those who warned to utter scorn. My readers must not suppose that this was either an exaggerated or uncommon case. On the contrary, the country teemed with similar examples, and on commencement of the session of 1823 the tables of both houses were loaded with petitions detailing scenes of hardship and destitution appalling in the extreme.

Now, Mr. President, there is a complete illustration of what is taking place in this country to-day. I know that it is a common thing for a great many gentlemen and newspapers in the East to say that the party to which I have the honor to belong is a wild and woolly party, and makes statements which are not strictly correct; but I say to these gentlemen that farms in many of the Western States are passing into the hands of corporations by the thousands. I make a statement which is capable of demonstration.

Mr. PALMER. Will the Senator from Nebraska allow me to ask him a single question?

Mr. ALLEN. Certainly.

Mr. PALMER. I am quite well aware of the embarrassments of the farmers of the West, but has there in fact been any reduction of the amount of money in circulation in the last ten years?

Mr. ALLEN. I can only answer the Senator by saying that when you reduce the price of wheat from 75 to 50 cents a bushel, when you reduce the price of oats from 30 to 18 cents, when you reduce the price of corn from 35 to 20 cents you might ask if there is a decrease of money in circulation among the people who produce this grain.

Mr. PALMER. I have felt the force of what the Senator states very much myself in my own person; but the question I have asked him is, has there been any reduction in the circulation? Now, the cause of the reduction of prices may be a different thing; but has there been any reduction in circulation? He attributes in some measure the reduction in prices to that cause. I understand there has been no reduction in the circulation. Then it must be attributed to some other cause, as I suppose.

Mr. ALLEN. I do not know that I fully understand what the Senator from Illinois means in the reduction of circulation. If a man produces a crop in 1893 that will bring him $1,000 and in 1894 produces identically the same quantity and it will bring him only $800, it occurs to me there is a deficit of $200 in his case.

Mr. PALMER. I infer that there is less demand for his product, but the simple question is, is that reduction the consequence of a reduction in the amount of the circulation of money?

Mr. ALLEN. That is a most fatal confession for the Senator from Illinois. The Senator from Illinois infers there is not so great a demand for his product, and what does that mean? It means that money is so scarce among the consuming classes that they are compelled in some measure to go hungry, and are unable to purchase the product.

Mr. PALMER. May it not be overproduction.

Mr. ALLEN. I will have occasion before this debate is through to show that from 1808, when the senior Mill wrote his first works upon political economy, there never was a grander humbug imposed upon a civilized people than the doctrine of overproduction.

Mr. PALMER. Very well. Let me ask my friend from Nebraska, has the circulation been reduced? If not, then that argument fails. Is not that logical?

Mr. ALLEN. I do not yet understand what the Senator from Illinois means by asking whether the circulation has been reduced.

Mr. PALMER. The Senator will allow me to state that the circulation has increased rather than diminished, as I understand from the tables read this afternoon. That is, there is a larger amount of money per capita in circulation this year than there was the year before. Yet prices have fallen. If prices have fallen it has not been because the amount of money in circulation has diminished; it must be attributed to some other cause, as I think.

Mr. ALLEN. I understand the Senator from Illinois to say that the circulation has rather increased than diminished?

Mr. PALMER. I understand so.

Mr. ALLEN. That is, the per capita circulation?

Mr. PALMER. Yes, sir.

Mr. ALLEN. But the Senator from Illinios does not seem to take into account the fact that among the common people of this country (I mean the class of people who earn their livelihood by toil, mental and physical, and not the fellows who are handling gold and money as an occupation) there is not actually to-day in circulation $15 per capita.

Mr. PALMER. I agree with the Senator.

Mr. ALLEN. But the great quantity of the money of this country of which Senators speak so frequently and refer to as increasing in volume is to be found in the form of reserves, in banks and organizations of that kind, and is as useless to the masses of this country as though it were in the bottom of the ocean.

Mr. SQUIRE. How are you going to get it out?

Mr. PALMER. I still agree with the Senator; but will it not be so under any monetary system?

Mr. ALLEN. No, sir; it will not be so when the volume of currency in this country is increased, not inflated, but whenever it is gradually and healthfully increased. The Senator from Washington asks me how we are going to get it out. I will answer him. When there is more honest money made in manufacturing and in farming than there is in banking and buncoing the country through banks and other organizations, then that money will be compelled to go out and get into active production and employ labor.

Mr. PALMER. The Senator, I understand, means to assert that under new conditions the people will earn a larger proportion of the common fund than they do now.

Mr. ALLEN. Let me illustrate for the benefit of the Senator. When water reaches the top of the bank and goes above it, it overflows, does it not?

Mr. PALMER. That is the law.

Mr. ALLEN. Water and air and all the elements seek an outlet, do they not? Money seeks an investment where it will make money, does it not?

Mr. PALMER. That is the rule, I think.

Mr. ALLEN. Now, the volume of money is by slow, certain, and safe processes increased—not suddenly inflated, but increased safely—so that when the man who has his money in banking or the curbstone broker can make more with it by putting it in factories, in something that will employ labor; then under those circumstances, it will go into productive business and give employment to labor, and it is in circulation.

Mr. PALMER. Certainly.

Mr. ALLEN. Then it is in circulation. What does that mean? It means that every tramp, every poor honest person beneath the sun has an opportunity of earning an honest living.

Mr. SQUIRE. If the Senator will permit me I should like to have him discuss one point a little further. In answer to my question as to how the money can be gotten out he goes on to speak about the banker and the curbstone broker, and all that sort of thing. I ask him whether he does not consider it desirable that there should be banks in his State; whether it is not to the advantage of the Western communities, such as he and I have the honor in part to represent, to have banks there; whether we do not get more money through the organization and establishment of banks than we did before they came there; whether every community in the West does not welcome such an institution; and whether we do not get more money in that way? That is the experience in my part of the country. We want banks and we want capital. In the first place, we want men, good men, working men; and secondly, we want capital.

Mr. ALLEN. The Senator from Washington puts a question that I have heard put a great many times. It is a very common thing. I mean no disrespect to the Senator from Washington when I say that the gold bugs usually stand around and put this question. I mean simply to say that the Senator puts a question I have heard put a hundred times.

Mr. SQUIRE. I sympathize with the Senator on this question in many respects. I am for more money, and I want it to get into the West.

Mr. ALLEN. Allow me to say that the Senator from Washington does not seem to understand my position. I am not an enemy of legitimate banking. I recognize the fact that legitimate banking is so fixed in our commercial affairs that it is a necessity. As far as legitimate banking interests are concerned in this country I am friendly to them. But when it comes to a point where more money is to be made in this country by banking than in honest industry there is something wrong in the banking system. Let me say to the Senator from Washington that I live in a county having something like 17,000 population. In that county there are twelve banks, three or four of them national banks, all banks of capital, absolutely safe, and three banks in that county could do every dollar's worth of honest banking business there is to be done there.

Mr. SQUIRE. I ask the Senator is there not a benefit from having a multiplication of banks in this respect, that there are more men to give ear to applications, and to diversify the arrangement in reference to loans? Instead of having the business confined to a few people, so that access to the bank is limited, is it not better to have it distributed somewhat?

Mr. ALLEN. Not necessarily so.

Mr. SQUIRE. We find it so in my town.

Mr. ALLEN. When the banking business is more profitable, and a man can make more out of his money by hoarding it and banking with it than he can by using it in some productive industry, then the system of banking is wrong.

Mr. SQUIRE. I do not think we have too many in our State.

Mr. ALLEN. Many of your people, through the rates of interest and the manipulations of money, are feeling the effects of the system to-day; and many of them are being deprived of their property and of the beneficial result of their labor.

Mr. SQUIRE. We have not had a bank failure in my town.

Mr. ALLEN. I am not talking about a bank failing, but I am talking of the money that is taken out of manufacturing, the money that is taken out of productive industry, and the great army of honest men and honest women who are compelled to stand idle and beg for bread in the streets, or for an opportunity to labor, in consequence of capital being hoarded that ought to be in productive enterprises of some kind giving men employment.

Mr. SQUIRE. I ask the Senator if it is not true that during the past year—it has been well advertised—the farmers of the State of Nebraska have retired large amounts of mortgage loans? Is not that true of the farmers in Kansas and Nebraska? It was stated repeatedly last year that they were prosperous, and on account of it they retired a large amount of their mortgages. It has been stated that even as high as half of all the outstanding mortgages were retired by the proceeds of the sale of their grain last year.

Mr. ALLEN. I can not speak for Kansas. In the State of Nebraska a great many mortgages have been retired, it is true, but I want to say to the Senator from Washington the way some of them were retired was by foreclosure. I state what is the truth when I say that a portion of them—I do not pretend to state the percentage, but a portion of them—were retired in consequence of foreclosure of the mortgage, and in consequence of the sheriff selling out the mortgagor. Then they were marked upon the record as paid. Of course they were paid.

Mr. SQUIRE. I think the Senator needlessly brings discredit upon his part of the country.

Mr. ALLEN. Let the Senator from Nebraska take care of his own State.

Mr. SQUIRE. I do not wish to interfere with the Senator's remarks, but——

Mr. ALLEN. I do not say that the majority of the mortgages were foreclosed.

Mr. SQUIRE. I should like to have the West given credit for what it deserves.

Mr. ALLEN. I do not say that the majority of the mortgages are so, but I do say that it is true of a great portion of the mortgages of that State, and I say that a portion of the mortgages in the Senator's own State are marked canceled in consequence of the same law of foreclosure. That is the rule throughout the entire country. There is no use undertaking to disguise the fact. You can not deceive the American people by asserting strongly that they have a sufficient amount of money. They understand that the suffering under which they are laboring today is because of a restricted volume of money, and their consequent inability to get just compensation for their labor and property.

Mr. PALMER. May I be allowed to ask the Senator from Nebraska a question?

Mr. ALLEN. Certainly.

Mr. PALMER. Is there any less money per capita in circulation now than there was when these mortgage debts were contracted?

Mr. ALLEN. I think so.

Mr. SQUIRE. Will the Senator allow me one moment?

Mr. ALLEN. Certainly.

Mr. SQUIRE. I should like to see more money in the country, particularly in the Western part of it. I sympathize with the Senator on many points, but I do not like to have him misrepresent, as I think he does, the fact in regard to the payment of mortgages. I know it is not true of mortgages in the State of Washington; and I had not supposed it was true of mortgages in the State of Nebraska, that the payments made are upon foreclosures and sheriff's sales. It has been repeated over and over again, not this year but last year, that very large amounts of the mortgage indebtedness of the people of the State of Nebraska and Kansas were paid off from the proceeds of their crops for the year. I supposed it to be true, I hoped it to be true, and I do not like to have words said here in this public way in the Senate of the United States that throw a cloud upon the people of the West and their enterprise, and all that relates to their growth and prosperity.

Mr. ALLEN. I must absolutely decline to suffer the Senator from Washington to give me instruction about the State of Nebraska and its condition. I know something about the State, and I assert again that I do not say that is the rule in the State of Nebraska——

Mr. SQUIRE. That is all I ask. If the Senator admits it is not the rule it is all I ask. I understood him differently.

Mr. ALLEN. No, I did not say it was the rule, and the RECORD will not bear out that construction at all.

Mr. SQUIRE. I so understood the Senator.

Mr. ALLEN. I said, and I repeat, and I hope the Senator from Washington will understand me, that a great many of the mortgages which are marked paid and cancelled are cancelled in consequence of the foreclosure and extinguishment of the title of the mortgagor. Now, is that plain? That is what I said, and I repeat it, and it is true.

Mr. SQUIRE. It is not true of my State.

Mr. ALLEN. I say to some extent it is true of the Senator's own State or the reports from his State are incorrect.

Mr. SQUIRE. The statistics will not show it. You can not show one. I defy you to show one.

Mr. ALLEN. I am not carrying my pockets full of statistics. If I had known I was to have this colloquy with my friend from Washington I would have brought the statistics here.

Mr. HAWLEY. With the Senator's permission I will put my little contradiction in for my State.

Mr. ALLEN. I am glad to hear from my friend from Connecticut. I understand that the agricultural population of the

State from which the Senator hails has changed considerably in the last twenty-five or thirty years. I may be mistaken in that, and if I am I should be pleased to be corrected. I ask the Senator from Connecticut if it is not true that throughout the New England States generally people of the old stock who settled that country and opened it up in agriculture have in a great many instances been driven from their farms, and if those farms are not to-day being settled by French Canadians and people of that class? Is not that true?

Mr. HAWLEY. I do not feel disposed to help the Senator out in prolonging this debate by entering into a discussion of the resources and character of my people; but I can say very briefly that there have been great changes in the industrial condition of New England; that the villages and cities have grown as the common law of civilization in England and America; that the urban population has grown more than the rural; but I can say that there are more separate land holdings in Connecticut now than there ever have been before; the State is more cut into small farms. As to the upland farms away back—you can not get far from a railroad, you can not get out of hearing of a whistle in my State, but you can get 8 or 10 miles away from a station, and there a farm is not worth near so much as it is near the thriving villages sustained by protection, where there is a good market for everything the farmer can raise. On the whole, thank you, sir, the State is very prosperous, with $120,000,000 in savings banks. The amount has been very slightly reduced lately.

Mr. ALLEN. The Senator from Connecticut does not answer my question.

Mr. HAWLEY. What was it?

Mr. ALLEN. I put the question to the Senator if it was not true that many of the farms of New England to-day, including the State the Senator represents, are passing into the hands of French Canadians and the old population have been driven away from them.

Mr. HAWLEY. My dear sir, we are just in Connecticut and just in America. As to the Senator and myself, I have been here two hundred years, constructively, but that is nothing in the history of the world. Of course our people are changing. My grandfather and grandmother on one side were Scotch people, born in the Highlands, and they owned a little property after they got here. Good Scotchmen, good Englishmen, good Irishmen, good Germans, good French Canadians come into my State. The French Canadians came in large numbers, and at first they spent six months, earned $100, and went back thinking they were rich. Now, they have been for some years settling there. I can take a new village and point out rows, streets I might say, of comfortable homes inhabited by French Canadians with good American-French Canadian children growing up there, of course going to school and becoming good people. Of course we are undergoing changes. It is true of Connecticut that fully one-half of her people are either natives of some foreign country or the children of one or both foreign parents. That is one of the inevitable things we can not help. But I am happy to say with regard to a large portion of that adopted population, it is rooting itself in the soil, and many of the French and Germans get out of the villages and up into the hill country and pick up a farm from which a Yankee has gone away who could do better somewhere else.

Mr. ALLEN. The Senator from Connecticut does not answer my question yet.

Mr. HAWLEY. Try it again, then. I will answer everything.

Mr. ALLEN. I ask the Senator from Connecticut if it is not true that the native population—not all of them, understand, but a portion of the native population of New England—have not been compelled to abandon their farms, and if they have not been succeeded by a cheaper class of labor?

Mr. HAWLEY. They have not been compelled to abandon their farms.

Mr. ALLEN. The Senator from Connecticut says they have not been compelled to abandon their farms, and yet I say it is currently believed throughout this country that there are thousands of vacant farms in New England.

Mr. PEFFER. They advertise them.

Mr. HAWLEY. There are.

Mr. ALLEN. I have a friend living in the State from which the Senator comes, and not later than June of the present year he told me that there is farm after farm in that State with a good, tenantable house that is absolutely abandoned.

Mr. HAWLEY. There are houses in plenty and farms in plenty for sale there.

Mr. ALLEN. And my friend says the farms are not only abandoned to-day, but they have been abandoned for years, and the only class of people who are settling in those hills and valleys is a class of cheap laborers from another country.

Mr. HAWLEY. I deny the debased labor. They get as good wages as any Yankee—every one of them.

Mr. ALLEN. They probably deserve it more.

Mr. HAWLEY. You can not expect our people ——

Mr. ALLEN. That is the condition. The Senator from Connecticut speaks of his own State.

Mr. HAWLEY. Will the Senator just wait a moment?

Mr. ALLEN. Certainly.

Mr. HAWLEY. When land in my State costs $10, $20, $30, $40, $50, and $60 an acre, how do you expect us to raise wheat and products of that description in competition with the West where the land cost $1.25 an acre and the freight is away down not more than a mill or a mill and a half a ton? Of course, they compete with our cheaper and coarser kinds of farming, but our people turn themselves to dairying and to market gardening, and a great number of things of that sort, and they manage to live. Do not disturb yourself about the death of the Yankee there. Put him on a bare rock and he will make money trading if there is another man on the rock.

Mr. ALLEN. I have no doubt of it.

Mr. HAWLEY. Turn him out of the Union, if you please, and he will make a profitable bargain to get back the next week.

Mr. ALLEN. The Yankee lineage of the Senator from Connecticut is no more extensive than mine. My ancestors settled in New England long before the Revolutionary contest. So the Senator from Connecticut has no advantage of me in that respect.

Mr. HAWLEY. About a hundred years ahead of you. Mine settled there in 1639.

Mr. ALLEN. Mine were there at least long before New England was developed. But still the Senator evades the question; and that question is whether there are not farms by the thousand in New England which have tenantable houses that have been absolutely abandoned by the native population. I say there are.

In some instances the native population have been succeeded by a lower class of labor; I do not say a dishonorable labor or an undesirable class of people; but by a class of laborers who can work cheaper than the native population. The native population is gathering into cities and villages. Since the Senator from Connecticut and his people have found out that they can pull the wool over the eyes of the people of this country through tariff taxation, and live upon exactions of that kind, they are perfectly willing to abandon the farms. It is a lucrative field to loot the other industries of this country.

Mr. HAWLEY. My colleague [Mr. PLATT] gives me the figures, which I should like to go in here to show the suffering condition of the Connecticut farmers.

Mr. ALLEN. I can not suffer the Senator to interrupt me further. He has admitted that there are thousands of vacant farms in New England, and that the Yankee farmers in the hill country are being supplanted, in a degree, by foreigners. That is sufficient.

Mr. HAWLEY. It is in answer to the Senator's question.

Mr. ALLEN. I can not suffer the Senator from Connecticut to inject that into my speech. It is not relevant to the point at issue.

Mr. HAWLEY. You opened wide the door for this discussion, and I have now got the facts.

The VICE-PRESIDENT. The Senator from Nebraska declines to yield.

Mr. HAWLEY. All right. I shall take a turn at the Senator again if he does not let my State alone.

Mr. ALLEN. On page 74 of the book from which I have been reading, I find:

> Numberless as are the evils by which kingdoms, principalities, and republics are wont to decline, these four are, in my judgment, most baleful: Civil strife, pestilence, sterility of the soil, and corruption of the coin. The first three are so manifest that no one fails to apprehend them, but the fourth, which concerns money, is considered by few, and those the most reflective, since it is not by a blow, but little by little, and through a secret and obscure approach that it destroys the State.

How true that is. It is the gradual, stealthy, and constant manipulation of finances, either by active legislation, or by refusing to legislate when essential to the interests of the people, that in the course of years, through the operation of contraction, the great wealth of a nation is centralized into the hands of the few and the masses are comparatively poor.

I read again from page 75 of the same book, Philosophy of Price, a quotation from Archibald Alison's history of Europe:

> The two greatest events in the history of mankind have been brought about by a successive contraction and expansion in the circulating medium of society. The fall of the Roman Empire, so long ascribed in ignorance to slavery, to heathenism, and moral corruption, was in reality brought about by a decline in the silver and gold mines of Spain and Greece. * * * And as if Providence had intended to reveal in the clearest manner possible the influence of this mighty agent on human affairs, the resurrection of mankind from the ruin this cause had produced was owing to the directly opposite set of agencies being put in operation. Columbus led the way in the career

of renovation; when he spread his sails across the Atlantic he bore mankind and its fortunes in his bark. * * * The annual supply of the precious metals—of money—for the use of the globe was tripled before a century had elapsed; the price of every species of produce was quadrupled. The weight of debt and taxation insensibly wore off under the influence of that prodigious increase; in the renovation of industry the relations of society were changed, the weight of feudalism cast off, the rights of man established.

Bryant, in his work on money, says:

Any reduction in the price which the producer or the artisan is able to obtain for his labor, or the products of his labor, is an injury, misfortune, and loss to every single member of society excepting solely those who live upon the interest of loaned money. If the reduction is temporary, then the loss is temporary; if it is permanent, then the loss is permanent.

Albert Gallatin, ex-Secretary of the United States Treasury, in his work on money, published in 1831, says:

It is well known that the discovery of America was followed by a great and permanent fall in the price of the precious metals, which reduced to one-fourth of their previous relative value all other commodities.

I might continue in this line of discussion and consume much time in citing valuable extracts from standard authors and men of acknowledged authority, to show the proposition, denied in the Senate, that a contracted volume of money does produce a shrinkage of values and a shrinkage of the products of labor, and thus results, if persisted in, in throwing out of employment thousands and hundreds of thousands of our people, not only depriving them of the means of livelihood, but throwing many of them as a burden upon the balance of society, to be supported by different forms of charity. Not only that, but it has driven many people into the pathway of crime. A contracted volume of money and the evils flowing from it have their full responsibility for the criminal classes in this country; and yet we are told that we must reduce the laborer of this country, we must reduce the farmer of this country to a position where he becomes the competitor of the laborer and farmer of Europe.

I read an extract from President Grant's message delivered in 1873. He said:

In view of the great actual contraction that has taken place in the currency—

I think that was denied by the Senator from Oregon——

Mr. SQUIRE rose.

Mr. ALLEN. Not the Senator from Washington [Mr. SQUIRE], but the Senator from Oregon [Mr. DOLPH], and yet Gen. Grant says there was a great contraction. He was a man who stood at the head of the Government, who must have known of "the contraction continuously going on." It had not stopped then, but was going on; the volume of money was getting scarcer and scarcer; it was becoming harder and harder to get a dollar; the price of labor was going down; the price of products was going down; and yet, says Gen. Grant:

In view of the great actual contraction that has taken place in the currency, and the comparative contraction continuously going on, due to the increase of population, increase of manufactories, and all the industries, I do not believe there is too much of it now for the dullest period of the year.

Speaking of the volume of money—

During the last four years the currency has been contracted, directly, by the withdrawal of 3 per cent certificates,—

There it is again, those 3 per cent certificates were part and parcel of the circulation—

compound-interest notes, and 7.30 bonds—

I ask the Senator from Washington if the expressions of Gen. Grant are not good authority?

Mr. SQUIRE. I do not think the expressions used there relate to currency in the ordinary sense. Of course those negotiable instruments were to be used in the banking institutions of the country and were in possession of the people, but they were not used as currency passing from hand to hand.

Mr. ALLEN. Gen. Grant continues—

outstanding on the 4th of March 1869 (all of which took the place of legal tenders in the bank reserves), to the extent of $63,000,000.

During the same period there has been a much larger comparative contraction of the currency. The population of the country has largely increased.

It occurs to me, if anything can be said to be settled by the history of Western Europe, by the history of this country, and by citations from standard writers upon political economy, as a proposition of logic, it is that a contracted volume of currency means high-priced money, and low-priced property and labor. And, if persisted in, it means the centralization of the wealth of a nation into the hands of a few, the ultimate debasement of labor, and the destruction of liberty itself. The only wise policy upon the part of this Government is to gradually expand the currency, the volume of money in this country, to keep pace with the growth of population and the increase of wealth, so that every natural agency of the nation may be utilized in the production of wealth, and every honest man, woman, and child beneath our flag may have remunerative wages for their labor and an opportunity to make an honest living.

A government that suffers the avenues to success to be closed, that does not keep open the avenues to success constantly for its people, is not a just government to its citizens; and when this Senate is invited to pursue a course which will bring a cloud upon every American home and distress and want to our people, it ought to be the province of the Senate to declare to the world, to declare to Lombard street, to declare to Wall street, to declare to the stock-brokers and money jobbers all over this world, that, so far as we are concerned, we are still Americans, and we still stand for the American home and its integrity.

Mr. President, while I am upon this branch of the question, I desire to refer to another matter. We are told that 95 per cent of the business of this country is done upon bank credits and that we do not need as much money under our system of business as we formerly needed. But who uses this argument? It is the man interested in a contracted volume of money.

Is it not true, Mr. President, that to-day for every dollar of actual cash we possess we have bank credits of at least $5? Is it not true that that is the most dangerous system of currency a nation can have? When the Government abandons its power to make money, when it abandons the control and exercise of the sovereign power which lies at the foundation of national success, when it turns every American laborer, every American farmer, every American home over to the mercies of bank corporations who are interested in making money for themselves, who have the power to expand or contract the volume of money to the injury of the masses and to their own advantage, it is not only wrong, but it is an abandonment of constitutional duty.

That constitutional duty is, that Congress, being charged with the power to coin money and regulate its value, being given plenary power over the money of the country which affects so vitally the industries of the people at large, should stand guard by keeping that power in its own hands, and raise the shield of protection over every home and every citizen.

Not only that, Mr. President, but because of over-expanded bank credits, because the Wall street gang has been suffered to run wild in speculation, they are enabled to produce a crisis in this country at any time they see fit to do so.

Mr. President, how does the extract I am about to read sound in connection with this doctrine of contraction of the currency? It will be found in Henry C. Baird's works in the first volume:

An inexhaustible supply of cheap labor has so long been a condition of our social system, whether in town or country, whether for work or pleasure, that it remains to be seen whether a great enhancement of labor would not disturb our industrial, and even our political, arrangements to a serious extent. Two men have been after one master so long that we are not prepared for the day when two masters will be after one man; for it is not certain, either, that the masters can carry on their own business as well, or that the men will comport themselves properly under the new régime. Commercial enterprise and social development require an actually increasing population, and also that the increase shall be in the most serviceable—

That is, brute force, brute labor—

that is, the most laborious part of the population, for otherwise it would be at the command of capital and skill.

Is not that a splendid exhibition of temper toward the laboring people of this country? There must be an increase of debased labor in this country, so that two men shall hunt one master, just as they are hunting him in the coal regions to-day. Two men perform one man's work, one working three or four hours in a day and the other working three or four hours in a day, and dividing between them and their families that which in justice and fairness ought to go to one family. Labor being debased, it is here advocated that the thing this country needs to-day is more brute force to produce wealth, not for the workers, but to produce more wealth for the wealthy classes.

The quotation I have read is an authentic quotation from Henry C. Baird, or quoted by him in the Philadelphia Inquirer and reproduced in the Irish World under date of April 5, 1879, quoted from the London Times.

Now, let us see more about this. I now read from a book called Whither are we Drifting, on page 56, from what purports to be an extract from the New York Times under date August 12, 1877. I do not say that the quotation is correct, because I have been unable to verify it, but I have verified many quotations in this book and found them correct.

Mr. DOLPH. Who is the author?

Mr. ALLEN. I suppose the editor of the paper is the author. I do not know.

Mr. DOLPH. Who is the author of the book?

Mr. ALLEN. A man by the name of Willey. Perhaps the Senator does not know him. He is a Populist.

Mr. DOLPH. I have met a number of them.

Mr. ALLEN. And you will meet more of them before the next Presidential election is over.

Says this author:

Is there deliverance? There seems to be but one remedy, and it must come—a change of ownership of the soil, and a creation of a class of land owners on the one hand and of tenant farmers on the other—something similar in both cases to that which has long existed, and now exists, in the older countries of Europe, and similar, also, to a system that is common in our own State of California. * * *

Everything seems ripe for the change; half the farms in the country are ready to be sold if buyers would only appear, and hundreds that can now be bought for less than their value twenty or thirty years ago need only judicious outlay to make them as productive as ever. Few farmers can hope to provide their sons with farms of their own, and there is no place for these young men in the overcrowded cities.

There you have it. There must be two classes. The farmer must give up his farm; he must abandon it, the farm must pass into the hands of a landed aristocracy, and he must content himself with becoming a tenant farmer. He can not hope to leave to his son or his daughter the farm that he purchased when he was a young man. They must join the great army of tramps or become peasants in a country like this. There is the bold declaration that the great masses of our people are becoming peasants under a system like this; that their destiny is the destiny of peasantry, and yet a man who raises his voice in defense of these people and against this system of contraction, is to be held up to ridicule and scorn and pointed out as an obstructionist in the Senate.

And then—

Says this article—

will begin a new era in agriculture and one that seems to be very desirable.

Desirable that the people lose their farms and become peasants!

I object to the system of bank credits taking the place of actual money, because, first, the safety and welfare of this nation depend upon the nation's controlling the volume of money. Depend upon the nation exercising its constitutional obligation to the people to coin the money and regulate its value; to see that the people have enough of sound and scientific money with which to do the business of the country; to see that the people are not overreached and robbed by those who produce a contracted volume of money through bank credits, through a system of contraction, and through a system of usury. I object to it, because when you resort to it you imperil every sacred interest of every American citizen, you imperil the safety of the country. Look at the singular spectacle to-day of bankers and stock jobbers and corporations in this Capitol sending their petitions, and coming here in person and undertaking to influence legislation in this nation in their particular interests! Here they come, as though the only thing to be considered by the American Senate was the man engaged in shaving notes, bonds, or stocks, or making money out of the reinvestment or loaning of money.

Mr. President, not only that, but when some of us have the temerity to stand up here and protest that there are other people to be considered; when we protest that the common laborer is a citizen of the United States; when we protest that the farmer is a citizen of the United States, and the rights of these two classes of persons, humble though they may be, are as sacred under our Constitution as the rights of the highest and most exalted man; while we are not met with absolute rudeness, yet we are met with that kind of a sneer which implies that we are weak-minded or wrong in some respect in standing up for the rights of these people.

We have been told here that if we continue to coin silver at the ratio of 16 to 1 under the operations of the so-called Gresham law, gold will go out of this country and the country will go upon a silver basis. Now, no man has undertaken to tell us what going upon a silver basis means, so far as its effect upon our industries and our prosperity is concerned; but it has been left to implication that if we go upon a silver basis or standard something absolutely terrible will happen to the American people; and yet we have used silver money from the time of the organization of this Government down to the present time, and our civilization has not been hindered by it. The truth is that England and all nations of Europe that enjoyed any prosperity in their early history enjoyed it while they were using silver as money.

So there is nothing in the argument that by the use of silver alone as money, *per se*, our civilization will be degraded. I ask Senators now who deplore this condition of affairs to point out to me, to point out to the people, how this country will be injuriously affected in consequence of our going to a silver basis.

But it will not go there, because after the passage of the Bland-Allison act the gold in this country accumulated—speaking in round numbers and without giving exactly the amount—from $250,000,000 to $600,000,000; and yet there was in circulation and being constantly coined silver money at the ratio of 16 to 1.

But the law laid down by Sir Thomas Gresham never reached the case of the coinage of pure metal. It was debased coin; it was clipped coin; it was counterfeit coin that drove out of circulation and out of the country the better class of coins. This law has been invoked here, and is constantly being invoked as an argument against the free and unlimited coinage of silver. I do not propose, for one, to suffer this discussion to end and leave the country to believe that this law has affected or will affect us in the least if we coin silver at the old ratio.

But one of the principal arguments used against the use of silver is what my distinguished friend from Illinois [Mr. PALMER] lamented awhile ago as overproduction. It is claimed, and claimed seriously, that silver is being produced in such great quantities as to cause an overproduction of the metal, and that the fall in the bullion price of the metal is caused thereby. Therefore, my friend from New Jersey [Mr. MCPHERSON] says, the parity can not be maintained. Why there is overproduction we are not told. Never was there a ranker fallacy promulgated upon the face of the earth than this doctrine of overproduction. There is not a respectable political economist, from the days of the senior Mill to the present moment, that has taught it. It is simply one of those fallacies that we find constantly urged from the stump, that we find constantly advocated by a certain class of newspapers, the effect of which is to mislead the people.

Let me start briefly, Mr. President, by quoting from the senior Mill:

The demand of a country is its purchasing power. The purchasing power is the country's annual production. The country's annual production is the supply. Things which are equal to the same thing are equal to each other, and general demand and supply must therefore be equal.

Yet that truism was uttered in 1808, long before that in fact. It has been and is a truism in political economy; and yet we hear iterated and reiterated throughout this country this doctrine of overproduction. There may be local congested conditions, in consequence of lack of proper means of distribution, in consequence of under-consumption; but there is not, and never has been, such a thing as general overproduction. It is rank political fallacy.

I quote from James Mill, from his work called Commerce Defended, found in a volume published in 1808, called English Tracts, published at London, England. I have only been able to find one volume of this work in the United States. Through the courtesy of the Senator from Massachusetts [Mr. LODGE] I was enabled to get the use of this volume from the Atheneum Library at Boston. James Mill, the father of John Stuart Mill, in a book published in 1808 called English Tracts, published at London, thus speaks of the doctrine of overproduction:

No proposition, however, in political economy seems to be more certain than this which I am going to announce, how paradoxical so ever it may at first sight appear; and if it be true, none undoubtedly can be deemed of more importance:

The production of commodities creates, and is the one and universal cause which creates, a market for the commodities produced. Let us but consider what is a market. Is anything else understood by it than that something is ready to be exchanged for the commodity which we would dispose of? When goods are carried to market what is wanted is somebody to buy. But to buy one must have wherewithal to pay. It is obvious therefore the collective means of payment which exist in the whole nation constitute the entire market of the nation. But wherein consist the collective means of payment of the whole nation? Do they not consist in its annual produce, in the annual revenue of the general mass of its inhabitants? But if a nation's power of purchasing is exactly measured by its annual produce, as it undoubtedly is, the more you increase the annual produce, the more by that act you extend the national market, the power of purchasing and the actual purchases of the nation.

Whatever be the additional quantity of goods therefore which is at any time created in any country, an additional power of purchasing, exactly equivalent, is at the same instant created: so that a nation can never be actually overstocked either with capital or with commodities; as the very operation of capital makes a vent for its produce. Thus to recur to the example which we have already analyzed: fresh goods to the amount of £5,500 were prepared for the market in consequence of the application of the £5,000 saved by the landholder. But what then? Have we not seen that the annual produce of the country was increased; that is, the market of the country was widened, to the extent of £5,500, by the very same operations?

Mr. Spence in one place advises his reader to consider the circumstances of a country in which all exchange should be in the way of barter, as the idea of money frequently tends to perplex. If he will follow his own advice on this occasion he will easily perceive how necessarily production creates a market for produce. When money is laid out of the question is it not in reality the different commodities of the country, that is to say the different articles of the annual produce, which are annually exchanged against one another? Whether these commodities are in great quantities or in small, that is to say, whether the country is rich or poor, will not one-half of them always balance the other? And is it not a barter of one-half of them with the other which actually constitutes the annual purchases and sales of the country? Is it not the one-half of the goods of a country which universally forms the market for the other half, and *vice versa*? And is this a market that can ever be overstocked? Or can it produce the least disorder in this market whether the goods are in great or in small quantity? All that here can ever be requisite is that the goods should be adapted to one another, that is to say, that every man who has goods to dispose of should always find all those different sorts of goods with which he wishes to supply himself in return.

What is the difference when the goods are in great quantity and when they are in small? Only this, that in the one case the people are liberally supplied with goods, and in the other they are scantily; in the one case that the country is rich, in the other that it is poor; but in the one case, as well as in the other, the whole of the goods will be exchanged, the one-half against the other, and the market will always be equal to the supply. Thus it appears that the demand of a nation is always equal to the produce of a nation. The demand of a nation is exactly its power of purchasing. But what is the power of purchasing? The extent, undoubtedly, of its annual produce. The extent of its demand, therefore, and the extent of its supply are always exactly commensurate. Every particle of the annual produce of a country falls as revenue to somebody. But every individual in the nation uniformly makes purchases, or does what is equivalent to making purchases, with every farthing's worth which accrues to him. All that part which is des-

itned for mere consumption is evidently employed in purchases. That too which is employed as capital is not less so. It is either paid as wages to laborers who immediately buy with it food and other necessaries, or it is employed in the purchase of raw materials.

The whole annual produce of the country, therefore, is employed in making purchases. But as it is the whole annual produce too which is offered for sale, it is visible that the one part of it is employed in purchasing the other; that how great soever that annual produce may be it always creates a market for itself; and that how great soever that portion of the annual produce which is destined to administer to reproduction, that is, how great soever the portion employed as capital, its effects always are to render the country richer and its inhabitants more opulent, but never to confuse or to overload the national market. I own that nothing appears to me more completely demonstrated than this reasoning.

It may be necessary, however, to remark that a nation may easily have more than enough of any commodity, though she can never have more than enough of commodities in general. The quantity of any one commodity may easily be carried beyond its due proportion; but by that very circumstance is implied that some other commodity is not provided in sufficient proportion. What indeed is meant by a commodity's exceeding the market? Is it not that there is a portion of it for which there is nothing that can be had in exchange? But of those other things then the proportion is too small. A part of the means of production which had been applied to the preparation of this superabundant commodity should have been applied to the preparation of those other commodities till the balance between them had been established. Whenever this balance is properly preserved, there can be no superfluity of commodities, none for which a market will not be ready.

This balance, too, the general order of things has so powerful a tendency to produce that it will always be very exactly preserved where the injudicious tampering of government does not prevent, or those disorders in the intercourse of the world produced by the wars into which the inoffending part of mankind are plunged, by the folly much more frequently than by the wisdom of their rulers.

This important and as it appears demonstrative doctrine affords a view of commerce which ought to be very consolatory to Mr. Spence. It shows that a nation always has within itself a market equal to all the commodities of which it can possibly have to dispose: that its power of purchasing is always equivalent to its power of production, or at least to its actual produce; and that as it never can be greater, so it never can be less. Foreign commerce, therefore, is in all cases a matter of expediency rather than of necessity.

The intention of it is not to furnish a vent for the produce of the industry of the country, because that industry always furnishes a vent for itself. The intention of it is to exchange a part of our own commodities for a part of the commodities which we prefer to our own of some other nation; to exchange a set of commodities which it peculiarly suits our country to produce, for a set of commodities which it peculiarly suits that other country to produce. Its use and advantage is to promote a better distribution, division, and application of the labor of the country, than would otherwise take place, and by consequence to render it more productive. It affords us a better, a more convenient, and more opulent supply of commodities than could have been obtained by the application of our labor within ourselves, exactly in the same manner as by the free interchange of commodities from province to province within the same country, its labor is better divided and rendered more productive.

It thus appears of what extraordinary importance to every community is the augmentation of capital, that is to say, the augmentation of that part of the annual produce which is consumed in the way of reproduction. If we but recall the thought of that important doctrine first illustrated by Smith, that a progression is necessary in national affairs to render the circumstances of the great body of the people in any degree comfortable, our humanity, as well as our patriotism, will become deeply interested in the doctrine of parsimony

Dr. Smith shows that even when a country is stationary the subsistence of the laboring classes is reduced to the lowest rate which is consistent with common humanity—that is to say, it is barely sufficient to enable them to maintain their present numbers, but not sufficient to enable them in the least degree to augment them. But if we recollect how much greater than this is the power of multiplication in the species, how natural it is for the average of families to be more numerous than merely to replace the father and mother, we shall see with feelings of commiseration how wretched must be the circumstances of those families that are more numerous, and of how many human creatures brought into existence it must be the miserable fate to perish through want of subsistence.

But if such is the dismal situation of the great body of the people when the national affairs are but stationary, how much more shocking to our feelings are their circumstances when the situation of the country is retrograde? In this situation the laborer is unable to earn even at a rate which is sufficient to maintain the numbers of the laboring class. Calamity now comes down with a heavier hand. That class must even be thinned by the dreadful operation of deficient subsistence. On the other hand, when the affairs of the country are progressive the wages of the laboring class are sufficient not only to maintain their existing numbers, but to augment them.

When the reward of labor is liberal, the laborer can support a moderate family with ease; and plenty and comfort diffuse themselves throughout the community. Have we not seen that this progressive state of society, that all these happy consequences, result from continual additions made to the capital of the country, or to that part of the annual produce which is devoted to reproduction? And have we not seen that the retrograde condition, with all its deplorable consequences, results from making continual additions to that part of the annual produce which is taken for mere consumption? Little obligation then has society to those doctrines by which this consumption is recommended. Obstacles enough exist to the augmentation of capital without the operation of ridiculous speculations. Were the doctrine that it can increase too fast as great a truth as it is an absurdity, the experience of all the nations on earth proves to us that of all possible calamities this would be the least to be feared. Slow has been its progress everywhere, and low the degree of prosperity which has in any place been given to the mass of the people to enjoy.

OVERPRODUCTION.

I know of no more suitable introductory to this question of overproduction than to give the views of Amasa Walker on production as set forth in his Science of Wealth, book 2, chapter 1:

All values are created by modifications of existing matter. Man can not create one particle, but he can modify what he finds, or change its condition, in three ways, viz:

By transmutation, by transformation, by transportation.

First, by transmutation.

This is eminently the work of the agriculturist, who, availing himself of the chemical agencies of the earth and air, transmutes seeds into vegetables, fruits, and grains; and these again, by the aid of animal organizations, into butter, beef, hides, etc. This is the most extensive branch of industry, and employs probably four-fifths of the human race from generation to generation. It is the base of the great pyramid of production. It furnishes the material and the support of all other forms of labor; and not this only, but it renews and restores their waste with an unceasing supply of fresh bodily and mental power.

The air of trade and of the mill heats and rises, and cold currents rush in from the prairie and the mountain. The foot of the farmer is ever turned to the marts of commerce and the busy gatherings of men. He comes with clumsy tread and homespun dress; but he takes the first place in the market and the synagogue. Basil enters Constantinople as night is falling, stares about on the magnificence of the city, and falls asleep upon the steps of the church St. Diomede. He is tired of Macedon. He has business on the throne of the world. He who restored the laws of the Eastern empire and reclaimed the lands deluged by the barbarian floods is the exemplar of the countryman, at all times gazing rudely around on the luxury his homely virtues are to appropriate. The millionaire dashes by in his spendid turnout; a raw, tall lad, with a bundle on a stick, looks on with wonder, the employer of that man's children.

Just as agriculture sends to the markets and the mills of the world their materials, so it sends them their workmen. Strength and even life go fast in the eager competition of manufactures and trade. Cool air, fresh blood flows in from the country to supply the waste. The bare, bleak hills where nature grudges every morsel of food, and stabs cruelly through every chink in the wall, every rent in the clothes, feed the busy cities with men. The streams of vigorous life run off from them to refresh the plains below.

Agriculture has no need to receive back, in any form, her contributions to the other occupations. The power to give without exhaustion lies in the liberal, healthful reproduction of man, when living in intimate relations with nature. Here, after all hurts, humanity comes for healing. War and pestilence, the fierce contest of the mart, the stifling atmosphere of the mill, may waste our kind in quick or lingering deaths; but still, by the side of the brooks men will be born to hold up the frame of industry and social order when their supporters faint and fall. Yet agriculture does not get back a certain share of what it gives. Because it is not a labor of ambition, because honors are not to be gathered in the fields it cultivates, because the excitement of machinery and associa ion are not to be found in its work or play, because quick wealth is not to be realized in its slow increase, the farmer turns himself to the city; and because it is not a labor of ambition, and for each of the other reasons given, the citizen, weary with all, goes back to the open fields and fresh air of the country. The cabbages of Diocletian, the eggs of John Ducas Vataces, the apples of Sir William Temple, are the return made to agriculture for Basils, Astors, and Lawrences.

But the department of agriculture is not confined to the popular view of it. When grain is produced the seed must be planted in prepared ground; the long interval of growth to maturity must be filled with care and labor; and at last the work of harvesting completes the round of duties that go to the production of the grain. But there are great industries in the department of agriculture where harvesting alone is performed by man. Nature has done all the rest. Man's part is to find and to take of her bounty. Such an industry is mining, whether of coal or iron, whether of diamonds underground in Golconda or sponge under water in the Archipelago. Such an industry is the fisheries, whether of whales off Greenland, of cod off Newfoundland, or of pearl oyster off Ceylon. So great, indeed, is the scientific extension of the department of agriculture, that even the smelting of the ore and the transportation from the fishing grounds to the port from which the venture began are included in it, because these first put the products in the possession of the capitalist in an available form.

Man modifies matter and changes its condition—

Secondly, by transformation.

This is the business of the manufacturer and the mechanic. These create values by changing the forms of matter, as cotton and wool into cloth, iron into tools and implements. This is the second great department of human industry.

But man modifies matter or changes its condition—

Thirdly, by transportation.

The merchant does not primarily create value in objects, but enhances that already existing by transporting such objects from one locality to another.

The characteristic illustration is of the most familiar kind. Cotton bought at New Orleans, in 1860, for 12 cents per pound, transported to Liverpool, would have sold, say, for 15 cents. By his capital and skill the merchant has added 25 per cent to the value of exchangeability of the cotton. He has increased the wealth of the world so much. He, therefore, has produced value. Such transactions are useful alike to the producer and to the consumer of the articles transported.

[The honorable Senator here yielded to Mr. DUBOIS.]

Mr. ALLEN. I read now from page 111 of Perry's Political Economy:

A leading proposition of production is the following: Production may go on indefinitely in all directions without ever a fear of reaching a general glut of products. This proposition was first fully developed by Say, in the fifteenth chapter of his well-known treatise on Political Economy, and the proof of it, and some of the consequences of it are well worthy of our attention. I shall put the proof of it in this form: the desires of men which the efforts of other men can satisfy are unlimited in number and indefinite in degree; and therefore, mutual efforts can continue to be put forth in exchange, until these unlimited and indefinite desires of all men are all met—a goal which never can be reached. This opposition demolishes at a stroke the fallacy which pervades Dr. Chalmer's book on "Political Economy," namely, that the universal market is limited, and therefore, were it not for the unproductive consumption of the rich and luxurious, and the equally unproductive consumption of wars, there would soon be a general glut and production must cease for the lack of a vent for its products.

What constitutes a market for anything? This, that somebody desires the service thus offered, and is willing to render a return service acceptable to the offerer. Only two things can limit the universal market, first, a lack of desires, and secondly, a lack of return services. But there can be no lack of desires at any time, and there will be the greatest plenty of return services where production is most busy and most universal.

Therefore, again, no general glut of products is possible to occur. A truth which we have already seen in another connection, reappears here as a consequence of this proposition, and will reappear again and again, namely, that all persons are interested commercially, as well as morally, in the prosperity of other persons, and each nation which has anything to exchange is directly interested in the prosperity of all other nations, because the more production everywhere the better market everywhere. A market for products is made by products in markets.

But while no such thing as a general glut of products ever did or ever can occur, a glut in respect to certain services is very common. Through want of foresight or miscalculation particular services are offered in too great

abundance or of a kind not adapted to the demand, and in respect to these the market is truly said to be glutted. This frequently happens with editions of books—more copies are printed than can be sold at remunerative prices. Also, when fashion changes the goods which were fashionable, but are so no longer, are apt to be in excess of the demand.

The only precaution that can be taken to avoid losses of this character is the cultivation of foresight, by studying as accurately as possible the nature of human desires and the changes that have been observed to take place in them. This constitutes mercantile sagacity; and the most successful producers in all departments are those who best develop this sagacity, who adapt their services to the existing and coming demand, who, to excellence in the substance of their services, add taste and attractiveness to their form, who tend rather to lead the fashions for the many than follow in their wake. The field of production is like the billowy and heaving sea: to navigate most successfully requires foresight, a wise courage, a power of adaptation to varying circumstances, skill to veer and tack when the wind changes, and a will to run before a favoring breeze with all sails set.

Production, as a general rule, is no dead level of monotonous exertion: since its sphere is life with its wants, man with his desires; and there is scope for the development of ingenious mind in almost all its departments. Since all exchange is due to the diversity of relative advantage, whoever develops his powers of observation, of application, of adaptation, to a higher point, and avails himself more skillfully of all peculiar facilities, will reap a larger share of the harvest of exchange.

I now cite and read from Shadwell's System of Political Economy, beginning on page 24:

But whether for good or for evil, the feeling undoubtedly exists, and as the desire of wealth is also universal, it follows that all men desire to obtain wealth by the least labor possible, and this proposition may be safely taken as a basis for the science of political economy.

From the fact that this aversion to labor is universal, it follows that there can be no such thing as permanent overproduction. If we look at a single trade, we find that those who are engaged in it frequently produce more than they can sell at remunerative prices, and that the market is consequently "glutted," and many traders ruined. This has frequently happened in England when the harvest has been unusually abundant; the farmers have found themselves unable to dispose of their corn at such prices as will allow them to pay their rents, and have been obliged to use wheat for feeding cattle. The cotton manufactures of the North of England frequently exhibit similar phenomena, as do also the shipbuilding and other trades.

The most celebrated instances have been those which have followed on the opening of a new trade between two distant countries. When, in 1806, the English were for the first time able to trade direct with Buenos Ayres, they formed the most extravagant expectations of its capacity for purchasing their goods. Not merely did they send skates, stoves, and warming pans to a country where they were never required, but they sent such enormous quantities of all sorts of goods that they were unable to warehouse them, and were obliged to leave them on the beach.

After the discovery of gold in Australia in 1851, the high prices which prevailed there gave rise to a large exportation from Europe of all sorts of goods, which continued long after it had ceased to be profitable, and on such a scale that large quantities of brandy were sold in Melbourne for one-tenth of the price which they had cost in London, and many cargoes were unable to meet with any warehouse accommodation, and were spoiled by exposure in the open air. By such facts as these, some economists have been led to suppose that there is a natural tendency to overproduction in all trades, and that there is some danger that an enterprising people will produce more of all sorts of goods than they can use; but this is to suppose that men will work without an object, while, in fact, they only produce in order to gratify their wants, and will soon leave off producing when they have got more than enough. Wheat may be superabundant for a single year, because farmers can not tell beforehand how great the product of their labor will be; but if they find that for two or three years running they produce more wheat than is required, they sow less of that grain and more of something else.

The case of Buenos Ayres has been cited by M. Louis Blanc as proving that England was suffering from overproduction, and as showing the shifts to which we were obliged to resort in order to find a market for our surplus produce. But we did not send goods to Buenos Ayres because we did not know how else to get rid of them; we produced them in order to send them there because we thought that we could obtain in exchange the various comforts for ourselves. If we had known that we could not do so, we should have produced at home the things we wanted. Since 1806 our wealth has increased enormously, and we are still as far as ever from being able to produce all that we want. M. Louis Blanc himself draws a melancholy picture of the poverty which prevails among the lower classes in France and England; and so long as such continues to be the case, it is idle to talk of our having produced more than we want, and if the time should come when there were no human wants unsatisfied, then human beings would cease to labor, and in either case overproduction is impossible.

Right here, Mr. President, let me say that gentlemen who advocate this doctrine of overproduction never seem to think of the fact that in this land of plenty, where overproduction exists, as they claim, want is constantly increasing; and that there are hungry men, hungry women, and hungry children in a country where prices are falling, as they claim, in consequence of overproduction. It is this fallacy, with others that have been urged in this Senate Chamber, and that are being urged in the metropolitan press and through other channels, that are calculated to mislead the people of this country. There is and there can be no ranker political fallacy than the doctrine of overproduction. It is under-consumption and the lack of means of distribution, one principal element of which is money, that produce local and temporary congested conditions in trade.

And it is characterized as a fallacy here and throughout these works:

It is perpetually reappearing in different forms, among which may be here specified the belief that our colonies are useful because they provide a market for our exports.

When the people of this country, the farmers and laborers, and what I may properly term the great masses of the common people, feel the effects of this system of contracted money, they are told that their misfortune is due to overproduction; that they produce too much, that God is too bountiful, that the people suffer too much corn, wheat, and oats to grow, and produce too much food. Therefore, in a land of plenty, in consequence of there being too much, there must be starvation and hunger as a result. In consequence of too much, laboring men must be poor.

Richard T. Ely, in his work on Political Economy, at page 149, uses this language:

The purpose of production is consumption, and if more is produced more must be consumed. Power to consume is measured by purchasing power, and power of consumption sets a limit to production. There is no such thing as general overproduction, for more economic goods of all kinds have never been produced than men really use to satisfy their legitimate wants. On the contrary, not enough has ever yet been produced for this purpose. Sometimes production does not go forward evenly, and there is an undue amount of labor and capital directed to certain pursuits. But until all men are well-clothed, housed, fed, and furnished with material appliances for their higher life, like books, pictures, musical instruments, church buildings, etc., it will be a manifest absurdity to talk about general overproduction.

I read from the first volume of J. B. Say's Principles of Political Economy, perhaps the most eminent Frenchman who has ever written on this subject. I read from page 107, chapter 15:

It is common to hear adventurers in the different channels of industry assert that their difficulty lies, not in the production, but in the disposal of commodities; that produce would always be abundant if there were but a ready demand, or vent. When the vent for their commodities is slow, difficult, and productive of little advantage, they pronounce money to be scarce; the grand object of their desire is a consumption brisk enough to quicken sales and keep up prices.

But ask them what peculiar causes and circumstances facilitate the demand for their products, and you will soon perceive that most of them have extremely vague notions of these matters, that their observation of facts is imperfect, and their explanation still more so: that they treat doubtful points as matter of certainty, often pray for what is directly opposite to their interests, and importunately solicit from authority a protection of the most mischievous tendency.

I read from this same book, on page 108:

A man who applies his labor to the investing of objects with value by the creation of utility of some sort can not expect that value to be appreciated and paid for, except where other men have the means of purchasing it. Now, of what do those means consist? Of other values, of other products, likewise the fruit of industry, capital, and land. Which leads us to a conclusion, that may at first sight appear paradoxical, viz, that it is production which opens a demand for products.

There is the reverse of the doctrine of overproduction taught, that it is the production of things which opens the way for a demand for the things produced, and this in the very nature of things must be true.

Should a tradesman say, "I do not want other products for my woolens, I want money," there could be little difficulty in convincing him that his customers can not pay him in money without having first procured it by the sale of some other commodities of their own. "Yonder farmer," he may be told, "will buy your woolens if his crops be good, and will buy more or less according to their abundance or scantiness. He can buy none at all if his crops fail altogether. Neither can you buy his wool or his corn yourself, unless you contrive to get woolens or some other article to buy withal.

You say you only want money. I say you want other commodities and not money. For what, in point of fact, do you want the money? Is it not for the purchase of raw materials or stock for your trade, or of victuals for your support? Wherefore, it is products that you want and not money. The silver coin you will have received on the sale of your own products and given in the purchase of those of other people will the next moment execute the same office between other contracting parties, and so from one to another to infinity, just as a public vehicle transports objects one after another. If you can not find a ready sale for your commodity, will you say, "It is merely for want of a vehicle to transport it?" For after all, money is but the agent of the transfer of values.

I call the attention of the Senate specifically to this language:

Its whole utility has consisted in conveying to your hands the value of the commodities which your customer has sold for the purpose of buying again from you: and the very next purchase you make, it will again convey to a third person the value of the products you may have sold to others. So that you will have bought, and everybody must buy the objects of want or desire, each with the value of his respective products transformed into money for the moment only.

I read from page 111, volume 1, of the same author:

Thus, the mere circumstance of the creation of one product immediately opens a vent for other products. For this reason, a good harvest is favorable not only to the agriculturist, but likewise to the dealers in all commodities generally. The greater the crop the larger are the purchases of the growers. A bad harvest, on the contrary, hurts the sale of commodities at large. And so it is also with the products of manufacture and commerce. The success of one branch of commerce supplies more ample means of purchase, and consequently opens a vent for the products of all the other branches; on the other hand, the stagnation of one channel of manufacture or of commerce is felt in all the rest.

But, it may be asked, if this be so, how does it happen that there is at times so great a glut of commodities in the market, and so much difficulty in finding a vent for them? Why can not one of these superabundant commodities be exchanged for another? I answer that the glut of a particular commodity arises from its having outrun the total demand for it in one of two ways, either because it has been produced in excessive abundance or because the produce of other commodities has fallen short.

It is because the production of some commodities has declined that other commodities are superabundant. To use a more hackneyed phrase, people have bought less, because they have made less profit; and they have made less profit for one of two causes, either they have found difficulties in the employment of their productive means or these means have themselves been deficient.

It is observable, moreover, that precisely at the same time that one commodity makes a loss another commodity is making excessive profit.

I now read from page 114:

That in every community the more numerous are the producers, and the more various their productions, the more prompt, numerous, and extensive are the vents for those productions: and, by a natural consequence, the more profitable are they to the producers; for price rises with the demand.

On page 115 the same author says:

That each individual is interested in the general prosperity of all, and that the success of one branch of industry promotes that of all the others. In fact, whatever profession or line of business a man may devote himself to, he is the better paid and the more readily finds employment in proportion as he sees others thriving equally around him. A man of talent, that scarcely vegetates in a retrograde state of society, would find a thousand ways of turning his faculties to account in a thriving community that could afford to employ and reward his ability.

A merchant established in a rich and populous town sells to a much larger amount than one who sets up in a poor district, with a population sunk in indolence and apathy. What could an active manufacturer or an intelligent merchant do in a small, deserted, and semi-barbarous town in a remote corner of Poland or Westphalia? Though in no fear of a competitor, he could sell but little, because little was produced.

I now desire to call the attention of the Senate to the works of John Stuart Mill on Political Economy, pages 337, 338, 339, and 341 of this volume, and I will send it to the Secretary's desk and ask to have the Secretary read it, because the type is so small that I can not read it myself.

The PRESIDING OFFICER (Mr. FAULKNER in the chair). If there be no objection, the Secretary will read as requested. The Chair hears none.

The Secretary read as follows:

Because this phenomenon of oversupply, and consequent inconvenience or loss to the producer or dealer, may exist in the case of any one commodity whatever, many persons, including some distinguished political economists, have thought that it may exist with regard to all commodities; that there may be a general overproduction of wealth; a supply of commodities in the aggregate, surpassing the demand; and a consequent depressed condition of all classes of producers. Against this doctrine, of which Mr. Malthus and Dr. Chalmers in this country and M. de Sismondi on the continent, were the chief apostles, I have already contended in the First Book; but it was not possible, in that stage of our inquiry, to enter into a complete examination of an error (as I conceive) essentially grounded on a misunderstanding of the phenomena of value and price.

The doctrine appears to me to involve so much inconsistency in its very conception, that I feel considerable difficulty in giving any statement of it which shall be at once clear and satisfactory to its supporters. They agree in maintaining that there may be, and sometimes is, an excess of productions in general beyond the demand for them; that when this happens, purchasers can not be found at prices which will repay the cost of production with a profit; that there ensues a general depression of prices or values (they are seldom accurate in discriminating between the two), so that producers, the more they produce, find themselves the poorer, instead of richer, and Dr. Chalmers accordingly inculcates on capitalists the practice of a moral restraint in reference to the pursuit of gain; while Sismondi deprecates machinery, and the various inventions which increase productive power. They both maintain that accumulation of capital may proceed too fast, not merely for the moral, but for the material interests of those who produce and accumulate; and they enjoin the rich to guard against this evil by an ample unproductive consumption.

At this point Mr. DUBOIS suggested the absence of a quorum.

Mr. ALLEN. I ask the Secretary to continue reading from the book that I sent to the desk the remainder of the marked extract.

The PRESIDING OFFICER. If there be no objection, the Secretary will read as requested. The Chair hears no objection.

The Secretary read as follows:

He has produced, but the wrong thing instead of the right. He wanted, perhaps, food, and has produced watches, with which everybody was sufficiently supplied. The new comer brought with him into the country a demand for commodities, equal to all that he could produce by his industry, and it was his business to see that the supply he brought should be suitable to that demand. If he could not produce something capable of exciting a new want or desire in the community, for the satisfaction of which some one would grow more food and give it to him in exchange, he had the alternative of growing food for himself; either on fresh land, if there was any unoccupied, or as a tenant, or partner, or servant of some former occupier, willing to be partially relieved from labor. He has produced a thing not wanted, instead of what was wanted; and he himself, perhaps, is not the kind of producer who is wanted; but there is no overproduction; production is not excessive, but merely ill-assorted.

We saw before, that whoever brings additional commodities to the market, brings an additional power of purchase; we now see that he brings also an additional desire to consume, since if he had not that desire he would not have troubled himself to produce. Neither of the elements of demand, therefore, can be wanting, when there is an additional supply; though it is perfectly possible that the demand may be for one thing, and the supply may, unfortunately, consist of another.

Driven to his last retreat, an opponent may, perhaps, allege that there are persons who produce and accumulate from mere habit; not because they have any object in growing richer, or desire to add in any respect to their consumption, but from *vis inertiæ*. They continue producing because the machine is already mounted, and save and reinvest their savings because they have nothing on which they care to expend them. I grant that this is possible, and in some few instances probably happens; but these do not in the smallest degree affect our conclusion. For, what do these persons do with their savings? They invest them productively; that is, expend them in employing labor. In other words, having a purchasing power belonging to them more than they know what to do with, they make over the surplus of it for the general benefit of the laboring class.

Now, will that class also not know what to do with it? Are we to suppose that they too have their wants perfectly satisfied, and go on laboring from mere habit? Until this is the case, until the working classes have also reached the point of satiety, there will be no want of demand for the produce of capital, however rapidly it may accumulate, since, if there is nothing else to do, it can always find employment in producing the necessaries or luxuries of the laboring class. And when they too had no further desire for necessaries or luxuries, they would take the benefit of any further increase of wages by diminishing their work; so that the overproduction which then for the first time would be possible in idea, could not even then take place in fact, for want of laborers. Thus, in whatever manner the question is looked at, even though we go to the extreme verge of possibility to invent a supposition favorable to it, the theory of general overproduction implies an absurdity.

What, then, is it by which men who have reflected much on economical phenomena, and have even contributed to throw new light upon them by original speculations, have been led to embrace so irrational a doctrine? I conceive them to have been deceived by a mistaken interpretation of certain mercantile facts. They imagined that the possibility of a general oversupply of commodities was proved by experience. They believed that they saw this phenomenon in certain conditions of the markets, the true explanation of which is totally differedt.

I have already described the state of the markets for commodities which accompanies what is termed a commercial crisis. At such times there is really an excess of all commodities above the money demand; in other words, there is an under-supply of money. From the sudden annihilation of a great mass of credit, everyone dislikes to part with ready money, and many are anxious to procure it at any sacrifice. Almost everybody, therefore, is a seller, and there are scarcely any buyers, so that there may really be, though only while the crisis lasts, an extreme depression of general prices from what may be indiscriminately called a glut of commodities or a dearth of money.

But it is a great error to suppose, with Sismondi, that a commercial crisis is the effect of a general excess of production. It is simply the consequence of an excess of speculative purchases. It is not a gradual advent of low prices, but a sudden recoil from prices extravagantly high; its immediate cause is a contraction of credit, and the remedy is, not a diminution of supply, but the restoration of confidence. It is also evident that this temporary derangement of markets is an evil only because it is temporary. The fall being solely of money prices, if prices did not rise again no dealer would lose, since the smaller price would be worth as much to him as the larger price was before. In no manner does this phenomenon answer to the description which these celebrated economists have given of the evil of overproduction. That permanent decline in the circumstances of producers, for want of markets, which those writers contemplate, is a conception to which the nature of a commercial crisis gives no support.

The other phenomenon from which the notion of a general excess of wealth and a superfluity of accumulation seems to derive countenance, is one of a more permanent nature, namely, the fall of profits and interest which naturally takes place with the progress of population and production. The cause of this decline of property is the increased cost of maintaining labor, which results from an increase of population and of the demand for food, outstripping the advance of agricultural improvement. This important feature in the economical progress of nations will receive full consideration and discussion in the succeeding book. It is obviously a totally different thing from a want of market for commodities, though often confounded with it in the complaints of the producing and trading classes. The true interpretation of the modern or present state of industrial economy is, that there is hardly any amount of business which may not be done, if people will be content to do it on small profits.

Mr. HOAR. Will the Senator allow me to ask him a question at this point?

Mr. ALLEN. Certainly.

Mr. HOAR. I understand he is having a quotation read from this document to show that there is no such thing as overproduction. I desire to ask the Senator in all candor if he does not think his speech is an overproduction at this moment?

Mr. ALLEN. Mr. President, I do not know what the Senator from Massachusetts means, whether he means to insult me——

Mr. HOAR. Not in the least.

Mr. ALLEN. By saying my speech is unnecessary and not germane to the subject.

Mr. HOAR. Not wholly unnecessary. I merely asked the Senator if he did not think it was an overproduction under the circumstances.

Mr. ALLEN. I do not think that the question of the Senator from Massachusetts calls for even an answer.

Mr. HOAR. Very well, I will not press it.

The PRESIDING OFFICER. The Secretary will resume the reading.

The Secretary continued, as follows:

And this all active and intelligent persons in business perfectly well know; but even those who comply with the necessities of their time grumble at what they comply with, and wish that there were less capital, or, as they express it, less competition, in order that there might be greater profits. Low profits, however, are a different thing from deficiency of demand; and the production and accumulation which merely reduce profits can not be called excess of supply or of production. What the phenomenon really is, and its effects and necessary limits, will be seen when we treat of that express subject.

I know not of any economical facts, except the two I have specified, which can have given occasion to the opinion that a general over-production of commodities ever presented itself in actual experience. I am convinced that there is no fact in commercial affairs which, in order to its explanation, stands in need of that chimerical supposition.

The point is fundamental; any difference of opinion on it involves radically different conceptions of political economy, especially in its practical aspect. On the one view we have only to consider how a sufficient production may be combined with the best possible distribution, but on the other there is a third thing to be considered—how a market can be created for produce or how production can be limited to the capabilities of the market. Besides, a theory so essentially self contradictory can not intrude itself without carrying confusion into the very heart of the subject, and making it impossible even to conceive with any distinctness many of the more complicated economical workings of society. This error has been, I conceive, fatal to the systems, as systems, of the three distinguished economists to whom I before referred, Malthus, Chalmers, and Sismondi, all of whom have admirably conceived and explained several of the elementary theorems of political economy, but this fatal misconception has spread itself like a veil between them and the more difficult portions of the subject, not suffering one ray of light to penetrate. Still more is this same confused idea constantly crossing and bewildering the speculations of minds inferior to theirs.

It is but justice to two eminent names to call attention to the fact that the merit of having placed this most important point in its true light, belongs principally, on the Continent, to the judicious J. B. Say, and in this country to Mr. Mill; who (besides the conclusive exposition which he gave of the subjects in his Elements of Political Economy) had set forth the correct doctrine with great force and clearness in an early pamphlet, called forth by a temporary controversy, and entitled "Commerce Defended;" the first of his writings which attained any celebrity and which he prized more as hav-

ing been his first introduction to the friendship of David Ricardo, the most valued and most intimate friendship of his life.

Mr. ALLEN. Mr. President, I am induced to quote thus liberally from these different works on political economy, as I said some time ago, in consequence of the persistent and constant reiteration of the doctrine of overproduction. It has been asserted here repeatedly, it has seemingly been taken for granted, that there is such a doctrine as overproduction, not only general overproduction, but overproduction with reference to this specific metal of silver; and it has occurred to me that it is proper and needful to refute this doctrine even at the expense of some time in citing authorities for the purpose of clearing the public mind; and this I shall do notwithstanding the statement of the Senator from Massachusetts that my speech may be an overproduction. It occurs to me that I have in numerous instances read speeches coming from representatives of his section of the country, and from that Senator himself, which were an overproduction of mere words. Now, I cite the work of Roscher, volume 2, page 205:

The greater number of such crises are doubtless special; that is, it is only in some branches of trade that supply outweighs demand. Most theorists deny the possibility of a general glut, although many practitioners stubbornly maintain it. J. B. Say relies upon the principle that in the sale of products, as contradistinguished from gifts, inheritances, etc., payment can always be made only in other products. If, therefore, in one branch there be so much supplied that the price declines, as a matter of course the commodity wanted in exchange will command all the more, and therefore, have a better vent. In the years 1812 and 1813, for instance, it was almost impossible to find a market for dry goods, and other similar products. Merchants everywhere complained that nothing could be sold. At the same time, however, corn, meat, and colonial products were very dear, and therefore, paid a large profit to those who supplied them.

Every producer who wants to sell anything brings a demand into the market exactly corresponding to his supply. (James Mill.) Every seller is *ex vi termini* also a buyer; if therefore, production is doubled, purchasing power is also doubled. (J. S. Mill.) Supply and demand are in the last analysis, really, only two different sides of one and the same transaction. And as long as we see men badly fed, badly clothed, etc., so long, strictly speaking, shall we be scarcely able to say that too much food or too much clothing has been produced.

I read now from page 104 of McCulloch's Political Economy:

An excess of one particular commodity may be occasionally produced, but it is quite impossible that there may be too great a supply of every commodity. The fault is not in producing too much, but in producing commodities which either do not suit the tastes of those with whom we wish to exchange them, or which we can not ourselves consume. If we attend to these two grand requisites, if we produce such commodities only as can be taken off by those to whom we offer them for sale, or such as are directly available to our own use, we may increase the power of production a thousand or a million of times, and we shall be just as free of all excess as if we diminished it in the same proportion.

Every person in possession of commodities is qualified to become a demander. But, if, instead of bringing them to the market, he chooses to consume them himself, there is obviously an end to the matter; and it is plain that the multiplication of such commodities to infinity could never occasion a glut. Suppose, however, that he does not consume them himself—that he wishes to obtain other commodities, and that he offers them in exchange. In this case—and in this case only—there may be a glut; but how does it arise? Not certainly because there has been an excess of production, but because the producers have not properly adapted their means to their ends. They wanted, for example, to obtain silks, and they offered cottons in exchange for them; the proprietors of the silks were, however, already sufficiently supplied with cottons, and they wanted broadcloths.

The cause of the glut is, therefore, obvious. It consists not in overproduction, but in the production of cottons which were not wanted, instead of broadcloths which were wanted. Let this error be rectified, and the glut will disappear. Even on the supposition that the proprietors of silks are not only supplied with cottons, but that they are also supplied with cloth, and every other commodity which it is within the power of the demanders to produce, the principle for which we are contending would not be invalidated. For if those who want silks can not obtain them in exchange for broadcloths, or such other commodities as they are either possessed of, or can produce, they have an obvious source on hand; they can abandon the production of the commodities which they do not want, and apply themselves directly to the production of those which they do want, or of substitutes for them.

In no case, therefore, whether a country has or has not an intercourse with its neighbors, or whether the market for its commodities can or can not be extended, can an increased facility of production ever be attended with the slightest inconvenience. We might with equal truth pretend that an increased fertility of the soil and an increased salubrity of the climate are injurious. Such commodities as are carried to market are produced only in the view of obtaining others in exchange for them, and the fact of their being in excess affords of itself a conclusive proof that there is a corresponding deficiency in the supply of those they were intended to buy or to be exchanged for.

An universal glut of all sorts of commodities is, therefore, impossible. Every excess in one class must be balanced by an equal deficiency in some other. It is not the increase, but the wrong application of productive power, the improper adaptation of means to ends, that is in every case the specific cause of gluts. And it is plain that the real and only effectual remedy for this evil is to be found in the perfect freedom of industry, and in the establishment of a liberal and enlarged system of commercial policy.

And again:

It is to this interference on the part of the Government that nine-tenths of the gluts which now occur may be traced.

Speaking of restrictive legislation. I cite the remarks of Mr. Allard in the report of the Brussels Conference, to which I have heretofore referred, upon the subject of overproduction as applied particularly to the question of money:

But we are told that if prices have fallen it is due to overproduction. Mr. Cramer-Frey has told us prices fall; that is very simple; it is because we produce too much. The honorable delegate from Switzerland is astonished that with "juvenile ardor" I rise up against that claim.

If I should join him in telling you gravely that for twenty years all mankind had been so obstinate as to produce more than it could consume; that for twenty years, like the Danaides, the universe has produced things for which it had no need, it would not seem serious to you; and you would be right. That is, however, the paradoxical character of the singular theory of overproduction by which our opponents would prove that our privations result from an excess of production and that labor engenders poverty.

I think it would be better to say no more of it, since facts within our knowledge make a formal denial of that claim. The stores are everywhere empty, business suffers on all sides, and the commercial world is invaded, as all admit, by an anæmic influence which threatens death.

The statistics of Mr. Sauerbeck have clearly proved that the allegation of overproduction as a cause of falling prices is absolutely false.

From 1850 to 1873 the total production of the world increased each year 2.8 per cent. That was the age of California and bimetallism. Prices increased 40 per cent.

From 1873 to 1885 the production of the world increased yearly only 1.6 per cent; a decrease of nearly one-half. Prices should have increased; but on the contrary they fell 32 per cent.

This is the demonstration of Mr. Cramer-Frey's mistake in continuing to believe in overproduction, which was disproved long ago.

The truth, gentlemen, was told by Mr. Goschen, in England, in 1883: "The fall of prices comes from the rise of gold." He expressed his thought in these typical phrases: "Fortunate are they who own sovereigns, and unfortunate they who own commodities, products, and other goods."

Who are the fortunate ones of whom Mr. Goschen speaks?

The classes who receive fixed incomes in gold—owners of bonds of States, of provinces, and of cities, and of long-term leases.

And who are the unfortunates? The producers, the workers, and, in the first rank, the farmers.

Fixed incomes increase in value, products fall, and annuitants are enriched at the expense of labor. This is the truth, and thence arise, gentlemen, these conflicts of labor and capital in England and elsewhere, struggles against a flagrant injustice which has been brought about between so many people; and this is a serious, profound, lamentable, but, above all, a formidable revolution, of which we feel every day the disastrous consequences.

You have heard Mr. de Rothschild, in the introduction to his proposal, praise the fall of prices, in which he perceived the happiness of the laboring classes.

History, as well as what takes place in our day, protests, it seems to me, against this judgment.

From 1810 to 1840—this is history—the precious metals diminished in their production; the locomotive was invented and the steam loom transformed the world; electricity was applied, production was enormous, prices fell 49 per cent. The revolution broke forth everywhere in 1848.

If you read the writers of that time, such as Sismondi, you might think you were reading our own history.

Why did the fall of prices and the revolution of 1848 cease? Mr. Goschen taught England the reason on April 18, 1883. "An eminent French economist," he said, "has declared that France would certainly not have escaped bankruptcy in 1848 without the enormous expansion of currency produced by California and Australia. That expansion left to a commercial prosperity which permitted France to extricate herself from her political embarrassment."

My excellent colleague and friend, Mr. Weber, said the other day that these were only lamentations; that all the bimetallists were modern Jeremiahs. Yes, gentlemen, we weep, not exactly over the fall of Jerusalem or the captivity of Babylon, but we lament over the evils of modern times, over the ruin of agriculture and the accumulating losses of trade, over the evils which burst upon our modern society.

We have the right to lament and complain. We derive the right from the prophecies which we made, and to which you obstinately refused to listen, when we predicted everything which has taken place to-day before you demonetized silver in 1873.

I will cite some of these modern Jeremiahs. They are well known to you and deserve attention.

There is the Baron Alphonse de Rothschild, for instance: "As a sequel," he said in 1869, two years before the demonetization of silver, "we should have to demonetize silver completely. That would be to destroy an enormous part of the world's capital; that would be ruin."

This man was the father, I understand, of the Rothschild now living.

There is Jeremiah the first. Let us pass to the second. It is Mr. Wolowski, professor at the Collège de France. "What will be the result?" he said. "It will be serious. An immense shock will disturb the universal market. An enormous fall of prices will be the necessary consequence of the rise of the metal." And you blame us if we lament and weep over the fall which we predicted with all the consequences which it involved for mankind. Yes, we are Jeremiahs; but you must admit that our prophecies are fulfilled.

Further, upon the same page, page 329:

Open your eyes, gentlemen, for every day these Jeremiahs become more and more in the right in their opposition to you.

The fall of silver is obstinately spoken of, and the rise of gold is obstinately denied. Consider Mexico, where silver is produced. The metal is not depreciated there, for it buys as many commodities as before. "No matter," say the monometallists, "silver is depreciated, for we see that it is." "But," you tell them, "there is a crisis everywhere." "There is no crisis," they reply. "But," you say, "gold is more and more appreciated." "Quite wrong," they say; "there is no appreciation of gold; there is only overproduction." "But, after all, we are not Danaides, working without purpose. We manufacture so much less than before that all feel impoverished and ruined." "No," the monometallists repeat, "perish the colonies rather than a principle. We deny all that."

Are all these denials as valuable as the smallest proof? With Mr. Goschen, I ask the monometallists kindly to tell us—

First. Why they hold to the theory of monometallism?

Second. What benefits the application of their theory has brought us up to the present?

That is what we have been asking for twenty years without obtaining a reply, as Mr. Goschen observed to the manufacturers of Manchester.

I notice that in building upon fragile foundations based upon simple denials very singular systems are developed; thus our honorable opponent and colleague, Mr. Currie, told us that in his opinion the system of the future would be the gold standard without gold circulation, an idea well wedded to the notion that the inconvertibility of bank notes is one of the plagues which we should have the courage to contemplate calmly, an idea which does not much alarm my honorable colleague, Mr. Weber.

Many persons see a great advantage in the rise of exchanges. The manufacturers of Moscow demand an increase of inconvertible paper currency in

order to raise the price of gold, which acts as a premium upon exportation. That was the principle advocated by Mr. Karkoff, during his life the director of the Moscow Gazette. I doubt, gentlemen, whether, in a conference whose object is metallic money, its increase and the study of means for an increased use of silver, you will be disposed to accept such reasoning.

Mr. SQUIRE. I should like to ask the Senator a question.

Mr. ALLEN. Certainly.

Mr. SQUIRE. I ask the Senator from Nebraska to what he attributes the depression in the prices of grain this year as compared with last year, and the year before, and the year before that? Is it owing to a greater lack of currency as compared with those years?

Mr. ALLEN. I will cheerfully answer the Senator as I approach that question.

Mr. PALMER. I ask pardon; I did not hear the answer of the Senator from Nebraska.

Mr. ALLEN. I said I would cheerfully answer the inquiry of the Senator from Washington when I get to the question, but I can not suffer the continuity of my argument to be interrupted and anticipate a question that does not properly come into the discussion at this time.

Mr. SQUIRE. I thought it was germane to what the Senator was discussing. He was talking about overproduction. That is the reason why I asked the question.

Mr. ALLEN. I was talking about the general principles of overproduction. I have said distinctly and asserted repeatedly that I will come to the question as to whether there has been any overproduction of silver or grain eventually in this discussion. Yet I do not see that the question of the Senator from Washington is germane to the question I am now discussing. Suppose I should say that I thought it was in consequence of the decline of silver, I might be mistaken in that statement, and yet it might be true that the decline in the prices of farm produce was due to some other cause which was affected by the volume of money. I do not propose to be led off into discussions on immaterial matters of that kind, with all due deference to the Senator from Washington. My time is somewhat limited, and I think I ought not to be interrupted in that way.

Mr. SQUIRE. The Senator will excuse me, I did not want to interrupt the current, or as he expresses it, the continuity of his argument.

Mr. ALLEN. I call attention to the following tables as bearing upon the question of the production of gold and silver.

The world's production of gold and silver for four hundred years, from 1493 to 1893, has been (United States Mint Report, August 16, 1892):

Gold	$8,204,303,000
Silver	9,726,072,500
Total	17,930,375,500

Annual production of gold and silver of the world for last ten years, 1883-1892, inclusive.

Years.	Gold product.	Silver product.	Total.
1883	895,400,000	$115,300,000	$210,700,000
1884	101,700,000	105,500,000	207,200,000
1885	108,400,000	118,500,000	226,900,000
1886	103,000,000	130,000,000	226,000,000
1887	105,775,000	124,281,000	230,056,000
1888	110,197,000	140,706,000	250,903,000
1889	123,489,000	162,159,000	285,648,000
1890	113,149,600	172,234,500	285,384,100
1891	120,518,800	186,733,000	307,251,800
1892	130,816,600	196,605,200	327,421,800
Total	1,115,446,000	1,442,618,700	2,558,064,700

Production of gold and silver of the world, 1892.

Gold	$130,816,600
Silver	196,605,200
Total	327,421,800

From 1792 to 1873 is given by report of United States commissioner, and from 1873 to 1892, inclusive, by the Director of the United States Mint. The production of the gold and silver of the United States from 1792 to 1892, inclusive, has been:

Gold	$1,969,692,976
Silver	1,158,831,869
Total	3,128,524,845

So that really the total output of the silver mines of this country from 1792 to the present time has been less than the total gold output. Yet notwithstanding the fact that gold has exceeded silver in the number of dollars mined in this country from the organization of the Government down to this moment, we hear this senseless cry of the overproduction of silver, and that, too, notwithstanding the countries of the civilized world and the semi-civilized world are calling to-day for more material of which to make money. This cry has gone up for the purpose of deceiving somebody and leading the people to believe, to their injury, that the disparity between gold coin and debased silver bullion is caused by the overproduction of silver.

Mr. PALMER. Will the Senator from Nebraska allow me to ask him a question.

Mr. ALLEN. With great pleasure.

Mr. PALMER. What country has demanded silver for coinage?

Mr. ALLEN. The Latin Union is standing by the coinage issued by the French nation.

Mr. PALMER. The Senator has not answered my question. He says that countries are demanding silver for coinage. I ask him what country has made that demand in any form whatever?

Mr. ALLEN. That any nation upon the face of the earth has spoken out in words and said we want more money, or more silver, I do not pretend. I suppose the Senator from Illinois will understand me in a more comprehensive sense. I say, for instance, that Switzerland and countries of that kind are constantly protesting that the supply of money is inadequate to the demands of trade, business, and labor.

Mr. TELLER. Will the Senator from Nebraska allow me to make a suggestion to the Senator from Illinois?

Mr. ALLEN. Certainly.

Mr. TELLER. If the Senator from Illinois will take the reports of the United States Mint he will find that the coinage of silver every year for a great number of years has equaled the production of silver less that which is used in the arts. I assure him that he can find no stock of silver bullion anywhere in the world that is carried over from one year to another.

Mr. PALMER. The Senator from Colorado is exceedingly kind to undertake to answer a question without answering it. The statement made by the Senator from Nebraska was that countries were demanding silver for coinage. The Senator from Colorado has not answered that question.

Mr. TELLER. It seems to me that when they are putting it through their mints it is pretty good evidence that they are demanding it. The Senator is sticking in the bark.

Mr. PALMER. If the Senator is satisfied with that answer, I have asked the question and that is the best answer I can get.

Mr. TELLER. That is a perfect answer.

Mr. PALMER. I do not think it is. It is a very imperfect answer.

Mr. ALLEN. I desire to say to the Senator from Illinois that I did not bring with me data for all these statements. If the Senator from Illinois has been reading the foreign news during the past summer he has found that two or three of the smaller kingdoms I have mentioned have been upon the point of revolution in consequence of a shrinking volume of money. They have been meeting in conventions and discussing the question of the fall in prices of farm labor and farm products. They have been inquiring into the cause of their condition and they have in every instance come to the conclusion that it is produced by a contracted system of money; and in every instance they have declared that the quantity of gold at their disposal was not adequate for monetary purposes. If that is not a demand for silver or a demand for the extension of the metallic money of those countries, I do not know what constitutes a demand.

Mr. SQUIRE. Will the Senator permit me to ask him a question?

Mr. ALLEN. With great cheerfulness.

Mr. SQUIRE. I do not ask it for the purpose of interrupting the continuity of the Senator's remarks, but for the purpose of ascertaining the fact and getting the information. If the Senator is not prepared to give it, I hope some other Senator, perhaps the Senator from Colorado, may be permitted to give the information. The point I wish to arrive at is this: Since the suspension of free coinage in India, I should like to know whether there is any authentic information extant as to whether the Indian government or the powers that be there which control the subject have purchased silver to be coined? Has the coinage been proceeded with by the government since the suspension of free coinage in that country? I have tried to find out, and I did not know but that the Senator might be informed.

Mr. ALLEN. The avenues of information I have are simply current standard periodicals and literature of the day.

Mr. SQUIRE. I have asked the question several times of those whom I supposed had information on the subject.

Mr. ALLEN. I am frank to say that my latest information is that the Indian government is occupying what they call the expectant attitude. They are in an attitude to act one way or the other as circumstances may seem to dictate. Probably the Senator from Colorado can give the Senator from Washington all the information he desires.

Mr. TELLER. I will answer the question so far as I understand it. I understand that the British Government since the closing of the Indian mint by the British Government has not

coined any silver in India, but it is a fact I suppose the Senator from Washington must know, because it has been a matter of a good deal of discussion in the English press at least, that the export of silver, or rather the import into India, has been very large and continuous. There is great question as to what becomes of it when it gets to India, but there seems to be no falling off of the export from Europe to India. There is an article in the last Contemporary Review on the subject. I think it is the last number; if not, next to the last. The English papers have been full of it for several weeks.

Mr. SQUIRE. Are there no apparent reasons for it?

Mr. TELLER. It goes there and they buy it. What they do with it is somewhat uncertain.

Mr. SQUIRE. They do not coin it?

Mr. TELLER. They do not coin it because they can not. In the policy of closing the Indian mint it was calculated that the Government would buy and coin as much silver as was coined by the open mint. That policy may be abandoned because they have had a good deal of difficulty so far in getting it for coinage, and probably the policy will be abandoned. The policy is pronounced by the best people of England to be an absolute failure. There is no question about that.

Mr. PALMER. As the Senator from Colorado has the floor——

Mr. TELLER. I have not the floor.

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Illinois?

Mr. ALLEN. Certainly.

Mr. PALMER. As the Senator from Colorado is talking, I ask him if the English Government has bought an ounce of silver for coinage in India?

Mr. TELLER. It has not, I understand.

Mr. ALLEN. Will the Senator from Illinois permit me right in this connection to ask him a question? Is it not true that for the purpose of the settlement of this question the English and the Indian governments are synonymous expressions?

Mr. PALMER. I think so.

Mr. TELLER. I should like to say that the Indian Government has no more to do with Indian affairs than I have—not a particle. The secretary of India is appointed by the Crown. He is a member of the English cabinet.

Mr. PALMER. I ask pardon. Will the Senator repeat what he said? I did not quite catch it.

Mr. TELLER. I say the Indian people have no more to do with the administration of Indian affairs than I have.

Mr. PALMER. That is the way I understand it.

Mr. TELLER. There are 287,000,000 people there under English authority, and they are governed by the secretary and a council and a viceroy. The secretary is appointed by the Crown and is a member of the English cabinet. The viceroy is also appointed by the Crown and is subject to the direction of the secretary of India. Then there is a council of twelve people. A majority of the twelve must be men who have resided at least ten years in India. That council legislates under the direction of the viceroy and the secretary, with the assistance of the governor and the lieutenant-governor of the different provinces. When they legislate for a province the governor and lieutenant-governor take part in it, but the whole direction is from Great Britain. It was stated in Parliament—I can not recall the member who stated it—that the two hundred and eighty odd million people in India had never been consulted about the closing of their mints. That is not true. Some of the people of India did know about it, but most of them probably did not.

Mr. ALLEN. Will the Senator from Colorado permit me to ask him a question? Is it not true that the Hindoo population of India have nothing whatever to do with the general government of India?

Mr. TELLER. They have absolutely nothing to do with it. The people who compose the council are citizens of England and not citizens of India. All the qualification is that there shall be a council of twelve who have at some time lived in India at least ten years, but they may not live in India at that time but in Great Britain.

Mr. ALLEN. They are entirely dependent on the British Crown?

Mr. TELLER. They are entirely dependent on the secretary, who is an absolute monarch under the Queen of 287,000,000 Indian people. There is a sort of self-government there. I do not mean to say that they do not have some local government, but on questions like the mintage of silver they are not consulted. The merchants of Bombay and Calcutta and other places protested very vigorously (as anybody will see who will look over the testimony that has been presented to us) against the closing of the mints, but it did not count for anything.

Mr. PALMER. I ask pardon of the Senator from Nebraska. I understood him to assert that there were governments which were demanding or seeking or buying silver for coinage. The Senator from Colorado, at my instance, undertook to answer that question. I understand that he has not answered it by affirming it to be true that any government has demanded or sought silver to coin it.

Mr. TELLER. The Senator is just dwelling upon words. How does a government demand it? The Senator from Nebraska means that people want silver and they get it, but they do not get enough. That is all there is of it. I assert that all the production of silver every year enters into coin. I assert that on the statement of the Director of the Mint. It will appear that every year more silver is coined than is produced. Of course this includes what is recoined. Neither the Senator from Illinois nor any other man can find a million pounds of bar silver in existence now that was in existence six months ago.

Mr. PALMER. I have not asserted anything in that respect. The question that I asked the Senator from Nebraska was whether any government had sought or desired to purchase silver for the purpose of coinage. The Senator from Colorado undertook to answer that question. He has not answered it. He tells me that I am dealing in words. Mr. President, words signify ideas so far as I can connect the two together. They are not mere matters of form. It is not an answer to me to say that I am dealing in words. I am asking the question the best way I can.

Mr. ALLEN. I supposed the Senator from Illinois understood me when I said I did not assert that any government was making an official demand for more silver coin. When I say that the people of those countries are demanding silver I simply intend to give voice to what I understand to be the sentiment of the masses of the people of those countries; that is, when they get together in conventions and public meetings to consider the question of their property and the condition of the unemployed and investigate the question they come to the conclusion that it is in consequence of a shrinking volume of money, and that there is not gold enough at their command for money purposes.

Then I assume as a consequence that they are demanding more money in the form of silver coin to swell the volume of their currency and meet their demands. I mean it in a comprehensive sense, that the people of those countries need an increased volume of currency; that they are informed of the cause of their condition, and that they are clamoring for an increased volume of money to relieve them. That is what I mean. I do not mean to assert now, and I hope the Senator from Illinois will understand it, that any government through official channels is making a demand for silver. I suppose under such circumstances the Government would go into the market and buy the silver officially without making any audible demand for it. But I mean to assert that whenever the question of contraction and the control of money is investigated, the masses of the people of the civilized world attribute the shrinkage of property and the condition of the unemployed in a great measure to a contraction in the volume of money.

Mr. LINDSAY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Kentucky?

Mr. ALLEN. Certainly.

Mr. LINDSAY. I should like to ask the Senator a question. If the Senator from Colorado be correct that the demand for silver in India has been as great since the demonetization of silver by the British Government as it was before, does the demonetization of silver by India in any way account for the decline in the value of silver? In other words, if India takes up as much silver now as it ever did, can the demonetization of silver there account for the decline in value?

Mr. ALLEN. I think the Senator from Kentucky must have misapprehended the answer of the Senator from Colorado.

Mr. TELLER. I did not say the export was as great as it had been. I said it had been marvelously great. It was supposed by everybody that when they closed their mints there would be no more silver going to India until the British Government bought it; but to the astonishment of the English people it continues to go there, and they are still unable to tell why it goes and what becomes of it. That is what I said.

Mr. LINDSAY. I ask the Senator from Colorado a further question. I do not think I misunderstood him, but of course I accept his latter statement.

Mr. TELLER. I did not say so. I do not know what the Senator understood me to say.

Mr. LINDSAY. I think the RECORD will show the Senator did say it, but we will not cavil about that. If it be true that more silver is coined each year under existing laws than is produced in the world, will the demonetization of silver by any country account for its decline in value?

Mr. TELLER. The truth is that most of it is coined as token

money. That is where the trouble comes. It is token money and not standard money. The Senator can see the difference between standard and token money.

Mr. SQUIRE. I have the figures here.

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Washington?

Mr. TELLER. I wish to say one word further in answer to the Senator from Kentucky. It is not the consumption of silver that puts it on an equality with gold; it is the use to which it is put that elevates it.

Mr. SQUIRE. On this point I have been looking up the statistics, and I find something that may be of interest to us all. Perhaps the Senator from Colorado is familiar with the figures. I was not until this moment. It seems that for the month ending June 30, 1893, the number of rupees that were imported into India was 9,990,341, and the number of rupees for the three months ending June 30, 1893, was 30,468,570. The exportation from the United States is also given, showing an exportation of four or five million for each of those months.

Mr. TELLER. From what is the Senator reading?

Mr. SQUIRE. I am reading from the statement of imports and exports of the United States, on page 127. It gives the imports of British India.

Mr. TELLER. For what year?

Mr. SQUIRE. Eighteen hundred and ninety-three. This is a statement for August, 1893, but it gives the importations of rupees into India for the three months ending June 30 of the present year, and also for the previous year, showing that the silver is being imported into India notwithstanding, as the Senator from Colorado says, there is no coinage going on.

Mr. TELLER. How does it compare with the last year? I have not looked at those statistics.

Mr. SQUIRE. It is slightly in excess of that of last year, taking the three months.

Mr. TELLER. For June?

Mr. SQUIRE. Yes, that is the case for June. For the month ending June 30 last, it is 9,000,000 rupees. For the month ending June 30, 1892, it is 8,747,846 rupees. I understand the number of dollars to be about half that amount, showing that the importation of rupees into India, if calculated in dollars, would be very nearly the same as the exportation of silver from the United States. There is nothing very remarkable about that. The exportation of silver from the United States for the last three or four months is larger than it had been in any previous year for some time.

Mr. DANIEL. If I am not interrupting the Senator from Nebraska, will the Senator from Kentucky allow me to ask him a question?

Mr. LINDSAY. Certainly.

Mr. DANIEL. Does not the Senator from Kentucky believe that the demonetization of silver has had an effect on its value?

Mr. LINDSAY. I do.

Mr. DANIEL. Suppose it gets so cheap that all of it would be used for horseshoes, might there not be an increased demand for it at a smaller price?

Mr. LINDSAY. I think that is stating it rather more broadly than the facts will ever warrant.

Mr. DANIEL. I think so too. Is it not true that it is the use to which it is applied at a fixed value by law as money which has maintained its price and maintains its price now as in former times?

Mr. LINDSAY. Will the Senator from Virginia permit me to ask him a question? The theory of his side is that the supply of gold is inadequate to the uses of the world, and that therefore the people of the governments are demanding silver. I ask the Senator what proportion of the gold annually produced is coined into money, all the mints of the world being open to gold?

Mr. DANIEL. About half of the gold.

Mr. LINDSAY. I will ask the Senator further, if there was such an overwhelming necessity for a greater volume of metallic currency why did not that other half go into money?

Mr. DANIEL. Because it is needed in necessary arts and because it is used by those who are extremely wealthy and who employ it in plate. The higher it gets the more the extremely wealthy use it in jewelry. They buy it on that account. They appreciate it and fancy to possess it, and therefore take it away from currency use for the great body of the people. If my answer is not satisfactory I hope the Senator from Kentucky will give me his views on the subject.

Mr. LINDSAY. My view is that there is a demand outside of the need of currency greater than there is for currency, and therefore it is not coined.

Mr. DANIEL. That is right

Mr. LINDSAY. The people who make jewelry and sell it pay the market price for gold, and therefore it is not coined.

Mr. TELLER. They do not pay more than the coin price.

Mr. LINDSAY. I do not know about that.

Mr. ALLEN. Let me ask the Senator from Kentucky whether, where there is a strong demand for the use of gold in the arts, so that it is sufficient to take one-half or a great portion of the annual gold output into the arts, that does not cause an appreciation of that portion of gold which is coined?

Mr. LINDSAY. Yes, but it proves more than that. It proves that there is not such a great demand for further coinage as the gentlemen insist upon, otherwise the mint value of gold would be greater than the market value of gold.

Mr. ALLEN. That would depend altogether upon whether those who use gold prefer to use it in the form of ornaments and for utilitarian purposes, or for coin.

Mr. LINDSAY. I will reply to the Senator in this way. It is said that the Indian people still take silver in quantities approximately as great as they did before its demonetization. They use it for ornament, they use it for plate, just as the surplus gold is used for ornament, or plate, or carried into the arts. Yet the Senator says the demand for silver in India does not appreciate the value of it, while the demand for gold does appreciate the value of it.

Mr. ALLEN. I do not understand the Senator from Kentucky. Does he say that I claim the demand in India does not appreciate the value?

Mr. LINDSAY. The Senator from Virginia and the Senator from Colorado say that it does not appreciate the value because of the use to which it is put. Now, gold that is not coined is put to similar use, and yet you maintain that that demand does appreciate the value of the coin.

Mr. ALLEN. If I understand correctly, the use of gold money in India as a legal tender has not yet taken place.

Mr. LINDSAY. I did not say the use of gold money, but I was putting it upon the point that the demand for silver in India is as great now as it was before its demonetization, that is, for ornaments or for purposes to which the Indian people put it. The Senator maintains that because it is not coined it does not appreciate its value. The same line of reasoning will apply to the gold that is not coined.

Mr. ALLEN. If the position of the Senator from Kentucky be true, and if it be true that the English Government, manipulating the affairs of the Indian Government, intends to put the Indian Government upon a gold basis, then if the silver money of that country is to be used as token money, and is not to be a standard money, if that expression is correct, it must be that the value of silver money has been affected by the express intention of the Indian Government and go to the gold basis as well. The use of either metal as money causes an appreciation in its value, as I have clearly shown early in my remarks.

Now, Mr. President, turning my attention for a moment to the question of the demand for gold in the arts, I find that of the annual output of gold in this country of $33,000,000 last year $19,329,000 were consumed in the arts, leaving only $13,671,000 for coin purposes, from which should be deducted and necessarily must be deducted the amount consumed in the recoinage of our abraded coin.

But I return to the matter I was discussing when interrupted. The product of gold and silver of the United States for 1892 was as follows: Gold, $33,000,000; silver, $74,989,900. I speak, of course, of the coin value—that is, the coin value of the silver at the ratio of 16 to 1—and it makes a total of $107,989,900.

[At this point the honorable Senator yielded to Mr. DANIEL.]

Mr. SQUIRE. May I interrupt the Senator from Nebraska for one moment?

Mr. ALLEN. Certainly.

Mr. SQUIRE. I understood the Senator to state that he did not think any gold was used in India. I do not want to interrupt the continuity of his thought and argument, but I should like to state that I have been looking over the statistics on the subject, and for the benefit of all I wish simply to cite the fact which appears in the summary statement that is corrected down to September 27 of the present year. The gold rupees imported into the Indies from the United Kingdom increased largely during the three months ending June 30 over the importations for the preceding year. There have been importations in gold rupees going on all the time.

The importation of gold rupees for the three months ending June 30, 1892, was 937,173, while for the three months ending June 30, 1893, the sum was 2,199,323, showing a very appreciable increase in the importation of gold. It seems to me that in coming to a fair understanding of this subject we might as well take the fact into consideration that gold is being used in India.

Mr. ALLEN. I think the Senator from Washington entirely misapprehends what I said. I said, or at least I intended to say, that it is my understanding that the English Government, since

the suspension of the coinage of silver in India, has not actually made gold a legal tender in India. That is what I desired to say, and what I think I did say.

Mr. SQUIRE. I understood the Senator to say there was no gold in use in India.

Mr. ALLEN. Oh, no; I made no statement of that kind, because there has been a small quantity of gold in use in India for years; but gold has not been a legal tender in India, I understand, for many years, nor do I understand that gold is yet a legal tender in India. I may be mistaken about that, but I know of no order or statute that has been passed within the last sixty or ninety days making it a legal tender there, and certainly there was none before that time. That is the statement I made. Certainly it is the statement I make now.

Mr. SQUIRE. I did not suppose it true that gold is not used at all as a legal tender. Why should gold be imported there if it has no legal-tender value?

I doubt very much the correctness of that statement.

Mr. TELLER. Will the Senator from Nebraska yield to me?

Mr. ALLEN. Cheerfully.

Mr. TELLER. I will state to the Senator from Washington that no gold has been a legal tender in India since 1852. It was a legal tender from 1774 to 1835, but very small quantities were in use. From 1841 to 1852 there was again an attempt to establish the double standard, which failed; and since 1852 gold has not been a legal tender there.

Mr. SQUIRE. Then I would ask the Senator, inasmuch as gold is not a legal tender there, what creates its value? If the legal-tender quality is that which makes a metal valuable and it has not the legal-tender quality there, why should it be imported? Does not that contradict the argument on that subject to some extent?

Mr. TELLER. Gold goes to India because the Indian people are very fond of ornaments of gold.

Mr. SQUIRE. It goes there in coin?

Mr. TELLER. It goes there generally in bullion, not in coin. There never were any gold rupees.

Mr. SQUIRE. Estimated rupees.

Mr. TELLER. Estimated rupees. It goes in bullion, and it goes into hiding. It goes into trinkets, into armlets, and anklets, and that class of jewelry, and never comes out except it did come out in the great famine. When the people were starving they brought their trinkets out and exchanged them for food, etc. It does not go to India for monetary purposes.

Mr. ALLEN. I introduce here a table showing the world's production of gold and silver, calendar year 1892, giving production of American continent of $205,097,321, and balance of world of $122,324,490, compiled from reports of the United States Mint for the year 1892.

	Gold.	Silver.	Total.
AMERICA.			
United States	$33,000,000	$74,989,900	$107,989,900
Dominion of Canada	925,000	407,100	1,332,100
Mexico	1,147,500	59,000,000	60,147,500
Argentine Republic	82,000	620,000	702,000
Colombia	3,472,000	1,298,000	4,770,000
Bolivia	67,000	15,488,000	15,555,000
Chile	1,436,600	2,942,000	4,378,600
Brazil	438,000		438,000
Venezuela	1,000,000		1,000,000
Guiana (British)	1,800,000		1,800,000
Guiana (Dutch)	542,000		542,000
Guiana (French)	998,229		998,229
Peru	75,000	3,112,000	3,187,000
Uruguay	93,500		93,500
Central America	163,492	2,000,000	2,163,492
Total	45,240,321	159,857,000	205,097,321
BALANCE OF THE WORLD.			
Japan	508,400	1,798,800	2,307,200
Africa	22,069,578		22,069,678
India (British)	3,057,900		3,057,900
Korea	750,000		750,000
Australia	33,870,800	17,375,677	51,246,477
Russia	23,546,000	550,000	24,096,000
Germany		7,921,336	7,921,336
Austria-Hungary	1,399,648	2,161,951	3,561,599
Sweden	73,100	152,000	225,100
Norway		235,400	535,400
Italy	94,280	1,146,370	1,240,650
Spain		2,140,400	2,140,400
Turkey	7,000	55,000	62,000
France	133,000	2,955,600	3,088,600
Great Britain	66,600	255,650	322,250
Total	85,576,306	36,748,184	122,324,449

Total of the world, $327,421,811.

Percentage of world's total of gold and silver produced in 1892.

America produced	62.7	per cent of world's product
Balance of world produced	37.3	per cent of world's product
	100	
United States produced	37.6	per cent of world's product
United States produced	37	per cent of the silver.
United States produced	25	per cent of the gold.

It is a peculiar fact that while England produces but little gold and silver, the Bank of England issues no notes under £5, or nominally $25; it mints half sovereign gold pieces, and silver is used for all smaller denominations. Ireland and Scotland issue £1 notes, while United States, the richest gold and silver nation on earth, issues $1 paper money, of three forms, viz, greenbacks, Treasury notes and silver certificates—to the disadvantage of her industries.

NATIONAL DEBTS OF COUNTRIES PER CAPITA.

[Public debt, Eleventh Census United States, 1890.]

I give the following table of the per capita of the national debts of all foreign countries, and the national debt of the United States; also select from the itemized table of the indebtedness of foreign countries the following per capita of Great Britain, and some of her dependencies or colonies governed and directed by England. The latter I give to show the financial condition of the countries controlled directly by England and her money policy, that our people may study it to see whether they care to adopt a policy which has brought such a heavy burden of debt to the people of some of the richest colonies in agricultural and mineral wealth of the world. The money question is the principal issue now before the people. Shall we submit to the dictation of the manipulators and against the workers and producers of this country, the terrible effects of which are now being felt, and unless stopped will grow infinitely worse? This is for the people to answer—yes or no.

National indebtedness of all foreign countries, per capita	$32.90
National indebtedness of the United States, per capita	14.24
English Empire and dependencies:	
National indebtedness of Great Britain and Ireland, per capita	87.75
National indebtedness of New South Wales, Australia, per capita	214.87
National indebtedness of South Australia, Australia, per capita	321.00
National indebtedness of West Australia, Australia, per capita	150.23
National indebtedness of Tasmania, Australia, per capita	147.65
National indebtedness of Victoria, Australia, per capita	161.63
National indebtedness of Queensland, Australia, per capita	333.46
National indebtedness of New Zealand, Australia, per capita	298.01
National indebtedness of Cape of Good Hope, Africa, per capita	77.56
National indebtedness of Natal, Africa, per capita	45.76
National indebtedness of Canada, America, per capita	47.51

Add to the above per capita of national indebtedness of the English colonies the indebtedness of the people, that of the railroads, of private and corporate companies, for homes and loans from banks, the same as itemized in Table A of United States, and the per capita of indebtedness will be increased several hundred dollars.

National debt of foreign countries	$26,633,016,811
Local debt of foreign countries	1,689,740,252
National debt of the United States	891,969,104
State, municipal, and county, United States	1,135,210,442
Total	30,349,927,609

I desire the attention of the Senate to the per capita of gold and silver in coin and bullion in the United States and in France August 16, 1893, or about that date:

Gold in coin and bullion in the United States	$604,000,000
Silver in coin and bullion in Mint and Mercantile Safe Deposit Company in the United States	615,000,000
	1,219,000,000
Population August 1, 1893, United States, 67,000,000.	
Per capita, gold in United States	$9.01
Per capita, silver in United States	9.18
Total per capita in United States	18.19
Per capita, gold in France	20.52
Per capita, silver in France	17.95
Total per capita in France	38.47

Per capita in France $38.74, as against $18.19 in this country.

The table I have submitted, which I think is substantially correct, shows that the French people have a per capita of metallic money substantially twice the amount of the American people. I think it has become proverbial in this country that the French people are a typically prosperous people. If I am correctly informed, every natural agency in the French Republic is being utilized in the production of wealth; every man who desires labor has an opportunity to labor for remunerative wages; and the Frenchman is the owner of his home. Now, to what is that due? It is due to the fact that the French Republic has undertaken to secure the prosperity of her own people. She has not trusted to banking or corporate institutions exclusively for the prosperity of her people, but her legislation has been humane and just, and has taken within its reach and grasp all classes of the people of France. As a result the French are a remarkably prosperous people, notwithstanding the tremendous tribute that was levied upon them by the Prussian Empire after the close of the Franco-Prussian war.

Mr. PALMER. Will the Senator from Nebraska present or indicate the French law which has produced the results he attributes to the French legislation? Can he tell us what it is?

Mr. ALLEN. If I go to an apple tree and see lying under the limbs of that tree an apple of peculiar shape and color and taste and find hanging on the limbs above apples identical in shape,

color, and taste, I will naturally conclude that the apple which is upon the ground grew upon that tree and fell from there, according to the law of gravitation, although I did not see it fall.

Mr. PALMER. As I never saw the tree, will not the Senator describe it to me?

Mr. ALLEN. I witness the fact that the French people are prosperous. I suppose the Senator from Illinois does not doubt that?

Mr. PALMER. I do, but still I would ask the Senator to furnish the law which has made them prosperous, if he knows of such a law.

Mr. ALLEN. It is the most singular thing in the world that the Senator should ask me at this time in the morning, pretty nearly 3 o'clock, to furnish a French law that has made those people prosperous.

Mr. PALMER. I ask pardon; I do it because I suppose the Senator knows what the law is.

Mr. ALDRICH. Will the Senator from Nebraska allow me to supplement the question of the Senator from Illinois?

Mr. ALLEN. I do not know whether the Senator from Illinois is really serious in what he says.

Mr. PALMER. I am serious.

Mr. ALLEN. It occurs to me that there is a tinge of insincerity in it.

Mr. PALMER. Not the slightest.

Mr. ALDRICH. I should like to ask the Senator from Nebraska whether he attributes the great prosperity of the French people, to whom he has been alluding, to the fact that they suspended the free coinage of silver in 1875 and never resumed it.

Mr. ALLEN. Oh, no; I do not attribute it to anything of the kind. They have prospered in spite of the unfavorable silver legislation in 1875.

Mr. GALLINGER. I should like to inquire of the Senator from Nebraska if it is not a fact that the French people per capita consume very much less than the people of the United States, and if that may not account for what he asserts, and which I do not know to be true or otherwise, that they have their little homes?

Mr. ALLEN. My knowledge of the French people is necessarily confined to the same channels that are open to other Senators. I do not suppose there is any particular difference between the consuming power of the Frenchman and the German.

Mr. GALLINGER. If the Senator will permit me, I should like to ask him a further question: If it be true that as compared with our people the French are so exceedingly prosperous, why is it that immigration from France is so much greater to this country than from this country to France?

Mr. ALLEN. The natural opportunities for a man here under favorable legislation must be greater than they are in an old country like France. But does the Senator from New Hampshire pretend that the condition of the people here can not be affected by evil legislation so as to make the general condition of the people of this country unequal in point of prosperity to the people of France?

Mr. GALLINGER. By way of answer to that interrogatory I will say that I make no such contention as that; but after listening to the Senator from Nebraska, who has been berating the people of the United States for some twelve or fifteen hours, advertising to the world that we are almost a nation of paupers, I stand here to say that my information leads me to believe that there are no people on the face of God's green earth as prosperous and as happy and as contented as the people of the United States.

Mr. ALLEN. The Senator from New Hampshire attributes to me an assertion which I never made. I desire to call the attention of the Senator to it now that we may have a perfect understanding. I have not berated the people of the United States.

Mr. GALLINGER. Then the Senator has been very unfortunate in his language.

Mr. ALLEN. I have not berated the people of the United States, and I am reasonably correct in my statements.

Mr. GALLINGER. Then I say the Senator from Nebraska has been very unfortunate in his choice of language.

Mr. ALLEN. The Senator from Nebraska understands the ordinary English language and its use. What the Senator from Nebraska has said is that the condition of millions of the people of this country is due to unwholesome laws, and, if the Senator pleases, rotten legislation. Now, because I say they are the victims of that kind of legislation is that berating them? Is it not rather commiserating their condition when asking for a change of the legislation that brings about such results? Eradicate this rotten legislation and let the whole country prosper.

Mr. WHITE of Louisiana. Will the Senator from Nebraska allow me to interrupt him?

Mr. ALLEN. Let me get through with the Senator from New Hampshire.

The PRESIDING OFFICER. The Senator from Nebraska declines to yield to the Senator from Louisiana.

Mr. ALLEN. I decline for the present.

Mr. WHITE of Louisiana. Excuse me; I was going to ask the Senator if he supposes that in France, to which he has referred so glowingly, there is none of the human misery and suffering to which he alludes as the condition in this country?

Mr. ALLEN. Plenty of it.

Mr. WHITE of Louisiana. Is there more there than there is in this country, according to the Senator's idea?

Mr. ALLEN. I can not say what is the exact extent of misery and suffering in France, but it is less than in the United States.

Mr. WHITE of Louisiana. Then, if the Senator can not say, why does he contrast the condition of France with the condition of this country and contrast the marvelous results produced by what he supposes to be French legislation with the bad results produced by our legislation?

Mr. ALLEN. I mean to say that in a country which in natural conditions is not equal to this country, in consequence of humane legislation upon the part of the French Government, the people have been made wonderfully prosperous. What would be the capacity of this country, what would be its condition——

Mr. McPHERSON. What does the Senator mean by——

Mr. ALLEN. Wait until I get through with my friend from Louisiana. What would be the condition of the people of this country with legislation just as humane and favorable to the masses of the people as the legislation of France?

Mr. WHITE of Louisiana. What legislation does the Senator refer to?

Mr. ALLEN. I am not going into specific legislation there. I mean to say that the volume of money in France is sufficient to put every wheel in motion, to stimulate production until all persons have work at remunerative wages and can save something. Whether it is due to any specific legislation there I do not know. But I know in this country, where the situation of the people is better than in France, the per capita circulation is much less, and those conditions do not exist.

Mr. WHITE of Louisiana. Will the Senator allow me?

Mr. ALLEN. Certainly.

Mr. WHITE of Louisiana. I asked the Senator just now if he affirmed that the conditions in France are better than here and he said he would not undertake to say that they are.

Mr. ALLEN. No; I understood the Senator from Louisiana to ask whether I affirm that there are more suffering, want, and distress in that country than in this.

Mr. WHITE of Louisiana. Then I asked him whether he would affirm that there was more suffering in this country than in France, and he said he would not. Now, immediately after saying he will not do that, he turns around and says there is such a condition in France that every man is prosperous.

Mr. ALLEN. Relatively so. There might be one or two in France who are not prosperous. I suppose the Senator understands that I am speaking in general terms of a population of something like thirty-eight or thirty-nine million people. In the technicality of language it would not be true that they were all prosperous if there was one man not prosperous; but I am speaking about the general prosperity of people of France.

Mr. WHITE of Louisiana. Does the Senator know anything about the increase of pauperism in France?

Mr. ALLEN. I have made no special study of that matter, but I have some information on the question.

Mr. WHITE of Louisiana. Then if the Senator does not know the fact, why does he make the affirmation that pauperism does not exist there?

Mr. ALLEN. I must decline to further answer the question of the Senator from Louisiana, for the evident purpose of that question is simply to confuse the discussion. I assert again, and it is asserted in our magazines and newspapers, it is believed in intelligent circles in this country, that the French people, considering all things, are the most prosperous people financially upon the face of the earth as a whole. I shall later in this discussion show the condition of hundreds of thousands of the people of the United States at the present time.

Mr. PALMER. Will the Senator allow me?

Mr. ALLEN. Certainly.

Mr. PALMER. I desire to interpose a most positive and respectful contradiction of that statement. There are no people in the world more comfortable than the people of the United States. The French people are in no sense as comfortable, as well fed, or as well clothed as the people of the United States.

Mr. TELLER. And they ought not to be.

Mr. GALLINGER. Nor do they consume, per capita, as much.

Mr. PALMER. Nor have they as many of the comforts of life.

Mr. TELLER. I say they ought not to have. We have a richer country.

Mr. PALMER. They ought not to be as comfortable, and they are not.

Mr. ALLEN. I supposed my friends from Illinois and New Hampshire understood me. I say that, considering the soil and considering all the surroundings that enter into the question of the prosperity or detract from the prosperity of a people, the French, comparatively speaking, are the most prosperous people, financially, upon the face of the earth. Is that plain enough?

Mr. GALLINGER. I will venture to answer it by saying that it is plain enough, but I do not believe it is true.

Mr. ALLEN. I do not care anything about what the Senator from New Hampshire believes.

Mr. GALLINGER. That is all right. It is the Senator's privilege.

Mr. ALLEN. The Senator the other day asserted that in the State which he has the honor to represent, the State of New Hampshire, there was something like $200 per capita, I think, in the savings banks, and I presume probably that is true. But, Mr. President, how many people own that money?

Mr. GALLINGER. I will answer the Senator.

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from New Hampshire?

Mr. ALLEN. Certainly.

Mr. GALLINGER. I will answer the Senator by referring him to the report of the Comptroller of the Currency for the year 1892, from which he will discover the fact that New Hampshire has a per capita in her savings banks of $205.76, while the great State of Nebraska has not one single dollar according to that report.

I will say, furthermore, that about one-half of the entire population of the State of New Hampshire have deposits in our savings banks. We have a population of 382,000, and about 180,000 of our people have deposits.

I will go further and say to the Senator, because he evidently has not looked up this matter, that we have an aggregate of $78,000,000 in our savings institutions, 75 per cent of which is in sums of less than $300, showing that it is the poor men of my State, the laboring men and women, who have saved something for a rainy day.

I trust the Senator is satisfied so far as New Hampshire is concerned, and that he will not repeat the slanders on New England that I understand he did assert to-night, which I believe he has done for the second time in this debate.

Mr. ALLEN. It is most surprising that the Senator from New Hampshire should say that I have slandered New England. Will the Senator from New Hampshire be kind enough to point out what I have said that was of a slanderous character?

Mr. GALLINGER. I was not in the Senate Chamber when the Senator made his speech.

Mr. ALLEN. Very well. Then the Senator should be more careful of his language.

Mr. GALLINGER. I have undertaken to try to find out from the stenographers what the Senator said and have not succeeded in doing so. I have been informed, however, that the Senator said our farms were abandoned by Americans and occupied by French Canadians, which is not true to any great extent, and that he pictured a condition of desolation in New England which does not exist.

Mr. ALLEN. I said nothing about the desolation in New England, and it is somewhat singular that the Senator should come in here and make a charge when he does not know what I did say. I did say, and I say now to the Senator from New Hampshire, that there are abandoned farms in New England.

Mr. GALLINGER. So there are in Kansas and Nebraska.

Mr. ALLEN. I say that there are abandoned farms in New England with tenantable houses, which have been abandoned for years.

Mr. GALLINGER. So in every State of the American Union.

Mr. ALLEN. I beg pardon; that does not exist in every State of the Union.

The PRESIDING OFFICER. The Chair will call the attention of Senators to the rule which requires that before an interruption of the Senator having the floor, a Senator desiring to interrupt him will address the Chair, and the Chair will then ascertain whether the Senator on the floor is willing to yield.

Mr. ALLEN. The secretary of state of Massachusetts reported in 1889, 1,451 farms totally abandoned, one-half of them with good buildings, and the valuation was over $1,000,000. I say that the same thing in a greater or lesser degree applies to other portions of New England.

I do not say this for the purpose of reflecting upon New England or any person who lives there, and I suppose the Senator from New Hampshire will understand that the deduction I draw from that is that the volume of money in this country has become so small that under the conditions existing in New England the native farmer can not make money by cultivating the soil and is driven from it, and he is succeeded by a class of cheaper labor. That is every word I have said about New England, and I say it to the Senator from New Hampshire now. If that is a slander, let it stand. It is true. I also invite him to compare the amount of deposits in Nebraska banks with the deposits in the banks of New Hampshire.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from New Hampshire?

Mr. ALLEN. Certainly.

Mr. GALLINGER. I simply desire to say that when the Senator says that our farms are occupied by cheaper labor than American labor, it is not true to any considerable extent. Some of our farms are abandoned, it is true, as farms are abandoned in Kansas, in Nebraska, in Illinois, in Ohio, and in every other State of the American Union.

Again, it is true that perhaps our young men can make more money in our manufacturing villages than they can on the farms, and the natural thrift which distinguishes the people of New England leads them to go where they can make the most money.

Mr. ALLEN. I do not doubt it. That is all perfectly proper.

Mr. GALLINGER. That is all there is to it.

Mr. ALLEN. I return to the subject I was discussing when interrupted by the Senator from New Hampshire——

Mr. PALMER. Will the Senator from Nebraska allow me to make a single remark?

Mr. ALLEN. Certainly.

Mr. PALMER. I wish to say that there are no abandoned farms in Illinois.

Mr. ALLEN. I do not doubt it. Illinois is a magnificent State, well adapted to agriculture; but it necessarily must be that a State such as the State from which my friend from New Hampshire comes, where the soil is not productive, where farming is carried on under difficulties, the farmer can not compete with the farmers of the great West, and especially is this true when prices are falling and the volume of money is shrunken so that farmers can not produce with profit. Under such circumstances the people must necessarily resort to some other means of living. Is it wrong to say so? Yet the Senator from New Hampshire says I am slandering his State or slandering New England, when I am telling the simple truth, and doing it in the most kindly spirit.

The Senator from New Hampshire seems to gloat over the fact that there are $200 per capita in the savings banks of New Hampshire and none in savings banks, as he says, of the State of Nebraska.

Mr. President, the State of New Hampshire must be something like three hundred years old as a Colony and a State, and it would be singular if all the generations of thrifty people in that State who have accumulated, perhaps small sums—but nevertheless accumulated through ages and have transferred their wealth from generation to generation, until it has reached down perhaps to the twentieth generation—it would be singular, I say, if there were not some evidences of wealth in that State; and yet, Mr. President, the State from which I come, and which I have the honor in part to represent on this floor, which is comparatively a youth yet, when it becomes as old as the State of New Hampshire, under a just and humane system of legislation will exhibit a hundredfold more prosperity than the State of New Hampshire. It is even richer now.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from New Hampshire?

Mr. ALLEN. Certainly.

Mr. GALLINGER. In answer to the assertion just made by the Senator from Nebraska, I desire to put on record the fact that from the organization of the State of New Hampshire until the year 1860 her people had accumulated in the savings banks of the State just four and a half million dollars. Since 1860 to 1893 they have added to this four and a half million dollars the enormous sum of $73,500,000. In the last year the people of my State put in our savings banks 50 per cent more money than they had accumulated in banks of that description from the organization of the State until 1860.

Mr. ALLEN. Yes, and they will put more in, too. If the McKinley act is kept in force, it will be but a short time until they will have it all.

But the prosperity of that section of the country, let me say to the Senator in all kindness, is due more to tariff legislation and money made in that way, fourfold more than it is due to agriculture; and I think the Senator from New Hampshire will concede that.

Mr. GALLINGER. I have no objection to that statement, but it does not tally very well with the other statement of the Senator from Nebraska, that New England is in such dire distress.

Mr. ALLEN. I have not said, I repeat, to the Senator from New Hampshire, and he has no right to say I did, that New England is in dire distress. I did not say so. I did say, and I repeat the statement, that there are thousands of abandoned farms in New England with tenantable houses upon them, and much of the agricultural lands of that country are being bought up and controlled by a class of foreign farm laborers who are brought into this country and who take the place of the native population.

Mr. HIGGINS. Mr. President, with the permission of the Senator from Nebraska——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Delaware?

Mr. ALLEN. Certainly.

Mr. HIGGINS. I would ask the Senator from Nebraska if he is not only aware of, but if he is not familiar with the fact, that we poor people in the East have been driven down in our agriculture by the fact that the good people of Nebraska and Kansas and the Dakotas, to say nothing of some parts of Iowa and Minnesota, have so increased the products of the farms as to have swamped the markets both of the United States and the world, by the most enormous and unexampled increase of the per capita amount of acres devoted to cereals and other farm products, as compared with the progress of population. So that this very country and people whom my friend represents have broken down the agriculture and the price of agricultural products throughout the world, brought the superb agriculture of Great Britain to a condition that threatens to crumble that fabric of its aristocracy and its land-owning element, and yet the Senator turns around and says "Look at this picture in New England, and the whole of it is due to the want of more fiat money."

Mr. ALLEN. No; I did not say "fiat money."

Mr. HIGGINS. Then some sort of money.

Mr. ALLEN. The Senator from Delaware will stand corrected. I said "money."

Mr. HIGGINS. Well, if the Senator does not say "fiat money" I am glad to have the admission.

Mr. ALLEN. The Senator ought not to inject into my remarks something that I did not say.

Mr HIGGINS. I am glad to hear that the Senator from Nebraska does not favor fiat money.

Mr. ALLEN. That hardly tallies with what my friend from New Hampshire [Mr. GALLINGER] said. He said they had made wonderful progress and had been putting their deposits in the savings banks in the last twenty-five years, and yet my friend from Delaware says they are poor people.

Mr. HIGGINS. Will the Senator allow me?

Mr. ALLEN. Certainly.

Mr. HIGGINS. We have not an abandoned farm in my State; but we have much lower prices and the farms have gone down in value. I had a most remarkable statement the other day in a private letter from the best statistician in the United States on this question, Mr. Wood Davis.

I think I heard the Senator from Nebraska, in the course of his remarks, claim the credit of having been born in New England. Mr. Davis himself is a native of Massachusetts. He is a resident of Kansas. He wrote to me the other day that he fully expected by 1896, with the present growth of population and the production of agriculture, now that the Cherokee Strip opening marks the last public land to be appropriated in the United States for agricultural purposes from the treeless plains of the West, the price of grain would go up so high that—save the mark—the Democratic party is going into power for sixteen years!

Mr. ALLEN. Mr. President——

Mr. TELLER. Will the Senator from Nebraska allow me to correct the Senator from Delaware?

Mr. ALLEN. Certainly.

Mr. TELLER. The Senator from Delaware, while he seems to be engaged in correspondence with statisticians, does not seem to have studied the statistics. [Laughter.] The Senator says that the overproduction—he did not put it in that way, but that is what he means—of the vast crops of the United States has broken down the world's market. I wish to call the Senator's attention to the world's wheat crop, which, eleven years ago, was 2,270,982,485 bushels, or in round numbers, we will say 2,270,000,000 bushels. Last year it was 2,307,000,000 bushels, which is 37,000,000 more than it was ten years before. With an increased population it should have been considerably larger.

This year, 1893, it is 2,229,000,000 bushels, and this year, with the world's decreased crop, wheat is worth 23 cents a bushel less than it was worth last year in the markets of the world. That is an absolute answer to the Senator's statement that it is the overproduction of wheat which has caused the difficulty.

Mr. HIGGINS. Will the Senator from Nebraska allow me?

Mr. ALLEN. Certainly.

Mr. HIGGINS. I can hardly be expected at this time of the morning to have on hand, like the Senator from Colorado, special facts and statistics at my command, nor will I pretend to rival him in the position of a doctor on all these subjects.

The Senator from Colorado may select a particular year ten years ago, and compare it with last year; but that, I submit, is an unfair method of comparison. It is the average of the years that should be compared with one another; and while I have not the statistics at hand, I am very much mistaken if they do not show that the growth of farm products, as I have before stated, was enormously augmented in the period beginning just after the war, say about 1866 and 1867, when the settlement of the Indian troubles in the States of Kansas and Nebraska and beyond threw those lands open to settlement, and we spanned across them the railways that simply emptied out on those treeless plains the overplus and growth of the population of this great country and of all Western Europe. In the year before last and last year were produced two of the largest wheat crops that the United States has ever grown.

I well remember when our crop reached 400,000,000 bushels, and we did not know then how we could market our own crop. In the year 1891 it reached 610,000,000 bushels, and last year considerably over 500,000,000 bushels. We have carried over from last year on this side of the water a small crop of 100,000,000 bushels of surplus, and we are met by a very large crop on the other side; but let there be for the coming year a crop no larger than that of this year, and I shall be very much surprised if the farmers do not get much better prices.

Mr. TELLER. May I trespass on the indulgence of the Senator from Nebraska a moment more?

Mr. ALLEN. Certainly.

Mr. TELLER. I shall not deal unfairly with the Senator from Delaware. He complains that I took 1882. If the Senator from Delaware will follow me in round millions—I shall not read the entire figures, because it is not important that I should do so—I will commence with 1882, and run down. In that year the crop was 2,270,000,000; the next year 2,063,000,000; the next year 2,302,000,000; the next year 2,108,000,000; the next year 2,129,000,000; the next year 2,305,000,000; the next year 2,164,000,000; the next year 2,068,000,000; the next year 2,222,000,000; and the next year 2,295,000,000, that is in 1891. The next year, 1892, it was 2,307,000,000, and in 1893, 2,229,000,000.

Let me read for the Senator's benefit the prices of wheat in Liverpool. In 1890 the price ran up to $1.25 a bushel. The average for that year, however, was only $1.03; in 1891 it was $1.02; in 1892 it was 85 cents, and in 1893 it was 78 cents.

Mr. DAVIS. In Liverpool?

Mr. TELLER. Yes; in Liverpool.

Mr. DAVIS. Per bushel?

Mr. TELLER. Per bushel. That is correct. There is not any question about it. It is selling for less than it ever sold for, 268. a quarter.

Mr. SQUIRE. Will the Senator please explain the reason of that?

Mr. TELLER. If I shall ever have an opportunity to explain it on this floor, I shall explain it, but I shall not explain it in the time of the Senator from Nebraska.

The Senator from Delaware speaks of our great crops. In 1891 we had 611,000,000 bushels of wheat in round numbers; in 1892 we had 515,000,000 bushels, and this year we have 400,000,000 bushels, and the price is less now than it was when we had 611,000,000 bushels. Last year we had 495,000,000 bushels of corn less than we had the preceding year, and corn was worth less last year than it was the year before, showing conclusively that it is not the great production of the West which broke down the markets of the world, but that it is the currency system which has broken down the markets of the world.

Mr. PALMER. The Senator from Nebraska will allow me to say that I accept all the facts stated by the Senator from Colorado.

Mr. TELLER. They are facts.

Mr. PALMER. But I deny the conclusions. There is no possible connection between the currency and prices. The currency has not been reduced, has not been diminished in quantity or quality, and there is no foundation for that statement.

Mr. TELLER. I am not talking about the currency system of the United States. The price of wheat in the United States is fixed by the price of wheat in Liverpool, where we sell our surplus products. I am speaking of the currency system of the world.

Mr. PALMER. And yet I understand the Senator to favor the adoption of a single silver standard in this country, although all that we sell we sell in Europe.

Mr. TELLER. The Senator does not understand anything of the kind. He knows better. He knows that I have stated re-

peatedly that I was not in favor of a silver standard. I have said if we were compelled to have either gold or silver, I was for silver, and if I get the floor I shall give my reasons why the silver standard is better for this country than the gold standard.

Mr. PALMER. I shall wait with great patience to hear what the Senator from Colorado has to say: but I have understood him to express his preference for a silver standard.

Mr. TELLER. The Senator could not, for I never made a suggestion in my life that was not in favor of the double standard.

Mr. PALMER. I understood the Senator to say that, as between the two, he preferred the silver standard.

Mr. TELLER. As between gold and silver I have said that; but I prefer the double standard. I hope the Senator knows the difference between the single and the double standard.

Mr. PALMER. I beg to say that I am repeating what the Senator said, that as between the two he preferred the silver standard. Is that correct?

Mr. TELLER. What is the Senator talking about, the double standard or the gold standard?

Mr. PALMER. I am talking about what the Senator himself said.

Mr. TELLER. I have always advocated the double standard. I have said that if the United States were compelled to go to a single standard, we should be a great deal better off with a silver standard than with a gold standard: and that I repeat now.

Mr. PALMER, Then, I am correct in saying as between the two, the Senator prefers the silver standard. Is that correct?

Mr. TELLER. I have stated.

Mr. ALLEN. I think that is what the Senator from Colorado said.

Mr. PALMER. That is correct then. There is no occasion for dispute about it.

Mr. TELLER. The next time the Senator from Illinois gets the floor, he will insist that I said I was in favor of the silver standard against the double standard because I did not reply when I was asked whether I was in favor of one or the other.

Mr. PALMER. When I get the floor I will tell the truth.

Mr. TELLER. I hope so.

Mr. PALMER. There is no occasion for "hope." I understand the Senator to say that he prefers the silver standard to the gold standard.

Mr. TELLER. I do; yes, that is right. Now I hope the Senator understands me.

Mr. PALMER. Then, what difference is there between us on that point?

Mr. TELLER. I will state when I get the floor.

Mr. MANDERSON. Will my colleague yield to me for a few moments?

Mr. ALLEN. I yield to my colleague.

Mr. MANDERSON. I have the permission of my colleague to interrupt him, and if I may interrupt these threatened prophecies of truth-telling which have just been promised to us—and I hope we shall not tell all the truth or all we think we know upon this floor, but that there shall be some concealments—I should like to call attention to a statement made a few moments ago by the Senator from New Hampshire [Mr. GALLINGER]. I commend him in as strong terms as I can use for coming to the defense of his State. I should heartily condemn any man who did not resent attack upon his State. But when a Senator upon this floor, standing as the representative of his sovereign State, indulges in that which is in the nature of defamation of his State I should be inclined to apply to him that old Scotch proverb which is so expressive, "It is an ill bird that defiles its own nest."

The Senator from New Hampshire took proper pride in the splendid exhibit of the wealth of the State of New Hampshire. He drew a comparison between that ancient and honorable Commonwealth and the proud young State that my colleague and myself have the honor to represent upon this floor. I take great pride in the State of which I have been a citizen for a quarter of a century, and I know that my colleague should and does thrill with pride when he realizes that he represents upon this floor one of the chiefest of the States of this great nation.

We are told by the Senator from New Hampshire that by the report of the Comptroller of the Currency it appeared that there was not a dollar on deposit in savings banks in Nebraska. The population of that State by the last census was about 1,250,000. I glanced a moment since over the record to see what the deposits were in alleged impoverished Nebraska, and find that in the national banks, with a capital stock of $9,300,000 and a surplus of $2,400,000, by the last report which I can obtain of the Comptroller of the Currency, there were $20,000,000 of individual deposits, $700,000 of deposits in other national banks, $1,600,000 of deposits in the State or private banks, making $34,000,000 of wealth owned within the State of Nebraska in its 130 national banks or thereabouts.

I turn now to the State or private banks of that State, and I find that the capital stock of these banks, they numbering 525 by the last report of the Comptroller, was $14,000,000, and of surplus and profits $1,300,000, while the deposits were $15,000,000, and in other liabilities, presumably time certificates owed by the banks to depositors, $3,400,000, making, in national and State banks, about $68,000,000—enough, Mr. President, to pay off every living and subsisting mortgage upon the farm lands of that State.

Now, let us see as to the savings banks. In the State of Nebraska there are but few legitimate savings banks. They are limited to the larger towns. The farmers who bank—and I am glad to say that a great many of them in the State of Nebraska are able to have banking accounts—do not bank in the savings institutions, but use the local banks, State or national. They are in the habit of paying to depositors on time certificates, and frequently upon deposits, subject to draft or check, a fair interest, and in the few savings banks there are in my State I find by the report of 1890–'91 that there were 26,836 depositors, and the amount of their deposits was $3,500,000, being $130 per capita to each depositor.

When my friend from New Hampshire said there was no money on deposit in savings banks in the State of Nebraska, he took the report for 1891–'92, in which year there was no report made to the Comptroller of the Currency by any of the officials of that State, none being required to be made by law.

The fact is that in that wealthy State—for I at least, am not here *in forma pauperis* representing that Commonwealth—in that State, in the banks of deposit, there is ample and enough to pay every dollar of the mortgage indebtedness of the State.

Aye, more, Mr. President, during the last campaign I visited almost every county in the State, and my first duty when I went to the county town was to go to the assessor's books in the commisssioner's office and ascertain the assessment of the values for taxation, and explore the amount of the mortgage indebtedness; and in no county that I visited was it not agreed upon all hands that the increase in farm values in the last five years was in itself sufficient to pay every dollar of mortgage indebtedness.

I have seen that State grow in such wise that farm land worth, when I went to it twenty-five years ago, along the counties on its eastern border, but from $5 to $10 an acre can not be purchased to-day for less than $40 to $60 an acre, and I have seen lands in the western part of that State, aye, in the center of it, declared to be worthless within my recollection, under changed climatic conditions, under the hand of cultivation, under the development given to it by the farmer, advance from a condition which was valueless to perhaps an average of $10 to $12 an acre.

No, Mr. President, the State that my colleague and myself have the honor to represent here is not poor, but rich—rich not only in material wealth, but rich in a determination to pay every dollar that it owes honestly, squarely, and according to the letter of the bond, and richer in its honesty even than in its material wealth.

True it is there have been foreclosures. An incident of debt is that the day of payment must come. Who can condemn the man who, when the debt is owing him, proceeds under the forms of law for its collection? True, there are instances of misfortune where homes are lost and where, perhaps, caused by improvidence, sometimes caused by the misfortunes which come to all men, the home must go to satisfy perhaps a grasping and a greedy creditor; but be he ever so grasping and ever so greedy, it is his right to require the payment of the debt as it was contracted, even to the foreclosure of the mortgage and the selling of the rooftree over the head of the debtor.

I say for the State which I have the honor to represent in part here, that no citizen of that proud young Commonwealth will thank any man, be he representative here or elsewhere, to even insinuate that she proposes to repudiate one penny of her indebtedness. She will repudiate the man who makes the charge. Thank God she has the ability to pay, and thank Him still more that she has the honesty that prompts to payment.

Mr. GALLINGER. Mr. President, will the Senator from Nebraska yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from New Hampshire?

Mr. ALLEN. I yield to the Senator.

Mr. GALLINGER. Mr. President, I had no purpose of misrepresenting the State of Nebraska, nor of undertaking to bring reproach upon that magnificent Commonwealth in the suggestion I made a moment ago.

I quoted from the annual report of the Comptroller of the Currency made to the second session of the Fifty-second Congress, dated December 5, 1892. From that report I read the figures that I gave.

The Senator from Nebraska [Mr. MANDERSON] says that the

savings banks of his State at the time that this report was made had not made their reports. I am sorry I did not know that fact. I stand corrected to the extent of admitting, from the statement made by the Senator from Nebraska, that in that State there is a per capita in the savings banks of between two and three dollars. I am glad it is so. I wish it were $200, thus approximating to my own State.

Mr. President, that is all I care to say, except to ask permission to have inserted in the RECORD either this table or the table from the report of 1890-'91, if the distinguished Senator from Nebraska prefers that, which will show the deposits in the savings banks in the State of Nebraska at that date. I think it wise to ask permission to insert both tables, suggesting that they tell an instructive story, not at all to the discredit of New England.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Hampshire? The Chair hears none.

The tables referred to are as follows:

TABLE No. 1.—*Showing, by States and Territories, the population of each on June 1, 1892, and the aggregate capital, surplus, undivided profits, and individual deposits of national and State banks, loan and trust companies, and savings and private banks in the United States on or about June 30, 1892; the average of these per capita of population, and the per capita averages of such resources in each class of banks and in all.*

States and Territories.	Population June 1, 1892.*	Capital, etc.	Average per capita.					
			All banks.	National banks.	State banks.	Loan and trust companies.	Savings banks.	Private banks.
Maine	664,000	$85,438,648	$128.68	$42.64	.....	$5.60	$80.44	.....
New Hampshire	382,000	95,127,686	249.62	43.26	.....	.....	206.76	.....
Vermont	333,000	45,591,380	136.91	66.84	.....	.....	80.07	.....
Massachusetts	2,353,000	792,197,205	336.67	138.53	.....	32.21	165.93	.....
Rhode Island	380,000	133,889,192	371.91	128.62	$5.40	42.82	195.07	.....
Connecticut	776,000	210,733,460	271.56	87.54	9.16	7.17	167.69	.....
New York	6,212,000	1,788,965,731	287.98	89.65	41.23	47.56	108.79	$0.75
New Jersey	1,522,000	131,373,896	86.32	50.66	5.96	5.53	24.17	2.40
Pennsylvania	5,497,000	600,482,442	109.22	65.86	9.56	17.47	13.87	.....
Delaware	173,000	15,618,609	90.28	45.87	12.05	8.06	23.70	.....
Maryland	1,059,000	114,129,719	107.77	57.53	5.51	2.26	42.02	.45
District of Columbia	257,000	23,628,110	91.93	61.60	.....	29.96	.37	.....
Virginia	1,685,000	46,079,691	27.35	13.58	13.32	.....	.....	.45
West Virginia	784,000	16,583,391	21.15	12.37	7.72	.....	1.06	.....
North Carolina	1,660,000	15,195,635	9.15	4.47	3.87	.....	.21	.60
South Carolina	1,181,000	16,309,849	13.81	5.54	3.15	.....	5.12	.....
Georgia	1,808,000	30,828,876	16.24	6.54	2.58	.....	.85	.27
Florida	420,000	7,991,388	19.02	15.57	2.08	.....	.34	1.03
Alabama	1,565,000	14,976,816	9.56	7.16	1.00	.....	.09	.80
Mississippi	1,326,000	12,667,427	9.55	2.73	6.82	.....	.....	.....
Louisiana	1,156,000	37,629,386	32.54	20.16	10.75	.....	1.64	.....
Texas	2,377,000	70,967,854	29.85	26.21	.54	.....	.30	2.80
Arkansas	1,195,000	8,197,436	6.86	3.64	3.06	.....	.16	.....
Kentucky	1,883,000	95,864,039	50.91	20.50	30.41	.....	.....	.....
Tennessee	1,789,000	44,156,220	24.68	16.72	6.50	.....	1.76	.....
Ohio	3,770,000	233,570,579	67.23	43.64	8.65	.....	10.64	4.33
Indiana	2,234,000	82,201,949	36.80	24.74	5.40	.....	1.87	4.79
Illinois	3,975,000	318,083,219	80.00	48.73	7.57	6.36	12.05	5.29
Michigan	2,186,000	144,315,566	66.01	28.40	3.78	.68	31.70	1.45
Wisconsin	1,771,000	101,931,893	57.55	23.10	28.64	.....	.08	5.73
Iowa	1,964,000	127,179,219	64.74	25.40	12.11	1.89	16.00	9.34
Minnesota	1,418,000	114,089,026	80.45	39.91	27.59	4.44	6.53	1.98
Missouri	2,790,000	177,810,895	63.73	25.32	33.59	1.93	.....	2.89
Kansas	1,480,000	66,866,577	45.19	23.97	15.10	.....	.....	6.12
Nebraska	1,225,000	75,581,303	61.69	36.80	†24.89	.....	.....	.....
Colorado	478,000	49,290,328	103.12	83.73	6.91	.....	7.61	4.87
Nevada	44,000	853,890	19.41	19.41	.....	.....	.....	.....
California	1,286,000	287,486,907	223.55	21.45	90.64	.....	108.91	2.55
Oregon	352,000	20,917,104	59.42	47.84	10.40	.....	.....	1.18
Arizona	63,000	1,438,708	22.83	12.67	10.16	.....	.....	.....
North Dakota	223,000	15,190,982	50.14	41.00	14.44	.....	.....	3.70
South Dakota	286,000	13,483,088	34.93	20.76	13.19	.....	.....	.98
Idaho	100,000	3,026,606	30.26	28.74	.....	.....	.....	1.52
Montana	160,000	25,186,870	157.41	142.70	13.59	.....	.....	1.12
New Mexico	161,000	4,684,267	29.09	24.25	3.29	.....	1.49	.06
Oklahoma	123,000	1,014,085	8.24	6.17	.....	.....	.....	2.07
Indian Territory	190,000	657,280	3.46	3.46	.....	.....	.....	.....
Utah	223,000	16,411,775	73.59	38.24	13.06	.....	18.14	4.15
Wyoming	74,000	4,890,896	66.09	52.29	1.55	.....	.....	12.25
Washington	410,000	31,337,620	76.43	58.76	9.90	.....	7.23	.54
Total	65,593,000	6,390,094,128	97.42	42.21	14.83	8.45	29.81	2.12

*Estimated by Mr. Joseph S. McCoy, Government actuary.

†Average of all banks other than national.

TABLE No. 2.—*Showing, by States and Territories, the aggregate deposits of savings banks, with the number of the depositors and the average amount due to each, in 1890-'91 and 1891-'92.*

States and Territories.	1890-'91.			1891-'92.		
	Number of depositors.	Amount of deposits.	Average to each depositor.	Number of depositors.	Amount of deposits.	Average to each depositor.
Maine	140,521	$47,781,166	$340.02	146,668	$50,278,452	$342.80
New Hampshire	166,264	69,531,024	418.19	169,949	72,439,689	426.24
Vermont	72,702	21,620,303	297.38	80,740	24,674,742	305.60
Massachusetts	1,083,817	353,592,937	326.24	1,131,203	369,526,236	326.67
Rhode Island	131,652	63,719,491	483.90	136,648	66,276,157	485.01
Connecticut	306,863	116,403,675	380.58	317,925	122,582,160	385.57
New York	1,477,819	574,609,872	388.86	1,516,289	588,425,421	388.07
New Jersey	125,073	32,462,603	259.53	131,739	33,807,654	256.62
Pennsylvania	236,312	62,150,893	263.00	248,471	65,233,903	262.54
Delaware	16,752	3,602,469	215.05	17,318	3,626,319	209.39
Maryland	135,004	38,916,597	288.26	142,135	41,977,868	295.34
District of Columbia	10,231	703,266	68.73	1,303	60,178	46.18
West Virginia	9,894	375,440	37.94	8,428	473,848	56.22
North Carolina	*5,834	264,348	45.31	6,247	282,425	45.21
South Carolina	17,494	3,286,155	187.84	21,397	4,225,459	197.48
Georgia	2,533	477,487	188.50	4,569	572,523	125.30
Florida	1,078	181,630	168.49	170	31,912	187.73
Alabama	1,770	65,816	37.18	1,698	220,046	129.59
Louisiana	4,366	1,420,796	325.42	5,557	1,695,732	305.15

TABLE No. 2.—*Showing, by States and Territories, the aggregate deposits of savings banks, with the number of the depositors, etc.*—Continued.

States and Territories.	1890-'91.			1891-'92.		
	Number of depositors.	Amount of deposits.	Average to each depositor.	Number of depositors.	Amount of deposits.	Average to each depositor.
Texas	4,309	$384,182	$89.16	1,950	$279,783	$143.48
Arkansas				258	51,854	200.10
Tennessee	11,169	1,445,834	129.44	*16,392	1,292,913	78.87
Ohio	78,885	31,258,086	396.24	84,779	33,895,078	399.80
Indiana	14,884	3,552,089	238.65	15,418	3,754,622	243.52
Illinois	*61,108	16,362,302	267.78	*73,872	21,106,369	285.72
Michigan	160,320	29,887,761	186.82	180,391	36,959,573	204.88
Wisconsin	726	94,687	130.42	948	132,926	140.20
Iowa	*57,146	20,821,495	364.35	*71,687	26,115,384	364.29
Minnesota	*30,391	7,088,677	352.99	35,123	8,786,879	250.17
Nebraska	26,896	3,508,751	130.45			
Colorado				*21,215	2,893,276	136.38
California	*136,497	114,164,523	836.39	*167,667	127,312,088	759.32
New Mexico	*1,062	165,426	155.76	900	149,449	166.05
Utah	*7,994	1,682,040	210.41	*13,396	2,427,950	178.58
Washington	6,850	894,815	121.87	8,965	1,193,967	133.33
Total	4,533,217	1,623,079,749	358.04	4,781,605	1,712,769,026	358.20

*Partially estimated.

Mr. MANDERSON. Let me call the attention of my friend from New Hampshire to a contrast between New Hampshire and Nebraska in another regard.

New Hampshire drew drafts upon all reporting banks in the year 1892 to the extent of $149,845,000, while Nebraska drew drafts on all reporting banks in 1892 to the extent of $445,304,000, showing that that young Commonwealth is doing, with a somewhat greater number of population, more than New Hampshire.

Mr. GALLINGER. About three times as much population, I will suggest to the Senator.

Mr. MANDERSON. Perhaps three times as much.

Nearly $500,000,000 of banking business in Nebraska in the way of drafts, as against $150,000,000 in the State of New Hampshire, which shows pretty well the volume of business in the two States.

[Mr. ALLEN resumed the floor, but yielded to Mr. DUBOIS, who suggested the absence of a quorum.]

Mr. ALLEN. Mr. President, I desire to be more just to the Senator from New Hampshire than he was to me. I desire to say that, in my judgment, when the Senator from New Hampshire called attention to what he thought to be the fact that the people of my State were entirely unrepresented in the savings banks, he believed that to be true. I will not say to the Senator from New Hampshire, as he said to me, that he was slandering the State which I in part represent here by making that statement. I believe that he was honestly misled. Now, I hope the Senator from New Hampshire, when he corrects me hereafter, will credit me with believing the statement I make without charging me with slandering his State.

Turning my attention now to the Senator from Delaware [Mr. HIGGINS], who put some questions to me as to the poverty of the people in his section of the country occasioned, as he says, by the development of the West and the ability of the Western country to produce grain and products of the field and the farm more profusely and in greater quantities than can be done in his State: when I remember the fact that the bonds and mortgages of this country are owned in the section of country in which the Senator lives, when I remember the fact that the railroad stocks and bonds, the corporate bonds of almost all classes, and municipal securities are owned in his section of the country, it occurs to me that the statement of the Senator from Delaware that the overproduction of the fields of the West has impoverished the people of that section of the country can scarcely be sustained.

No, Mr. President, that is not the case. The condition of the agricultural people of this country, East and West, North and South, in my judgment, is produced by means of a contracted volume of money; and I do not slander the State of New Hampshire or any other State when I say that is true.

Pursuing the question of overproduction a little further, I desire to introduce, without reading at length, some important tables bearing upon this subject, which fully illustrate the position I have assumed throughout this discussion, irregular as it has been, that there is no such thing as general overproduction in anything; that the doctrine of overproduction is a fallacy; and especially is this so with reference to the production of silver. That there is a legitimate demand throughout the civilized world for every ounce of silver produced by the mines of the world I do not doubt.

There are 80,000,000 people (India, China, etc., not counted) occupied in farming, and the annual products of agriculture amount to almost £4,000,000,000. Capital and product have more than doubled since 1840, but the number of hands engaged has not risen 50 per cent, viz:

Year.	Capital.	Product.	People engaged.
1840	£9,030,000,000	£1,824,000,000	55,080,000
1860	14,923,000,000	2,483,000,000	96,000,000
1887	23,006,000,000	3,948,000,000	80,950,000

The value of agricultural products in 1887 in the following countries is as follows:

United States	£776,000,000	United Kingdom	£251,000,000
Russia	563,000,000	Italy	204,000,000
France	460,000,000	Spain	173,000,000
Germany	424,000,000	Australia	62,000,000
Austria	331,000,000	Canada	56,000,000

The area under crops has risen from 492,000,000 acres, in 1840, to 807,000,000, in 1888, an increase of 315,000,000, viz:

	Acres.
In United States	151,000,000
In Europe	131,000,000
In Colonies, etc	33,000,000
Total	315,000,000

In forty-eight years the area of tillage and planting has risen 65 per cent, but the grain crops have risen 120 per cent, as follows:

Years.	Europe.	United States.	Colonies.	Total.
	Bushels.	*Bushels.*	*Bushels.*	*Bushels.*
1840	3,212,000,000	616,000,000	291,000,000	4,119,000,000
1860	4,046,000,000	1,240,000,000	464,000,000	5,750,000,000
1887	5,588,000,000	2,585,000,000	948,000,000	9,120,000,000

The value of grain products has diminished since 1860, while that of pastoral products has nearly doubled. The price of grain has declined notably, while that of meat and dairy products has risen some. The relative importance of the three great branches of agricultural industry at the said dates is shown as follows, judged by money values:

Products.	1840.	1860.	1887.
Grain	38.5	45.5	27.5
Other crops	29.8	23.2	36.8
Pastoral produce	31.7	31.3	35.7
Total	100.0	100.0	100.0

The production of grain (excluding rice) was approximately as follows:

Country.	Millions of bushels.				Bushels per inhabitant.		
	1831–'40.	1851–'60.	1874–'84.	1887.	1831–'40.	1851–'60.	1887.
United Kingdom	408	390	334	311	16	15	8
France	510	550	687	729	15	15	19
Germany	290	450	685	706	10	13	15
Russia	1,040	1,270	1,461	1,854	20	20	20
Austria	364	500	578	687	13	16	17
Italy	110	200	277	225	6	11	7
Spain	180	215	326	300	15	14	18
Portugal	25	30	19	40	8	8	9
Sweden	14	35	93	104	5	10	23
Finland	10	15	22	20	10	10	10
Norway	6	15	17	17	6	10	9
Denmark	40	65	73	84	36	43	42
Holland	16	20	37	40	6	6	9
Belgium	33	70	66	75	9	15	14
Switzerland	12	15	17	18	6	6	6
Greece	6	9	11	18	6	7	10
Servia	8	11	14	20	10	10	10
Roumania	70	90	109	120	22	23	24
Turkey, etc	170	196	269	230	12	14	15
Europe	3,312	4,146	5,040	5,588	14	15	16
United States	540	1,053	2,325	2,586	36	38	42
Canada	22	45	128	148	14	15	30
Chile	5	12	18	18	5	8	8
Argentina	2	5	25	50	2	3	13
Australia	1	10	36	51	3	10	15
Other countries	260	390	587	681			
Total	4,143	5,661	8,159	9,122			

The following tables show the distribution of grain grown in 1887:

Country.	Millions of acres in—				
	Wheat.	Oats.	Barley.	Various.	Total.
Europe	90	72	38	148	348
United States	38	26	3	75	142
Colonies	46	3	7	13	69
Total	174	101	48	236	559

Country.	Millions of bushels of—				
	Wheat.	Oats.	Barley.	Various.	Total.
Europe	1,336	1,628	694	1,930	5,588
United States	443	640	58	1,445	2,586
Colonies	465	97	82	304	948
Total	2,243	2,365	834	3,680	9,122

In the United States 9,000,000 people produce nearly half as much grain as 60,000,000 in Europe. Thus it appears that there is a waste of labor in Europe equal to 48,000,000 hands. In other words, one farm laborer in the United States is worth more than three in Europe.

Mr. Spallert's estimate of the crops of the world compares with the official returns and latest estimates for 1887 as follows:

Years.	Millions of bushels of—						
	Wheat.	Rye.	Barley.	Oats.	Maize.	Sundry.	Total.
1871–1880	1,944	1,256	774	1,870	1,528	312	7,684
1875–1884	1,982	1,165	768	1,936	1,829	293	7,973
1883–1884	2,115	1,196	803	2,169	2,035	324	8,662
1887	2,243	1,418	834	2,365	1,979	283	9,122

According to Baines and other authorities the production of raw cotton in the world was as follows in millions of pounds:

Years.	United States.	South America.	Egypt.	India.	Various.	Total.
1791	2	102	.....	130	256	490
1801	48	102	.....	160	210	520
1811	80	104	.....	170	201	555
1821	180	86	6	175	183	630
1831	385	82	18	180	155	820
1840	878	90	30	212	100	1,310
1850	890	90	45	310	100	1,435
1860	1,880	90	51	430	100	2,551
1870	1,540	270	240	625	100	2,775
1880	2,593	86	282	540	100	3,601
1888	3,420	85	290	888	100	4,783

It appears that the United States has produced two-thirds of the cotton which has been consumed by the factories of the world in the last sixty-seven years, and the cotton crop of the world shows a steady increase. The decade ending in 1890 shows 400,000 tons a year more than the preceding. Great Britain consumes one-third of all the cotton produced, the United States being the next largest consumer.

The value of the principal manufactures of the United States is as follows in millions of dollars:

Articles.	1810.	1840.	1850.	1860.	1870.	1880.
Flour	$21	$71	$136	$224	$356	$505
Iron	17	37	49	71	287	336
Leather	18	33	92	162	271	397
Lumber	6	15	59	96	202	233
Cottons	30	46	66	115	142	211
Machinery	.....	11	28	47	111	214
Clothing	.....	36	48	70	130	242
Sugar	.....	.....	10	38	96	155
Woolens	17	21	48	69	121	161
Liquor	16	15	22	43	75	144
Cabinet work	.....	18	18	24	55	83
Printing	.....	.....	12	42	46	91
Implements	.....	.....	7	18	42	69
Paper	.....	.....	10	18	39	55
Soap and candles	.....	.....	10	17	18	27
Sundries	27	155	404	832	1,395	2,447
Total	152	458	1,019	1,886	3,386	5,370

The following is the total value of manufactures in the United States since 1810:

Year.	Value.	Increase.	Year.	Value.	Increase.
		Per cent.			*Per cent.*
1810	$152,000,000	.....	1860	$1,886,000,000	85
1840	458,000,000	201	1870	3,386,000,000	80
1850	1,019,000,000	122	1880	5,370,000,000	58

The annual wheat production of the United States has averaged as follows:

Years.	Tons.	Increase or decrease.	Years.	Tons.	Increase or decrease.
		Per cent.			*Per cent.*
1831–1840	1,950,000	.....	1881–1887	11,000,000	Inc., 30
1851–1860	3,430,000	Inc., 76	1888	10,370,000	Dec., 5.7
1871–1880	8,450,000	Inc., 146			

The total annual grain production of the United States since 1830 has been approximately as follows:

Years.	Tons.	Increase.	Years.	Tons.	Increase.
		Per cent.			*Per cent.*
1831–1840	13,500,000	.....	1881–1887	67,500,000	16
1851–1860	28,350,000	90½	1888	79,080,000	17
1871–1880	57,950,000	116			

The annual wheat production of the United States was as follows:

Years.	Tons.	Increase.	Years.	Tons.	Increase.
		Per cent.			*Per cent.*
1831–1840	2,050,000	.....	1874–1884	4,120,000	55
1851–1860	2,650,000	19	1887	4,750,000	15

Production of the United States from 1840 to 1886.

Years.	Grain.	Meat.	Sugar.	Rice.	Potatoes.	Butter.	Cheese.
	Tons.	*Tons.*	*Tons.*	*Tons.*	*Tons.*	*Tons.*	*Tons.*
1840	15,400,000	2,050,000	70,000	35,000	2,700,000	.....	.....
1850	20,700,000	2,390,000	110,000	95,000	2,600,000	140,000	74,000
1860	31,000,000	2,890,000	120,000	83,000	2,800,000	205,000	47,000
1870	34,700,000	2,480,000	74,000	33,000	3,600,000	230,000	68,000
1880	67,500,000	4,120,000	110,000	50,000	4,200,000	350,000	120,000
1886	71,100,000	4,750,000	110,000	50,000	4,200,000	430,000	170,000

The average per cent of increase of grain, cotton, and butter is greater than the average per cent of increase of population from 1850 to 1880.

The average per cent of increase of population is greater than the average per cent of increase of sugar, meat, rice, potatoes, and cheese from 1850 to 1880.

Average per cent of increase from 1850 to 1880 of—

Population	29
Grain	56
Cotton	59
Butter	36
Manufactures	74

The value of fiber consumed by the United States since 1840 is as follows in millions of pounds sterling:

Period.	Cotton.	Wool.	Silk.	Hemp, flax, etc.	Total.
1841–1850	£49	£30	£2	£7	£88
1851–1860	84	38	4	12	138
1861–1870	223	62	14	17	316
1871–1880	157	101	15	24	297
1881–1887	150	83	20	16	269
Forty-seven years	663	314	55	76	1,108

The value of fiber consumed in the world in millions of pounds sterling is as follows:

Period.	Cotton.	Wool.	Silk.	Hemp, flax, etc.	Total.
1841–1850	£267	£396	£188	£264	£1,115
1851–1860	500	473	240	251	1,464
1861–1870	987	564	291	317	2,159
1871–1880	915	663	254	381	2,213
1881–1887	742	434	175	239	1,590
Forty-seven years	3,411	2,530	1,148	1,452	8,541

The value of goods manufactured from the above fibers in forty-seven years was approximately as follows in millions of pounds sterling:

Period.	Cottons.	Woolens.	Linens.	Silks.	Hemp, etc.	Total.
1841–1850	£1,055	£1,064	£372	£311	£153	£2,955
1851–1860	1,440	1,243	431	406	186	3,706
1861–1870	1,810	1,061	544	522	245	4,782
1871–1880	2,234	1,921	575	559	321	5,610
1881–1887	1,782	1,366	397	475	219	4,239
Forty-seven years	8,321	7,255	2,319	2,273	1,124	21,292

The following table shows approximately the quantities of food annually produced and the population subsisting thereon:

Period.	Grain.	Meat.	Sugar.	Coffee and tea.	Population.
	Tons.	*Tons.*	*Tons.*	*Tons.*	
1831–1840	101,000,000	8,100,000	530,000	210,000	251,000,000
1851–1860	139,000,000	10,490,000	1,100,000	390,000	309,000,000
1875–1884	204,000,000	13,260,000	3,670,000	745,000	370,000,000
1888	241,000,000	14,430,000	5,260,000	920,000	404,000,000

In the above table grain includes what is used for both man and beast.

The averages per head of population were as follows:

Period.	Grain.	Meat.	Sugar.	Coffee and tea.
	Pounds.	*Pounds.*	*Pounds.*	*Pounds.*
1831–1840	900	79	5	2
1851–1860	1,040	79	8	3
1875–1884	1,240	72	22	4½
1888	1,330	79	29	5

The annual production of wheat has averaged as follows:

Period.	Europe.	United States.	Colonies.	Total.
	Tons.	*Tons.*	*Tons.*	*Tons.*
1831–1840	17,800,000	1,950,000	2,900,000	22,650,000
1851–1860	21,420,000	3,430,000	5,120,000	29,970,000
1871–1880	28,150,000	8,450,000	8,250,000	44,850,000
1881–1887	30,770,000	11,000,000	11,230,000	53,000,000
1888	32,400,000	10,370,000	14,050,000	56,820,000

In the period 1831–'40 Europe produced 80 per cent of the wheat of the world, as compared with 56 per cent at present. In the interval the production in the United States and in the colonies has quintupled.

The total annual grain production since 1830 has been approximately as follows:

Period.	Europe.	United States.	Colonies.	Total.
	Tons.	*Tons.*	*Tons.*	*Tons.*
1831–1840	80,300,000	13,500,000	7,200,000	101,000,000
1851–1860	101,150,000	26,350,000	11,500,000	139,000,000
1871–1880	115,000,000	51,950,000	15,400,000	188,350,000
1881–1887	132,000,000	67,500,000	21,500,000	221,000,000
1888	138,200,000	79,080,000	23,500,000	240,780,000

Mr. President, it was only when the money power—and I shall take occasion to define what I mean by the money power before I get through—it was only when, by concerted action upon the part of the money power of this world, some of the leading nations were induced to demonetize silver and thus decrease the demand for it, that there was any disparity between gold and silver. It is not due to overproduction; it is due more particularly to the fact that nations have demonetized silver under the influence of this power and cut off one of the great demands for silver; and looking at silver then, under such circumstances, from the gold standpoint, there has been a depreciation or there is a disparity.

But I have no doubt if this nation takes hold of this question in good faith, with a determination to reinstate silver to its place in 1873, when it was demonetized, that it will have power enough with the nations of Europe, or perhaps power enough single-handed and alone, to rehabilitate and reinstate silver as money, not only in this nation, but in a sufficient number of nations to reëstablish it to its original position in 1873.

I believe the cry of overproduction of silver to be designed to mislead the masses of our people, so that they may be induced readily to accept a single gold standard. I think it is a heresy which has been sifted out through the press, which has been spoken from the stump, which has been uttered in legislative halls, for the express purpose of forming the popular mind long in advance of the period when the nation was brought to a single gold standard.

[At this point the honorable Senator yielded to Mr. DANIEL for a call of the Senate.]

Mr. ALLEN. Another of the fallacies taught, in my judgment, in this discussion is the fallacy of the balance of trade. I do not mean to say that the balance of trade is not desirable under certain circumstances, but I do mean to say that a balance of trade in and of itself, bought by a sacrifice of the property and labor of the people, is a curse rather than a blessing. Too long the people of this country have been told that a favorable balance of trade was *per se* evidence of prosperity. Suppose that every gold dollar upon the face of the earth was bought by this nation at the sacrifice of the price of our labor and our property, would that be any evidence that we were a prosperous nation under those circumstances? That is precisely what the Senator from Ohio, in a speech delivered in this Chamber on the 30th of August, I think it was, advised this country to do. I quote from the speech of the senior Senator from Ohio. Speaking of the contest for the possession of gold, the Senator says:

> If the fight must be for the possession of gold, we will use our cotton and our corn, our wheat and other productions, against all the productions of mankind. We, with our resources, can then enter into a financial competition.

A competition for what? A competition for gold. We will put everything that is produced in the field and the shop, in the contest with Europe for the possession of gold; we will wage an industrial warfare; we will wage it at the sacrifice of the prosperity of our people; we will bring our people to the condition of the working people of Europe in an industrial warfare for the possession of gold. That is the language of the Senator from Ohio.

> We do not want to do it now—

Says the Senator—

> we prefer to wait awhile until the skies are clear and see what will be the effect of the Indian policy, and what arrangements may be made for conducting another international conference. In the mean time let the United States stand upon its strength and credit, maintaining its money, different kinds of money, at a parity with each other. If we will do that I think soon all these clouds will be dissipated and we may go home to our families and friends with a consciousness that we have done good work for our country at large.

We have done good work for the country at large when we have mortgaged the industries of this nation in the form of gold bonds, when we have put a great blanket mortgage upon the farms and the labor of this country. When we throw the products of labor, the products of the field and farm into a great industrial war for the possession of the gold money of the world, then, in the estimation of the senior Senator from Ohio, this nation has entered upon the high road to prosperity. A most singular thing, that we should wage a contest which brings our labor and our property down to the condition of European labor and European property. That is evidence of prosperity! That is the means by which we will reach our highest prosperity! It occurs to me that this is simply in keeping with the purpose of the money power to industrially enslave the masses of the people of this country. An industrial slavery is the worst slavery upon the face of the earth. It is so insidious, so far-reaching, that it is even worse than chattel slavery.

It is only when a balance of trade represents some profit to a nation that it is a favorable balance of trade; it is only when it represents some profit to its people that it is desirable. If it is bought at too great a sacrifice, if civilization itself has to be impaired, if labor has to be debased, if we are to be brought down to the conditions prevailing in Europe, then we do not desire to pay the price for the balance of trade in gold dollars.

Then, there is another fallacy taught here. Ever since the organization of this extra session of Congress on the 7th of August, Senators have talked about maintaining the parity between the two metals, gold and silver. Some Senators have said it could be maintained and others have denied the proposition. It can not be denied that both the Democratic and the Republican parties are pledged to the maintenance of the parity, whatever that may be—a relation of equality, as I understand it. They are not only pledged to do that, but to-day they are undertaking to escape the responsibility, they are undertaking to make the people of this country believe that they are maintaining that parity by wiping out the last vestige we have of silver legislation. I ask any Senator in this Chamber when he talks about maintaining a natural parity between gold and silver, is it possible? Certainly not. If there was a natural law of equality between the two metals, would not one grain of the metal, silver, be worth as much as a grain of gold? If there was a natural parity existing, would not that be true?

The relation of gold and silver, like the relations of any other articles, must be controlled by the law of supply and demand.

As long as Senators talk about the commercial value in the money metal or the money thing, there can be no such thing as a parity between gold and silver, because to-day the demand puts the price of one up and the price of the other down, when to-morrow, next week, next month, or next year the conditions may be entirely different, and the metal that occupies one position to-day may be absolutely reversed then. That is simply following the supreme law of supply and demand. So it is mere nonsense to talk about maintaining the parity when a natural parity does not exist.

But you can establish and maintain a parity when you leave the fallacy of intrinsic value, when you come to the sensible basis, the basis which controls this matter; when you declare by statute that so many grains of silver shall have the force of money as compared with a grain of gold, when the power of the law behind that makes it perform the office of money, gives it full legal-tender and debt-paying power, and establishes a law of equality between the two metals while being used as money. That is the real parity, and the only parity that can either be created or maintained.

I regret, Mr. President, that time is so limited for discussion of this subject, but I desire to call attention to some things that have cropped out during this protracted debate that are a little singular to me as a Populist.

It has been charged here, and no more recently than yester-

day, that the Sherman act was responsible, in some measure, for the crisis through which we have passed; yet it is true that every dollar of gold that left these shores during the last few months has returned, except about $16,000,000, and that will return if these men who control the money market will permit it to return. So that if its departure was due in any measure to the Sherman act, then with equal propriety we may say that its return is due to the same act.

It is a singular spectacle to witness these two great parties, the Democratic and the Republican parties, that have fought each other for the last thirty years, marching almost in solid column, under the flag of the Administration, for the repeal of this act. It is a little singular that representative men of these parties are to be found to-day united under the flag of Mr. Cleveland in undertaking to secure the unconditional repeal of this act. Some strange fatality must have fallen upon the Republican party. Some strange spell must have taken possession of it. Mr. President, it reminds me of the Hymn of Faith, written by J. Whitcomb Riley, in which he describes the faith of the early Christians in the doctrines preached by the minister, when he says:

They was content to fall in ranks
With one who knowed the way,
From good old Jurdan's stormy banks
Clean up to Jedgment Day.

The Republican party and the Democratic party are content to "fall in ranks" with Mr. Cleveland, who is supposed to "know the way" from the very inception of this matter clear up to the repeal of the Sherman act and the complete demonetization of silver. There must be something strange about the cause that has produced this singular union upon the part of the leading Republicans and leading Democrats who have contested for the mastery of this country for so many years.

Mr. President, I hold in my hand a little volume called Cheap Money, published by the Century Magazine Company, being a reproduction of a series of articles appearing in that magazine. The author of this volume—whoever he may be, and he fails to give his name—undertakes to tell what the People's party of America, which he confuses with the Farmers' Alliance, not knowing enough about the different organizations to know that they have no kinship—undertakes to tell the people of this country what the People's party and the Farmers' Alliance believe in. Now, it takes some fellow that was never within a thousand miles of a Farmers' Alliance, or within a thousand miles of the soil where the People's party prospers, to tell exactly what they believe in. Let me call attention briefly to one of the assertions of this man. Speaking of the question of the supply of money and the belief of the people this man is describing, he says:

When they are asked how they are going to get possession of a share of the more plentiful supply—

Speaking of money—

and are held down to a specific answer, their ingenuity is greatly taxed—

I suppose this fellow believes a man who belongs to the People's party must necessarily be very ignorant and can not have ordinary sense, and therefore his intellect is severely taxed by a question of that character—

their ingenuity is greatly taxed, and they turn to their leaders for a solution of the difficulty. The different ways in which the leaders whose plans we have collected have met this demand furnish most instructive material for study.

Among other things, this fellow says that one of the remedies of the People's party for financial ills is the unlimited issue of inconvertible paper. Never was a People's party convention or caucus held upon the face of the earth that declared that doctrine; never. There never was a man of that party, however wild he may be, who has declared that doctrine. It was a sheer and willful misrepresentation of a great national party that is growing stronger and stronger every day. It is a false arraignment of a great body of loyal American citizens and an impeachment of their intelligence. There never was in any organization, there never has been in any convention any argument or resolution offered or made looking to an unlimited issue of irredeemable paper money. Yet this fellow, probably sitting in a closet in the city of New York, never having been beyond the city limits, undertakes to tell the people of this country, through a great magazine like the Century Magazine, that the members of this party believe in the unlimited issue of an irredeemable paper money!

Then he tells things that are even more ridiculous than that. Among other things, this man says:

We append the more striking of these, giving the plans of the People's party as a remedy for the evils—giving the exact language—

He says—

in each instance, numbering them, for convenience of reference, but withholding the names of the originators, in order that our subsequent remarks may be free from all appearances of personality.

Now, what do they propose, according to this man? The first man that he came across is reported to have said:

1. I am not stuck on silver and gold as circulating mediums, and even paper is my idea. Geologists have had things so fine that they can estimate the quantities of silver and gold in the mountains, and the Government should issue silver certificates to an amount equivalent to that estimate. It would be far safer, as it would be easy for a foreign nation to capture the coin in the Treasury vaults at Washington, but the mountains they could not remove even by all the faith they could muster.

The author of this series of articles calls upon the American people to believe that that is an authentic statement from some representative of this party. The man who penned those words was either a liar or an ignoramus. There never was a serious utterance of that kind from the wildest member of the organization. There never was a caucus or convention that gave utterance to such a thought. Its only purpose is to mislead the people of this country and create the impression that the members of the People's party are ignorant, wild and visionary. And yet men like this are permitted to write and palm off their stuff upon the people!

So it goes, Mr. President. I simply call the attention of the Senate to this book because I find it in the bookstores and in circulation, and I have no doubt that many an honest man has read that pamphlet, or this series of articles, and, without close investigation into the question, believed that this is a fair statement of the position of that party. It is evidently made for the purpose of putting the party in a ridiculous position, of balking its progress, of preventing it reaching an intelligent and honorable position before the people of the nation. Why? Because this party denies the right of this money power to control absolutely the destinies of the nation. This penny-a-liner must be hired for the purpose of falsifying its position upon this important question.

Now, what is the money power? The expression has been used here a great many times. It has been used by myself, and it has been used by others. I say to the Senators that the money power, in my judgment, is that class of persons who control the great debt, bonds, stocks, and mortgages of this country and of Europe—that body of men who are directly interested in a constantly appreciating money, whose fortunes are made out of bonds, mortgages, stocks, and evidences of indebtednesses of various kinds; that body of men, small though it may be, in this country and in Europe who are combined against the prosperity of the farmer and laborer throughout the civilized world—that is the money power.

It occurs to me that some people in this country have gone mad upon the subject of gold. This struggle for gold is an intense struggle. In many respects it is absolutely a senseless struggle, tending to sacrifice the prosperity of this nation. In my judgment—and I think I speak somewhat advisedly when I say it—the people who till the soil, the people who work in the shops and factories are the people who are vitally concerned in this matter, and they are the ones who demand bimetallism at the hands of this Congress. I see that that provokes a smile from my friend from Delaware [Mr. GRAY].

Mr. PALMER rose.

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Illinois?

Mr. ALLEN. Certainly.

Mr. PALMER. What does the Senator mean by "bimetallism"?

Mr. ALLEN. I mean the use of two metals, gold and silver.

Mr. PALMER. I ask if the Senator means gold and silver of equal exchangeable value?

Mr. ALLEN. As money, yes; having the exchangeable or money value, or function, but not commercial value. I have discussed that proposition, and I do not propose to consume much more time in discussing it.

Mr. PALMER. I shall not ask it.

Mr. ALLEN. Now, Mr. President, what do we see here? We are threatened with another panic.

I am reminded of the fact that I was diverted from the thread of my discussion by the question of the Senator from Illinois, and I will proceed. I was about to say at that time that, in my judgment, a majority of the resolutions and petitions and memorials that have come into this Senate since its organization, upon the subject of the repeal of the Sherman act, have come from banks, corporations, boards of trade, commercial clubs, and organizations of that kind. While I do not dispute the right of these persons or corporations to petition the Senate of the United States for the repeal of this act, or the repeal of any other act that they may deem detrimental to their interests, yet I must remind the Senate that the repeal of the Sherman act is calculated to make their bonds, their securities, and their mortgages more valuable than they otherwise would be, and therefore they have a direct pecuniary interest in the repeal of this act.

But I was about to say, and I say now, that I think the great

masses of the common people of this country want this Sherman act retained on the statute book until the Democratic party or whoever controls the legislation of this nation, lays down some plain proposition looking to the continued coinage of silver. They do not want simply empty promises. Senators who have charge of this bill will not even promise us anything. We are to be treated like boys. We are to be kept in ignorance of what the Administration intends to do. We are told that the repeal of this act is to be made without any promise, without any advice of an official character, that anything will be done looking to the coinage of silver.

Mr. WHITE of Louisiana. Will the Senator allow me to ask a question?

Mr. ALLEN. Certainly.

Mr. WHITE of Louisiana. I dislike very much to disturb the Senator in the brief time he has at his disposal just now.

Mr. ALLEN. I appreciate the delicacy of the Senator from Louisiana.

Mr. WHITE of Louisiana. The Senator says that petitions have come for the repeal of the Sherman act from boards of trade and commercial bodies. It must be recollected that those bodies own stocks, bonds, and other evidences of valuable indebtedness in the country. I thought the whole drift of the argument of the Senator was that if the Sherman act were not repealed property would become more valuable. That was the gist of the Senator's argument during the whole night—that products would be more valuable, and that there would be a great rise in prices.

Mr. ALLEN. If the Sherman act were not repealed?

Mr. WHITE of Louisiana. Yes.

Mr. ALLEN. I beg the Senator's pardon. I did not say that.

Mr. WHITE of Louisiana. There may be a little doubt. I must confess I do not see it. Did I not understand the Senator to say that the repeal of the Sherman act would lessen the price of farm labor and the price of wheat, corn, and all the products of the laboring sons of toil in this land?

Mr. ALLEN. Yes, sir. The Senator from Louisiana understood me, if he understood me correctly, that it was going to depreciate property.

Mr. WHITE of Louisiana. I mean the non-repeal.

Mr. ALLEN. The repeal of the Sherman act will depreciate property, unless we pass an equally favorable silver law.

Mr. WHITE of Louisiana. Then, I want to ask the Senator this little conundrum, if he will be kind enough to answer it. How is it that the repeal of the Sherman act is going to raise the value of all the stocks and bonds in the country, and non-repeal is going to raise the value of all the farm products and all the products of toil? This is a sort of wind that "cuts gwine and cuts comin'." Everything is going to be depressed, according to the Senator, if his views are carried out, and then everything is going to be raised if his views are carried out; in other words, it is blowing hot and blowing cold.

Mr. ALLEN. The Senator from Louisiana is entirely mistaken. I am not blowing hot and blowing cold. I say now to the Senator from Louisiana, and I hope he will understand me, that the unconditional repeal of the Sherman act will have the effect to shrink the value of property and of labor——

Mr. WHITE of Louisiana. Why?

Mr. ALLEN. Please wait.

Mr. WHITE of Louisiana. I shall wait.

Mr. ALLEN. And the effect of it will be to increase the value of mortgages and notes and bonds and stocks. That ought to be plain enough. They will not shrink any; other property will depreciate. The purchasing power of money will be increased. These mortgages, notes, bonds, and stocks must be paid in money with increased purchasing power. The proceeds of these mortgages, etc., will be appreciated money, earned by the sale of depreciated products.

Mr. WHITE of Louisiana. I ask the Senator how it is possible that he is going to have it decreased on the one hand and raised on the other. If it is a general law, is it not to operate generally upon all property? How is the Senator going to say to the farmer, "if we do not pass this bill all your property will be raised in value," and then say to other people, "if we do pass it your property will be raised."

[At this point the honorable Senator yielded to Mr. WOLCOTT.]

Mr. ALLEN. Mr. President, I was about to say when I was interrupted by the calling of a quorum, that my friend from Oregon [Mr. DOLPH], who stated upon the floor of the Senate the other day that the wheat and cotton of India was estimated in gold prices in Liverpool must certainly be mistaken in that statement. I had occasion some days ago to call his attention to the fact that he was mistaken, and now, I believe, Mr. President—if I am not consuming too much time—that it is my duty to call attention a little more specifically to this question.

I will ask the Secretary to read, as bearing upon this subject, the article of Mr. R. H. Patterson, of Edinburgh, a statistical writer of Scotland of high repute, published in the Contemporary Review of April, 1879, and reproduced in a little volume which I have in my hand, written by Robert W. Hughes, entitled The American Dollar.

Mr. PALMER rose.

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Illinois?

Mr. ALLEN. Certainly.

Mr. PALMER. I am not informed as to the rules of the Senate in regard to what papers or documents may be read by the Secretary.

Mr. ALLEN. I will relieve the Senator from Illinois by reading it myself.

Mr. WOLCOTT. I will read the paper for the Senator.

The PRESIDING OFFICER. There being objection on the part of a Senator to the reading of the paper called for, it may be read from the Secretary's desk on motion adopted by the Senate.

Mr. PALMER. I rise to a question of order, Mr. President. I have no desire to interfere with the rights or the feelings of the Senator from Nebraska, but I want to know what is the extent of the right of Senators to have read at the desk papers like the one produced.

Mr. ALLEN. I think I can take that question out of the case, Mr. President, by reading the article myself. I only wanted it read by the Secretary because the light where I am standing is a little dim and I do not see clearly.

The PRESIDING OFFICER. In answer to the suggestion made by the Senator from Illinois the Chair directs Rule XI to be read for the information of the Senate.

The Secretary read as follows:

RULE XI.

OBJECTION TO READING A PAPER.

When the reading of a paper is called for and objected to, it shall be determined by the vote of the Senate without debate.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska?

Mr. PALMER. I have no objection, Mr. President. I only wanted to know the rule.

The PRESIDING OFFICER. There being no objection, the Secretary will read as indicated.

The Secretary read as follows:

The expansion of Indian trade must be considered with reference to two factors into which it is divided, viz. the trade balance, representing the excess of exports of merchandise from India over imports of merchandise into that country, and the financial balance representing the difference between the annual installments of British capital paid for the construction of railroads and other public works in India on one hand; and on the other the home charges for the support of the army of India, and expenses incident to civil and military operations there, collected by council drafts.

The trade balance was the larger factor during the eleven years between 1854 and 1865. We find from Mr. Waterfield's statistics (laid before Mr. Goschen's committee) that this trade balance in favor of India during that period was $1,035,000,000, or at the rate of $95,000,000 a year. The entire production of the precious metals in the world during the same eleven years was, according to Sir Hector Hay (as exhibited to the same committee), $1,830,000,000, of which sum the produce of the mines opened in the United States and Australia after 1848 amounted to $950,000,000. Accordingly, had it been necessary to pay the whole of the trade balance to India in specie (he speaks of both gold and silver, not of silver alone), the entire produce of the new mines during these eleven years would have proved inadequate to the purpose by a deficit of $85,000,000.

Turning now to the financial balance, the railway and like payments, due from this country to India in the earlier half of the period, 1854–1865, appear to have considerably exceeded the home charges represented by council drafts. Certainly, during the first five years, India received in specie the whole amount of the trade balance due to her, and upwards of $130,000,000 more—the trade balance during these years being $222,500,000, while the actual amount of specie received by India was $353,750,000. In the subsequent years of the period, however, the home charges due from India evidently exceeded the railway and like payments due from this country (England); and in striking the financial balance there has to be added to the home charges the private remittances of money made by Englishmen in India to their families and friends in Great Britain, the amount of which can not be determined. Judging by the result, the aggregate financial balances during the eleven years ending in March, 1865, appear to have been against India to the extent of $155,000,000; and thus, although the aggregate trade balances in her favor during the same years amounted, as already stated, to $1,035,000,000, the actual amount of specie received by India was but $880,000,000.

Now, as before stated, the total produce of the new mines of the world during the same period was $950,000,000; and it is seen that the amount of the precious metals absorbed by the Indian trade was so great that of all this stock of gold and silver only $70,000,000, or 8 per cent. were left available for the use of the rest of the world. A more remarkable fact can hardly be exhibited.

Further, let us take the whole period for which we have officially published statistics (Mr. Patterson was writing in 1879), viz., from 1855 to 1875. During these twenty-one years the aggregate exports of merchandise from India amounted to $4,669,065,000, and the imports of merchandise were $2,721,055,000, giving a trade balance in favor of India of $1,948,000,000, or $92,500,000 per annum.

How has this enormous sum of money been paid? During the latter years of the period, viz. 1865 to 1875, owing to the gradual cessation of the railway and like payments due to India from this country, and also to the increase in the amount of the home charges due to us from India, the financial balance turned heavily against India, so that the council drafts drawn by the Gov-

ernment in London upon that in India, which are equivalent to specie, amounted in the aggregate to $560,000,000 (averaging $26,666,666 per annum). Deducting this aggregate from that of the trade balance, there remains $1,338,000,000; but the total amount of specie received by India during these twenty-one years was $1,266,250,000, or 90 per cent of the trade balance, leaving $121,750,000 unaccounted for officially, but which was doubtless settled by bills upon India, drawn upon remittances from private persons in India to others in this country.

The total produce of the gold and silver mines of the world during the twenty-one years, 1855-'75, according to Sir Hector Hay, was $3,385,000,000. Deducting the produce of mines existing before 1849, during the period, about $1,830,000,000, there remains $1,700,000,000 as the additional supply of product of the new mines. Thus it appears that during this twenty-one years the Indian trade absorbed $1,266,250,000 out of $1,700,000,000, or 73½ per cent of the entire new supply of the precious metals, leaving only 26½ per cent, or $450,000,000 for general use to meet the great expansion of commerce and augmented rements for specie of the rest of the world.

In truth, but for the previous accumulation of specie in the Western world, it seems impossible that so vast a drain of specie as that which flowed to the East in the years immediately subsequent to 1854 could have been spared—the fact being, as already shown, that during the eleven years in question, the Indian trade required, and India actually received, no less than 92 per cent of the contemporaneous production of the new mines, leaving only $70,000,000 of their production for the increased wants of the world at large.

It has been the drain of the precious metals to the East, to meet the requirements of Indian trade and investments, which alone has falsified the confident predictions given before 1860 by all the highest authorities as to a stupendous fall in the value of money, especially of gold. The currency of the East is silver, and consequently it is in silver that the greater part of the enormous payments to the East in specie have been made. Between 1854 and 1865, the amount of silver (observe that Mr. P. now speaks of silver only) exported to India actually absorbed the entire contemporaneous yield of all the silver mines of the world, and $200,000,000 more. In other words, this drain of silver to the East was equivalent in its effects upon Europe and America to an actual stoppage of the silver mines, together with an actual drain and deduction of $200,000,000 from the existing currency of the Western world.

But, as already indicated, there has been since 1865 a restriction upon the flow of silver to the East in the natural course of trade, occasioned by the large increase in the payments which the Indian Governmant has to make to the home Government in London, represented by the council drafts issued by the latter against the former. These drafts, being equivalent to silver *pro tanto*, enable our traders to settle trade balances due to India without sending silver; and thus the requirement for silver for the purpose of shipment to India has been proportionately diminished. Another diminution of specie remittances to India resulted from larger remittances from Englishmen in India for the support of their families in this country; a change which has occurred partly in consequence of the increase of British troops kept in India since the mutiny of the Sepoys in 1857, and partly from the opening of the Suez Canal, whereby Englishmen in India can more readily send home their families for health and education, and also can visit them more frequently than was possible when our only communication with the East was by the long sea voyage around the Cape of Good Hope.

The diminution of specie payments to India from these causes was long obscured and overbalanced by the large investments of English money which were made in Indian railways; but after 1863 the railway payments from this country decreased, and they became wholly exhausted by 1870. Thereupon the home charges appeared at their real and full amount. For a quarter of a century previous to 1863 these charges had averaged only $11,250,000; but during the subsequent eight years they averaged $31,250,000, and during the six years ending with April, 1878, they averaged $61,250,000, which is $50,000,000 in excess of their annual amount down to 1863, and almost equal to the contemporaneous yield of the whole silver mines of the world. The council drafts, being equivalent to silver, have correspondingly diminished England's requirement of that metal for payments to India, and have prevented the large export and utilization of silver which would otherwise have occurred in connection with the Eastern trade.

This course of things is highly disadvantageous, not only to the Indian Empire, but to the world at large, by producing a fall in the value of silver, which not only lessens the value of labor of the silver miners, but of the entire amount of the vast stock of silver existing throughout the world—the accumulated result and legacy of many generations of past labor. (Mr. P. appends as a foot note the following sentences:) Whether there has been any real and absolute fall in the value of silver even in the countries of the West, or whether the fall is merely apparent and occasioned by a rise in the value of gold, the chief standard money of the West, is a question that lies beyond the scope of the present discussion.

Mr. ALLEN. I desire now to read a letter published in the San Francisco Examiner of November 7, 1885, by Mr. G. Pellew Paul, an Englishman, bearing upon the subject under discussion. He says:

In connection with the present annual depreciation of silver there are several matters to be borne steadfastly in mind, and are axiomatic:

First. The chief cause of the depreciation in price of American silver has been, and continues to be, the deluge of British council drafts issued by the Secretary of State for India in London for the purpose of patronage. The drafts are now sold for 1*s.* 6½*d.* per rupee in gold in London, whereas their proper price should be 2*s.*, as they were a few years ago.

Second. This discount on the drafts acts as an export bounty of 20 to 25 per cent in favor of the English importer of Indian produce, to the detriment of the American wheat and cotton exporter.

I desire to have the Senator from Oregon listen to this as disputing the position he has taken:

Third. The greater portion of the American silver dispatched to London is used to pay for Indian wheat, cotton, and other produce, and enters necessarily into competition with the council drafts that are used for the same purpose—one of them killing the other, the real offender being the council drafts.

So it seems that these English council drafts and American silver come into competition with one another and that produces the price over in India, instead of gold, as stated by my friend from Oregon.

Fourth. All silver sent from London to India for the purchase of wheat, cotton, and other produce produces competition with American wheat and cotton, and lowers their prices, so that, paradoxical as it may seem, American silver is used in England to lower the price of American wheat and cotton—at present as much as 20 per cent.

Mr. PALMER. Will the Senator from Nebraska please state the date of the paper he is reading?

Mr. ALLEN. This was published on the 7th of November, 1885, and I suppose substantially the same condition of affairs exists to day, as I think I shall be able to show before I get through.

Fifth. American silver should be withheld as much as possible from London, and diverted directly to its ultimate markets in Eastern Asia, if American wheat and cotton are to escape competition with the Indian articles.

Now, it occurs to me, Mr. President, that these letters from two prominent Englishmen upon this subject ought to put at rest this question, so far as my friend from Oregon is concerned.

Let us look at this matter briefly—and I do not desire to consume too much time on it:

The exports of cotton from India have increased from $33,570,000 in 1879 to $82,665,000 in 1891, while the export of cotton goods in the same period has increased from $4,658,500, to $33,135,725, and other manufacturers of cotton from $8,220,625 to $14,348,840, in 1891, and are increasing every year.

So, Mr. President, it is observable to the most ordinary mind that depreciated American silver has been used by the British Government and brought in contact with discounted council drafts to develop the industries of India to an enormous extent, until the wheat productions of India to-day come in contact with the wheat productions of the American farmer and fix the price for the American farmer in the Liverpool market. In other words, the United States have been engaged in the pleasing occupation of developing the interests of Great Britain in India, raising up a great wheat-producing and cotton-producing people to come in contact and in competition with their own farmers and laborers.

Mr. PALMER. Will the Senator allow me to interrupt him for a moment?

Mr. ALLEN. Certainly.

Mr. PALMER. Will he tell the Senate what are the wages of laborers in India?

Mr. ALLEN. I think something like 5 or 6 cents a day.

Mr. PALMER. I think so, where silver is the standard.

Mr. ALLEN. But the Senator from Illinois forgets that India has the lowest per capita circulation of any nation upon the earth. It has only about $3 a head. It is the lowest per capita nation upon the earth. I say to my distinguished friend from Illinois, whom I so highly admire, that wherever legislation touches a nation and develops anything like poverty upon the part of the people it will be where the policy of the controlling and governing power is to reduce the per capita circulation of money to a minimum.

Mr. PALMER. Will my friend from Nebraska allow me to make one statement?

Mr. ALLEN. Certainly.

Mr. PALMER. In Mexico, as I have a paper here to show, the wages of miners are 75 cents a day. In every country on the globe where silver is the standard wages are lower and labor is most degraded.

Mr. ALLEN. What has silver to do with the productiveness of the soil or the salubrity of the climate or the nourishing influences of the rains and the sun? The world is just as well off if industries are developed under a silver standard as under a gold or under a double standard. I think I have shown almost conclusively that the value of a contract does not reside in the medium of exchange which exchanges property for property or property for labor, but it resides in the articles exchanged. I have at least undertaken to show that, and I think I have done so.

Mr. PALMER. I think the Senator is mistaken in the opinion that he has succeeded in showing it.

Mr. ALLEN. Possibly I may be mistaken.

Mr. PALMER. I have given attention to the question of wages in India, Egypt, Mexico, China, Japan, and the South American States, and the wages are lower relatively in the silver states than anywhere else on the globe. In European states where the gold standard prevails wages are far in excess of the wages in the countries I have mentioned. Perhaps there is nothing in the history of nations more lamentable than the wages in India and Egypt where silver is the standard. Will the Senator tell me why, when that is the case, he insists that a silver standard means high wages?

Mr. ALLEN, Oh, no; I have not insisted that that was the case at all. The Senator is mistaken about that.

Mr. PALMER. I beg pardon, then.

Mr. ALLEN. I undertook to show that the question whether we had a silver or a gold standard or a bimetallic standard does not necessarily enter into the question of our prosperity.

Mr. PALMER. Not into the question of wages?

Mr. ALLEN. Not necessarily into the question of wages.

Mr. PALMER. What does necessarily enter into the discussion? If the contrast between silver and gold does not enter into

it, what does? I think, with the permission of my friend from Nebraska, I have stated what I believe to be true, that in every country on the globe where the silver standard exists wages are lower, labor is paid less, and the conditions of the people are worse than the European nations where the gold standard prevails. I am not defending the gold standard, but I am stating that fact for the information of my friend from Nebraska. Why is it the case, I ask?

Mr. ALLEN. I should like to ask the Senator from Illinois, if he has no objection to answering, whether he attributes the condition he speaks of to silver legislation or to the fact that silver is used as money in those countries?

Mr. PALMER. I do, because I consider the silver circulation of those countries as an evidence of impotency and feebleness. I believe those countries where we sell our wheat and our pork and beef, the active, energetic countries where the gold standard prevails, are those to which we should adapt our monetary standard.

Mr. ALLEN. Permit me to say in reply to the Senator from Illinois, that the real value is not the number of dollars a man gets for his wages or the number of cents he gets, but it is the purchasing power of the money which it commands over the necessaries or the luxuries of life if he is enabled to buy them. It is the amount of bread, the amount of food products, the amount of clothing, the amount of shelter that his wages will afford him and afford his family that makes the real value of the wages and not whether they are 75 cents in gold or $1 or $1.25 in silver. That is simply looking at the surface of the transaction.

Mr. PALMER. Mr. President——

The PRESIDING OFFICER (Mr. BLACKBURN in the chair). Does the Senator from Nebraska yield to the Senator from Illinois?

Mr. ALLEN. Certainly.

Mr. PALMER. I am not going to trespass on my friend from Nebraska for more than a minute. Our commercial intercourse with the United Kingdom and with Germany, France, and the countries where their peculiar monetary regulations exist, gold being the standard of value, is far beyond all our intercourse with other countries.

I maintain that it is the policy of our country to harmonize our monetary relations and regulations with those countries, and that in the countries where silver is the standard there exist degradation, ill-paid labor, ill-fed people, ill-clothed people. I believe that the European civilization to which we belong is a bold, manly, elevated civilization, while all the other is degraded; that wages are poor, that the people are ill-fed and ill-clothed, and that it is our interest to contest with the United Kingdom and with all creation and not adopt Asiatic monetary systems.

Mr. ALLEN. Then I understand the Senator from Illinois to mean that the true interest of this country is to put the gold of the world upon an auction block and have the United States enter the list as a competitor for that gold and bid for it.

Mr. PALMER. The Senator states me correctly.

Mr. ALLEN. I am glad the Senator from Illinois acknowledges that I state his position correctly. What does that mean? It simply means that the nation that gets that gold will be compelled to debase its labor the most, which gives the least remuneration to those who produce the corn and wheat and products the gold is purchased with. It is a direct blow at the prosperity of the laborer and farmer of this country. It chains him to the destiny of the farmer or laborer of England, so that it is impossible for him to rise above the condition of that class of people in Europe. Then, what becomes of the glory of living under a republican form of government?

Not only that, but I call the attention of the Senator from Illinois to a fact which certainly can not be disputed; that all marches of the British Empire and of the governments of continental Europe to grandeur and glory, and all the marches in civilization of this nation to grandeur and glory have been under a bimetallic standard.

Mr. PALMER. May I answer?

Mr. ALLEN. Certainly.

Mr. PALMER. I do not know what the Senator means by a bimetallic standard. If he means the bimetallic standard as defined by the Chicago platform, where the moneys of the two metals are coined of equally exchangeable value, I am with you. But it is a fact, and I wish to invite particular attention to the fact, that this great Republic is not seeking an alliance with the Asiatic countries. We are seeking not alliances of submission, but we are seeking competition with the civilized nations of Europe. We are their equal in every respect.

Mr. ALLEN. Oh, yes; we are superior to them if we will only suffer ourselves to be.

Mr. PALMER. Not superior, I think.

Mr. ALLEN. I think so.

Mr. PALMER. I am descended from the English race myself.

Mr. ALLEN. I have a little touch myself, and yet I think my country is superior.

Mr. PALMER. I will not shrink from competition with them anywhere, and I will not seek an alliance with the ill-fed, half-clothed people of the Orient.

Mr. ALLEN. I do not suppose anybody desires my honorable friend from Illinois to become a competitor of the Chinaman who lives upon a bowl of rice and a rat a day, but what I contend is that this country is of continental proportions. We are a continent, not simply a small empire. We are a continent of inexhaustible resources, containing a class of people who are capable of almost inconceivable advancement if we will permit them to advance. Under those circumstances are we to change the destinies of America to the destinies of England or any European power? Why not cut the strings that bind this nation to the powers of Europe and set all the forces of nature at work in this great continent of ours, giving every man, women, and child who desires labor an opportunity to labor and to earn an honest living? Why not do this and push our civilization away beyond the wildest dreams of continental Europe?

I am an American, Mr. President. I believe in the prosperity of my nation. The prosperity of America is dearer to my heart than the prosperity of England or any other nation on earth. I believe in the prosperity of every man, woman, and child who is an American citizen. The interest of the humblest man who can be found upon this continent is as sacred to me as the interest of the most exalted. The same law that protects the Carnegies of America must protect the humble laborer who works for him; and I am not willing, if my distinguished friend from Illinois please, to chain the prosperity and the destiny of the people of this country to the destiny of continental Europe.

Mr. PALMER. Will my friend allow me interrupt him?

Mr. ALLEN. Certainly.

Mr. PALMER. The Senator owes me an obligation for that magnificent burst of patriotic oratory. But the proposition is, shall we adopt a degraded currency, or shall we look to England, of which the Senator from Nevada [Mr. STEWART] speaks so earnestly, and invite a contest with them? We are their descendants; we are their equals. If gold is the most precious of all the moneys, we have a right to demand our share of it, and we have a right to contest with them our right to a share of it. I do not shrink from the encounter. Will my friend allow me one word more?

Mr. ALLEN. Certainly.

Mr. PALMER. The claim that the farmers of Nebraska, Kansas, or Illinois are a suffering, humiliated, degraded race that needs protection is a fallacy. The farmers of my State are the bone and sinew of Illinois, and we do not shrink from this encounter. We are not beggars, we are not poor people, we are not seeking cheap money; we are seeking a manly, open conflict with Great Britain, or any other people in God Almighty's creation, for a share of all the good things of this life. We are a free, independent, earnest, self-reliant people in Illinois; and so are the people of Nebraska. My friend is altogether mistaken in supposing they are in the sad condition he describes them to be.

Mr. ALLEN. I have certainly said nothing against the people whom I have the honor in part to represent in this Chamber, and it is a little strange to me, leaving the thread of my discourse for a moment, that every remark I have made about any State in this Union, which was clearly within the bounds of truth, has been the subject of constant misconception upon the part of certain Senators, every one of whom maintains the single gold standard theory. Several Senators have undertaken to make me assault my own State. Let me ask the Senator from Illinois, because it touches me upon a tender point, does he say that I have uttered one word against the State which sent me here?

Mr. PALMER. I think not.

Mr. ALLEN. I would not want the Senator from Illinois to make the statement that I have done so.

Mr. PALMER. I will not make the statement if it is at all disagreeable to the Senator from Nebraska.

Mr. ALLEN. It is not only disagreeable, but it is not true.

Mr. PALMER. I will admit it is not true, but I hope the Senator will admit that I have not made the statement. I will say nothing disagreeable to the Senator from Nebraska. He has my personal kindly regards. Still I have heard so much on this floor about the poverty of the farmers and the poverty of the West, will the Senator allow me to say, that I am profoundly disgusted with it? We have no such condition in Illinois. The price of our wheat is low, I suppose because nobody wants it. Some of our products are selling at prices that do not pay for their production, but we suppose it is because nobody wants them, or

people would pay a higher price for them if they needed them more. But we are not beggars. We do not want a depreciated currency to pay our debts in. We are an independent people.

Mr. ALLEN. I am glad to hear it.

Mr. PALMER. Yes, sir; we are perfectly able to compete with Great Britain. I have said that I am a British American, and we do not shrink from an encounter with Great Britain on any field. I must say that during the war, they made a little fight over Mason and Slidell, and I have been hungering and thirsting for an opportunity to pay them that debt. I would have given my life, after we had submitted to that humiliation, to have fought them anywhere. Still we are their equals. If they desire gold, so do we. If they struggle for gold, so do we. If they command gold, so can we. We are not their inferiors. We are not the poor, beggarly people we are described to be.

Mr. ALLEN. Oh, Mr. President——

Mr. PALMER. I ask pardon of the Senator for taking so much time.

Mr. ALLEN. The Senator from Illinois certainly misconceives me in what I have said. I am perfectly willing that the Senator from Illinois shall fight Great Britain if he desires to do so. I have no objection to it whatever; but I have no desire to engage myself in any unnecessary war with Great Britain or any other country. If the higher prosperity of the people of my nation can be assured without entering into an unnecessary competition with Great Britain, I am perfectly willing that Great Britain should go her way and the American Union should go hers. I am not seeking an opportunity to quarrel with somebody. I do not want this nation to engage in either an armed contest with any other nation or an industrial contest unless that armed or industrial contest may be essential for the preservation of our institutions. I am seeking nothing of that kind.

Now, let me call the attention of the Senator from Illinois to the fact that the prosperity of the nations of Europe and especially of England, which the Senator from Illinois seems now to desire to have a contest with, all the great civilization of that country was produced at a time when silver was money in that Empire and the greater portion of it when silver was the exclusive money. That is true of Germany or the Prussian Empire.

Mr. KYLE. Or the United States.

Mr. ALLEN. It is true of France; it is true of the United States; it is true of every nation that stands to-day at the head of civilization upon the face of the earth, that its primary development and its first impetus to civilization were produced at a time when silver was—I was about to say the principal money, but it is hardly correct; certainly, however, at a time when silver was recognized throughout the world as money as sacred and as precious as gold. So there is nothing in the statement of the Senator from Illinois.

Let me call the attention of the Senator from Illinois to another proposition. Gold will shift from America to England, back and forth, according to the demand for gold itself, wherever the rate of interest is the highest. If there is a greater demand for it in England than there is here, it will go there. Like anything else, whenever the demand is greater for it here than it is in Great Britain, when it is worth more here, it will come here. So we are engaged in the enterprise of putting the gold of the world upon an auction block and entering upon a wild, nay, a senseless, bidding for the possession of gold, sacrificing our property and sacrificing the prosperity of our people in a senseless race of that kind.

I do not believe, Mr. President, that I am unfriendly to my country and my countrymen when I say I do not desire to see an unseemly and sacrificing contest of this kind go on. The American home, the American laborer, the American farmer, his wife, his child, the prosperity of the family, the prosperity of the people of this country, are too sacred to me to see a useless sacrifice and a useless contest of this character; and when I say I desire to see my country preserved from a contest of this kind I do not believe that I am an enemy of my country or that I am speaking disrespectfully of my country or my countrymen.

When the Senator from Illinois interrupted me I was undertaking to show that the development of India was made by American silver that was depreciated by consent of this Government, and which was brought, depreciated as it was, in contact with silver council drafts, drawn upon the Indian government and discounted at from 20 to 25 per cent. Through that means and through the demonetization of silver we have been suffering the British Empire to build up and develop the industries of India, until the product of India is to-day a constant menace to the price of the wheat and cotton of this country.

Mr. PALMER. Unquestionably. England constructed the Suez Canal, which vastly increased the introduction of the products of India into Europe.

Mr. ALLEN. And England built railroads in India.

Mr. PALMER. Unquestionably extensive developments were made in India; and the construction of the canal brought in one year—I forget the year—23,000,000 bushels of wheat in competition with our wheat.

Mr. ALLEN. Oh, yes; more than that quantity.

Mr. PALMER. I mean in one year, and that was several years ago; I happen to have the figures in my mind. It is perhaps more now. What is the quantity now?

Mr. ALLEN. I thought I had the data here; I have them on the subject of cotton.

Mr. PALMER. It is undoubtedly larger now than it was.

Mr. ALLEN. Oh, yes; I think it has increased more than 100 per cent.

Mr. PALMER. The construction of the canal and of internal lines of communication have brought immense quantities of wheat to the English market; but still it must be remembered that we have there a market much larger than in any other country in the world for beef, pork, and all our surplus agricultural products. I made a calculation last night and found that our sales of agricultural products in Great Britain, in the United Kingdom, as the phrase is used in the Treasury returns, are probably greater than that of all the world besides. It is there that we find the market for our surplus agricultural products, according to the Treasury returns.

Mr. ALLEN. It occurs to me that a man acts very queerly if he seeks a competitive market when he can get a non-competitive market. It occurs to me that if a man has anything to sell he should avoid a market where competition is strong.

Mr. PALMER. I should like to ask the Senator one question, which will be of very great interest to me. Where is that market to be found?

Mr. ALLEN. Let me call the Senator's attention to the fact that a few years ago we had a Pan-American Congress here for the purpose of developing the western hemisphere and producing closer relations between the different North and South American governments. Let me ask the Senator if it would not be wiser for this country to develop its trade with the countries of South America and adjoining countries where it can be developed efficiently and effectually rather than to go into competition with Great Britain or some other nation of that character?

Mr. PALMER. Will the Senator allow me to interrupt him?

Mr. ALLEN. Certainly.

Mr. PALMER. The South American States produce more beef than we do. They are not consumers of pork, I judge, by the Treasury returns. They do not buy our wheat or our corn to any extent. They buy small quantities of these products from us. If the Senator will take the trouble to look at the Treasury returns—I have them on my table—he will find that our sales of agricultural products to the United Kingdom and the British possessions in America and to Germany and France are enormously greater than any sales of products in the South American Republics.

Mr. KYLE. I should like to ask how long that is liable to continue so?

Mr. PALMER. I am not able to say.

Mr. KYLE. Is it not a fact proved by the statistics that before 1900 we shall be importers of breadstuffs instead of exporters?

Mr. PALMER. I do not care what the statistics show, I do not believe it. It is impossible for it to be so. Why? But I mention the fact to the Senator from Nebraska that much more than half of our commerce in agricultural products is with the United Kingdom and continental Europe, and that our commerce in agricultural products with South America, China, and Japan is a very small matter. I have the statistics right here. If we were deprived of our market for our wheat, and our pork, and our beef in Europe, there would be a condition of things in this country that would be most lamentable.

Mr. ALLEN. The Senator does not seem to comprehend my position. I am not seeking, as far as I am concerned, a competitive market. I am not seeking a competitive market for American products. I do not regard it as business at all to do so.

Mr. PALMER. Will the Senator allow me to say that we must send our products to a market where they are needed and where they will be purchased? We can not send them to the Asiatic countries. We can not sell them there. We must sell our beef, and wheat, and flour, and all our great agricultural products to somebody who will eat them. Those people do not eat them. They do not eat pork or beef. They do not buy flour. I refer my friend to the report from the Treasury to show that our commerce in agricultural products with the states to which he has referred is a mere bagatelle.

Mr. ALLEN. I do not doubt the Senator's position, so far as his statement of fact is concerned, is correct, but that is not the question. Why not make an attempt to develop trade in other

directions? Why not make an attempt to avoid that competitive market? Why go, like the night moth, constantly against the light where you are to be destroyed?

Mr. PALMER. They do not eat what we have to sell. They do not eat our pork, nor our beef, nor our flour. They buy nothing substantially from us.

Mr. KYLE. I should like to ask the Senator from Illinois whether it would not pay the United States to become a manufacturing nation?

The PRESIDING OFFICER. To whom does the Senator from Nebraska yield?

Mr. ALLEN. Certainly; I yield.

Mr. PALMER. It would undoubtedly pay us to become a manufacturing people.

Mr. KYLE. Is it not a fact that Mexico and many South American States are to-day dealing in United States manufactures by——

Mr. MANDERSON. We are unable on this side to hear the interesting triangular talk that is going on.

The PRESIDING OFFICER. Senators complain that the colloquy which is going on after such an irregular fashion can not be heard. The Senator from Nebraska will indicate to the Chair to which Senator he yields.

Mr. KYLE. I believe he yielded to me.

Mr. ALLEN. I have yielded to both Senators.

The PRESIDING OFFICER. The Chair can not recognize two Senators at one time.

Mr. PALMER. I certainly yield to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota will proceed.

Mr. KYLE. The plan I think would be a wise one ordinarily not to maintain an attitude of hostility toward England, but if England's interest is not our interest to let England alone. We can deal with South America, Mexico, and the Central American States and provide them with our manufactured goods. The time will come very soon when all the agricultural products raised in the United States will be needed to supply the laboring men who will be employed by the manufactories that will exist then in New England——

Mr. GRAY. May I be allowed to interrupt my friend to say a word?

Mr. KYLE. Certainly.

Mr. GRAY. I should like to suggest to the Senator from South Dakota whether it would not be better to let the people who do the trading trade where they can make their profits and use their own judgment and not attempt the governmental coercion or leading strings that he proposes to put upon a free people. All profitable trading has sought the channels directed by those who carried it on, where profit could be made. We trade not as a nation; we trade as individuals in the nation; there is no national trade. The Senator from South Dakota traffics where he in his judgment finds that he can do so to his own advantage. What is the use, then, of talking about coercing trade here and there? Our great prosperity has grown just in proportion as we have had the liberty of individual choice free from coercive measures and leading strings.

Mr. KYLE. But is it not a fact that we have had a Pan-American council——

Mr. GRAY. Yes; a great humbug.

Mr. KYLE. For the purpose of developing trade with South American countries?

Mr. GRAY. A great humbug.

Mr. KYLE. If that can be secured it would be a grand thing for the United States, and at the same time perhaps be the means of bringing forward all the South American States to a higher grade of civilization.

Mr. WOLCOTT. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator from Colorado will state his point of order.

Mr. WOLCOTT. My point of order is that if the Senator from Delaware is to denounce an association of other nations which has met in the capital here, in Washington, upon invitation of the United States Government, such denunciation should come in executive session at least, and not in open session. He has denounced it as a humbug.

Mr. GRAY. Will the Senator from Nebraska yield to me?

Mr. ALLEN. Certainly.

Mr. GRAY. I understand perfectly the motive that lies back of all this suggestion. We are to sacrifice the trade that has proved profitable with the great populous European nations in order that we may build up with the less civilized countries of South America which use silver, a trade that shall inure to the benefit of those who are seeking to increase the use of silver.

Mr. KYLE. At the same time England and Europe are bound to be purchasers of our breadstuffs for many years to come, as far as I can see.

Mr. ALLEN. It appears to me that this discussion is drifting a little from the subject under consideration, and getting dangerously near at least to a protective tariff, and I think I will recall the discussion to the subject of the pending measure.

It occurs to me that there has been a purpose in this country on the part of the money power as I have defined it to bring about another panic or to revive the panic through which the country has now happily passed. I take the New York papers as indicating the sentiment of the New York bankers and brokers. In the New York World of September 11 of the present year it was announced that there was a "Turn of the tide:"

THE TURN OF THE TIDE—CONFIDENCE AND PROSPERITY STARTING IN TOWARD FULL FLOOD—EVERY GREAT CHANNEL OF INDUSTRY CLEARED FOR A PROFITABLE BUSINESS SEASON—THE DARK DAYS OF FINANCIAL DOUBT GIVE WAY TO BRIGHT PROMISE AND CHEERFUL PROSPECTS—PROMINENT TRADESMEN ALL ECHO THE SAME REFRAIN OF GOOD TIMES AHEAD—EVERYWHERE THE SOUND OF INDUSTRY IS HEARD IN THE LAND.

At that time, Mr. President——

[At this point Mr. DUBOIS raised a question as to the presence of a quorum.]

Mr. ALLEN. When taken from the floor I was speaking upon the subject of the return of the tide of prosperity, as announced in the New York World of September 11 of the present year. It seems that the mysterious something called confidence we have heard so much about in the last few months, which has a particular hiding place known to no man, was on the 11th of September returning to this country; business was beginning to be stimulated among the banks and moneyed institutions of New York, and everything indicated a return of confidence and prosperity, and the relief of the stringency of the money market. Nothing has occurred since that time to change that condition.

It may be said that the money centers had a right to suppose that the Senate of the United States, following the example of the House of Representatives, would unconditionally and promptly repeal the purchasing clause of the Sherman act; but it occurs to me that the bankers and brokers of the cities of New York, Boston, and the other money centers ought to understand that the Senate of the United States has an equal voice in this matter and is a coördinate branch of the law-making power. They had no right to suppose that the Senate would promptly obey the lash of the President, the lash of the press, or the combined lash of the press and President, and respond with undue haste in the repeal of the act of 1890. If it be true that the President of the United States is to dictate the action of Congress then it were fully as well if not better for the prosperity of the country that this branch of the Government be entirely dissolved and the President be invested with both legislative and executive power.

It soon became apparent to the money center which had overestimated the action of the Senate that it was necessary to frighten the people of this country again. I do hope Senators will maintain a quorum. They thought it was necessary to frighten the people of this country a little more to make them call upon this branch of Congress to join in the crusade against silver. I am happy to state that the very first paper in the United States which announced that purpose on the part of the money power in this country was a paper advocating the cause of the People's party, the American Non-Conformist, published at Indianapolis, Ind. I think for the edification of the Senate I will read an extract taken from that paper of September 28, 1893:

From reliable sources we are informed that the bankers are preparing to give the country another squeeze. They are determined to force the fight against silver which they can not control. When silver is relegated to the position of old junk we'll have another panic. At a certain stage the plutocrats will discover that more money is needed. In a few weeks the press can convince the people that there is a scarcity. Then the banks will be in shape to furnish a currency which they can control. They can't control the output of silver, nor can they draw interest on the greenbacks, hence they hate them worse than a tramp does work. Thomas H. Benton, in his great work, Thirty Years in the Senate, shows conclusively that the bankers deliberately planned the panics of 1811 and of 1832. Panics that cost the country millions of dollars, paralyzed business, and ruined thousands. They are alone responsible for this one.

With just as much wealth in the country as there was last year, with every element of prosperity in abundance, except money, these merciless bloodsuckers in the great Eastern cities deliberately went to work to perfect their diabolical plans, which should end in destroying silver, enriching themselves, impoverishing the people, and bringing millions to the verge of destruction. What cared they if all the little banks, which are a necessity, as business is now conducted, went down? It simply made more business for them. The pages of history do not record more atrocious acts than can be laid at the door of the organized bankers of the world. That the President of the United States should be their most valuable ally is sad beyond description.

So a return of the panic was predicted. Now, let me call the attention of the Senate to a little advice given to this class of persons by the New York Tribune September 29, 1893, a day

later than the publication I have just read. The editorial is not long, and I will read it:

The Tribune trusts that bankers of this city will permit a suggestion which is for their own as well as the public interest. Several of them are reported as having made particularly alarming statements regarding the disasters which, they venture to predict, will follow a failure of the Senate to pass the pending silver-purchase repeal bill. Such statements are not likely to do any good whatever, but are eminently calculated to do much harm. It is not to be supposed that these influential bankers are deliberately trying to get up another panic, with all its distressing consequences.

No, of course not. Here is one of the leading journals published in the city of New York, right in the midst of these fellows, and of course there must be some apology offered; it was not supposed they were undertaking to get up another panic to squeeze and scare the people and induce them to call for a repeal of the purchasing clause of the Sherman act, but that is exactly what they were doing. They were meditating another panic, and this great metropolitan journal advised the bankers and brokers (who know a good deal about the mechanism of finance and nothing about its science, and who know nothing about the country outside of the gambling shops and gambling rooms) that the temper of the country was such that it would not stand a reproduction of the panic. So it advised them against its reproduction.

What was the threatened panic for? It was for the purpose of making the people of this country believe that there was a real cause for the repeal of the purchasing clause of the Sherman act. It was for the purpose of sowing broadcast the thought that the purchasing clause of the Sherman act was responsible for the panic through which we have just passed, and that the purchasing clause of the Sherman act was the thing that precipitated the new panic they were talking about. In other words, it was to be an object lesson to the people. It was for the purpose of educating the people, to formulate a sentiment upon this subject. The Tribune proceeds:

They might well remember, however, that the remarks they are reported as having made might, in a certain contingency, prove extremely costly to the banks and to the business men of this city.

It is not as if there were any important end to be gained by such alarming utterances. On the contrary, it is highly probable that the urgency of New York bankers may go far to prejudice the very cause they desire to aid, particularly with some members of the Senate from the West and South whose support of the repeal bill is essential. Senators of the United States ought to be far above mere prejudice against a measure because any worthy body of citizens advocates it with peculiar zeal. That some Senators are not is the unfortunate fact. The idea that a measure is passionately desired by New York bankers, in the judgment of those who know the Senate best, is apt to damage that measure more than it will help it. If bankers of this city wish to do their utmost to assist the passage of the repeal bill, they may find it wise not to talk vehemently for publication.

It is a less important fact that sound business men are not by any means agreed about the necessity of action on the silver question at this time.

It seems that even the New York papers are changing their mind upon the subject.

There was such agreement some time ago, before the widespread disasters which it was hoped to avert had come. But it is not so clear now as it was then supposed to be that a single act of legislation would unlock countless hoards, and bring untold millions hither from England, and restore confidence, and set all the mills at work. Whether all these things would have resulted at once is not the question. There have been many thousand failures. More than seven hundred banks have failed with liabilities amounting to more than $170,000,000. A considerable part of the manufacturing force of the whole country has stopped operations. In many ways the conditions have changed.

One of the ablest bankers in this city, having charge of a very important bank, recently remarked that it was no longer clear to him that repeal of the silver act would accomplish what he had expected. Its anticipated effect, he said, would have been largely sentimental, but it was no longer possible to restore confidence entirely and instantly, as he had thought it might be restored some months ago. What this banker thinks many other sound business men are thinking. It does not seem to them wise any longer to hold out the idea that all our fortunes in this great country must turn upon an event which is not certain to take place. The repeal bill is, as we believe, a wise and highly desirable measure. But it is hardly wise or desirable to stake the future of all business upon the action or inaction of the Senate of the United States.

Mr. KYLE. From what paper is that article?

Mr. ALLEN. From the New York Tribune of September 29, 1893. The same thing is in substance foreshadowed in an article in the New York Journal of Commerce and Commercial Bulletin of the same date.

DANGER OF A RELAPSE.

I will not detain the Senate to read this editorial—it is quite lengthy—but I will ask my friend from South Dakota to read it.

Mr. KYLE read as follows:

Were there reasons for supposing that the Senate minority on silver repeal have any earnest care about the business interests of the country, it might possibly serve a useful purpose to ask their attention to the renewed dangers which their persistent obstruction is creating. As, however, it is beyond hope to produce any impression upon such callous material, it may not be entirely out of place to bring the facts to the attention of the leaders of the majority, who, the public begins to think, might very properly show more concern for imperilled public interests than for misplaced amenities towards grossly factious debate.

The emphatic vote of the House for unconditional repeal so strongly encouraged the country to expect like action from the Senate that the revival of confidence in all branches of business was immediate. Considering the extraordinary severity of the depression, the recovery was also rapid and promised to be soon complete. The attitude taken by the Senate, however, has checked these hopes, and the process of repair is arrested by the suggestion of a fear lest repeal may either totally fail or be substituted by a compromise worse than the present law.

Mr. TURPIE. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator from Indiana will state his point of order.

Mr. TURPIE. I ask the Senator from South Dakota to read again in the sentence he has just read which referred to the action of the other House.

Mr. ALLEN. It is an article from the New York Journal of Commerce.

Mr. TURPIE. And it is part of the speech of the Senator from Nebraska. It is not read here except as a part of his speech. Read the sentence, sir.

Mr. KYLE read as follows:

The emphatic vote of the House for unconditional repeal so strongly encouraged the country to expect like action from the Senate that the revival of confidence in all branches of business was immediate.

Mr. TURPIE. I not only make the point upon this passage, but two other articles have been read before. The following is the rule:

It is a breach of order in debate to notice what has been said on the same subject in the other House, or the particular votes or majorities on it there; because the opinion of each House should be left to its own independency, not to be influenced by the proceedings of the other; and the quoting them might beget reflections leading to the misunderstanding between the two Houses.

* * * * * * *

Therefore it is the duty of the House, and more particularly of the Speaker, to interfere immediately, and not to permit expressions to go unnoticed which may give a ground of complaint to the other House, and introduce proceedings and mutual accusations between the two Houses, which can hardly be terminated without difficulty and disorder.

The PRESIDING OFFICER. From what does the Senator read?

Mr. TURPIE. I read from Jefferson's Manual.

The PRESIDING OFFICER. Not from the rule of the Senate?

Mr. TURPIE. No, sir; not from the enacted rules of the Senate, but it is part of the common parliamentary law of the world.

Mr. ALLEN. It occurs to me that the rule laid down in Jefferson's Manual of which the Senator from Indiana speaks applies where a Senator is himself referring to some member of the other branch or some action of the other branch. I was not referring to the action of the other branch of Congress at all. I was simply reading an extract from a public newspaper, if the Senator please.

Mr. TURPIE. I merely wish to say that I read from Jefferson's Manual, which is included in the manual of the rules of the Senate.

The PRESIDING OFFICER. The Chair has no doubt that the rule prohibits comment in the one House upon any action or proceeding had in the other. The Chair does not see that the reading by the Senator from Nebraska of an editorial article in a newspaper referring to current events is amenable to the point of order made by the Senator from Indiana.

Mr. HAWLEY. I beg leave to submit a doubt as to the decision or intimation of a decision.

The PRESIDING OFFICER. The Chair will only add that, in the opinion of the Chair, it is the right of the Senator to read as part of his speech the article to which he has referred.

Mr. HAWLEY. I did not pay attention to what was being read at this particular time and care nothing about it, but it seems to me that if a member should so far forget himself as to desire to insult the President or the other House it would be only necessary to borrow something from some reckless and violent paper which would answer the same purpose. I hardly think what he could not say himself he might read at second hand.

Mr. ALLEN. The Senator's remark is entirely gratuitous.

The PRESIDING OFFICER. The Chair does not see that the Senator from Nebraska is violating any rule of the Senate.

Mr. TURPIE. If the Chair will allow me, I wish to state that I do not think a violation of the rule can be made indirectly any more than it can be made directly. Many arguments in newspapers are based upon the action of the other House, and several might be selected just as these, principally based upon the action of the other House. The only right which a Senator has to read newspaper articles is as part of his argument.

The PRESIDING OFFICER. So the Chair understands.

Mr. TURPIE. I wish to say that reading an article referring to the action of the other House is simply doing indirectly what a Senator could not do directly, and I think it is a gross violation of the highest privilege of the other House, and of the rules of decorum and propriety of this body.

The PRESIDING OFFICER. The Chair is not aware of any instance that would warrant such a decision as is suggested.

Mr. ALLEN. Then, on the ruling of the Chair, I ask the Senator from South Dakota to continue the reading of the article.

Mr. KYLE read as follows:

This apprehension has caused a dead halt in the recuperative process, and unless something is speedily done to stay the discouragement, there is reason to fear an early relapse toward the late condition of utter prostration. The larger operations of finance, whose results extend into the future, are now held in absolute abeyance; long-date commercial notes as well as time loans on collateral are discriminated against; and merchants are returning to the late policy of rigid hand-to-mouth buying. This arrest of demand has checked the recovering tendency in prices, which acts as another motive for deferring operations. The resumption of work at factories and mines is diminishing, and the mills that have already resumed begin to find that they are producing for a market which may again fail them.

Not the least dangerous effect of the Senate's trifling falls upon our foreign credit, which throughout the past depression has been the most sensitive point in the situation. The assuring action of the House enabled us to procure, in the way of indirect loans, the large amount of foreign gold which has been the chief means of restoring confidence in financial circles and strengthening the reserves of the banks. It was hoped, when these loans were made, that the completion of repeal by the Senate would enable us to settle the indebtedness through the export of securities—an operation which would have proved entirely feasible had the Senate done its duty. Now, these debts are beginning to mature, and as the uncertain attitude of the Senate is shaking European confidence in the future of our silver policy, the lenders begin to hesitate about renewing the loans.

The advance of foreign exchange to rates close upon the gold-export figure is largely due to this special cause rather than to the trade balance; and the longer the Senate encourages distrust as to its final action the stronger will be the motive for our foreign creditors to demand gold in these settlements. A greater danger could scarcely befall the situation. The crisis has been primarily and essentially a monetary one; and therefore a movement that would drain the banks of the very gold that has just saved them might easily run into a most serious form of relapse. It is to be kept in mind, too, that we do not face these revived dangers with the courage inspired by generally healthy conditions. Everybody and every interest is feverishly timid after our recent experiences, more cautious and more yielding than under the first attack of the disease, and any cause of disturbance will now produce worse effects than it would then. Distrust feeds not only upon external sources but equally from its own effects, and is far more difficult to heal when it comes in the form of a second attack.

Is it possible to get the serious attention of the United States Senate to these threatening facts? Is it possible that Senators really understand the significance of a crisis that has prostrated over five hundred of our banks and closed a large proportion of our factories? Do they really think that crisis such a trifle that they may regard with equanimity the near possibility of the ruinous experience being repeated? The people are seriously and angrily asking these questions, and if Senators wonder at not hearing more on this matter from their constituents, let them know that the silence is due to their own contemptuous disregard of the loudest protest that has ever thundered at the door of the Capitol. Of course, this insult to public opinion comes in its worst form from the Senate minority. But the repealers, who claim an unquestioned majority, have wholly failed to convince the public that they have effectively used the power which that majority gives them. Timid fears of retaliation, respect for Senatorial friendships, supersensitiveness about rules of debate, and temporizing regard for party interests or for secondary measures—these are not the sort of excuses the suffering people are in a mood to accept in lieu of the prompt action they have so unanimously demanded.

We owe it to this Senate that the most urgent appeal ever presented to Congress has been treated with the most trifling disregard; and, with all respect to many highly honorable Senators, we owe it to the majority that this affront has been permitted. The ever-reiterated excuse that the majority "has not the power to force action" is not to be credited. If that excuse means anything, it is that repeal is a parliamentary impossibility; and if such really be the case, of course it is certain that the minority will defeat it. In that view, the position is as bad as it possibly can be, and it therefore can not be made worse by forcing a revision of the rules of debate forthwith. That is what the country now demands. If, with a two-thirds majority and the Vice-President on the side of the popular will, that will can not be put into execution at pleasure, everybody wants to know the reason why without further delay. The country before tolerance to factious obstruction. The salvation of trade before amenity to its enemies. An end to parley. War to the knife against factious obstruction. These are the demands of the outraged public sentiment.

Mr. ALLEN. It would seem from these excerpts that there is a purpose upon the part of the organized banks, the moneyed interests of the country, probably backed by the moneyed interests of Europe, to precipitate another panic. But fortunately for the country it has not yet been precipitated, and we have happily emerged from the great panic which threatened us, and which materially affected our prosperity thirty or forty days ago.

Passing, then, from that question, I desire as briefly as I can consistently with the full discussion of this question, to consider the failures in this country produced, as I believe, by a contracted volume of money. I have here prepared a table, running from 1857 to 1892 and embracing the first nine months of 1893, showing a constant increase in the number of business failures and a constant increase in the total amount of those failures in dollars. I have no desire to be wearisome in this discussion, but it occurs to me that this table is of so much importance that it ought to be read and I will take the pains to read it.

[At this point the honorable Senator yielded to Mr. WOLCOTT.]

Mr. ALLEN. When I was interrupted for a roll call I was about to read a table showing the number and amount of the business failures in this country from 1857 to the present time. Although the table may seem somewhat dry to Senators, I think it is of sufficient importance to be read, and I think it bears directly upon the proposition that business failures have increased with the decrease of the volume of money in this country.

Failures in the United States.

Year.	No. of failures.	Amount of liabilities.	Year.	No. of failures.	Amount of liabilities.
1857	4,932	$291,750,000	1876	9,092	$191,117,000
1858	4,225	95,749,000	1877	8,872	190,669,936
1859	3,913	64,394,000	1878	10,478	234,383,132
1860	3,676	79,807,000	1879	6,658	98,149,053
1861	6,993	207,210,000	1880	4,735	65,752,000
1862	1,652	23,049,000	1881	5,582	81,955,932
1863	495	7,899,900	1882	6,738	101,547,564
1864	520	8,579,000	1883	9,184	172,847,172
1865	530	17,625,000	1884	10,968	226,343,427
1866	1,505	53,782,000	1885	10,637	124,220,321
1867	2,780	96,666,000	1886	9,834	114,644,119
1868	2,608	63,694,000	1887	9,634	167,560,944
1869	2,799	75,054,054	1888	10,679	123,829,973
1870	3,546	88,242,000	1889	10,882	148,784,337
1871	2,915	85,252,000	1890	10,907	189,856,364
1872	4,069	121,056,000	1891	12,273	189,868,638
1873	5,183	228,499,900	1892	10,344	114,044,167
1874	5,830	155,239,000	1893 (9 months)	11,174	
1875	7,740	201,000,000			

Number in business in 1892, 1,172,545.

So it occurs to me, with all due respect to Senators who entertain a different view of this question, that there is some relation between the number of failures and the amount of liabilities, and the amount per capita of circulating medium in this country. There is a close relation between the two, and I think I am perfectly warranted in drawing the conclusion that the constant shrinkage of the volume of money has had a very large effect in producing the condition of business failures contained in the table I have read. It occurs to me that not only is that condition produced in some measure and probably in an important measure in consequence of the shrinking volume of money, but I believe the people of this country are thoroughly convinced that there is a very close relation between these two important facts, and so important is it that it seems to me I ought to call the attention of the Senate to it.

It appears to me that there is another thing which ought not to be lost sight of in the discussion of this question. We all understand that last year the peace of this country was almost constantly broken in consequence of riots and strikes. I remember the occurrences upon the North Pacific Railroad, at Cœur d'Alene, where the laboring people of that country were engaged in a lawful protest against the reduction of wages and the introduction of certain rules in the management of the shops. We witnessed the spectacle of Federal troops called out to shoot down honest workingmen because they protested against the wrong.

No protest went up from any responsible authority in the country. The people deprecated it; the people knew it was wrong; and yet the military arm of the Government was resorted to for the purpose of shooting down honest men who protested against a system which was the natural outgrowth of vicious legislation, and vicious legislation upon this subject. We all understand how it shocked the country. Not only that, but there was an invasion of Wyoming by a body of armed men. These things ought not to be encouraged by this country, all exhibiting constant disintegration, all exhibiting a spirit of defiance to our laws, all evincing a purpose on the part of certain moneyed interests in this country to rule it and its people regardless of the right.

The "rustler" out in Wyoming, who was the actual settler, who went out there and occupied the Government lands lawfully, and was there met by an armed band of lawless marauders, whose chief occupation was to unlawfully occupy the public domain and drive off every actual settler; and the military forces of the United States were appealed to again in behalf of a lawless band threatening the peace of the nation. Let us take a view of the condition of affairs in the State of New York. A great organization, the Knights of Labor, numbering hundreds of thousands of men in its membership, were denied the right to work for the New York Central and some other railroads because they belonged to a labor organization. I do not now recall the names. The Pennsylvania Central was one of the roads, if I am not mistaken; but at least by the New York Central; they were denied the privilege of working for that corporation.

For what reason? Because they had violated the laws of this country? No, but because they belonged to an organization designed to protect their lawful interests as citizens of this country. The same law that the corporation invoked for its own preservation was invoked by its humble employés, and yet those corporations were permitted to voluntarily throw out of employment thousands of men for no other reason than resorting to lawful combination to protect themselves, their wages, and their families. Then, when a railroad strike occurred in the city of

Buffalo, what did we witness in the State of New York? A tin soldier, Peter Doyle, at the head of the military force of the State of New York, and at the same time, I think, the superintendent, or at least one of the important officers, of the corporation whose property it was pretended the military force was to protect.

Remember this man was an officer of the corporation, and at the same time he stood at the head of the military force of that State, and as a military officer, as a brigadier-general, or whatever he may have been, he led the tin soldiers of the State of New York against the honest workingmen of the rail road which he superintended. It was a brutal and uncalled-for assault upon the organized and honest laborers of this country. I do not pretend to say that any person has a right to interfere with the property of another. I would not encourage that, but what I do say is that the laboring people of this country have a right to convene in a respectful manner and enter a protest against the existing order of things if they think it ought to be done. They have a right to combine together for the protection of their interests, just as much as capitalists have a right to combine together for the protection of their interests.

But you may take a few of the money sharks who get together in a back room in the city of New York, band together for the ruin of the great interests of the country and plan a blow at the prosperity of the nation that costs millions of dollars; yet that is called a consultation of financiers; but when the honest laboring men of this country, who are driven to desperation sometimes, and who meet in the streets because they have no other place to meet, enter their protest against wrongs inflicted upon them, the moment they do this they are declared to be a mob, and are set upon by the police forces and by the military arm of the Government.

Then let us look at the disgraceful affair in the State of Pennsylvania. I hope the Senator from Pennsylvania [Mr. QUAY] will not charge me with saying anything against his State. There was the disgraceful affair which occurred in the State of Pennsylvania when the mills of Carnegie were evidently fortified, a great fence around them, with port-holes and everything indicating a purpose to defend the place against the honest workingmen who were engaged in work there. The men who were engaged at work at Homestead were induced to go there, to locate, and to invest in property in consequence of the promise of Carnegie and his officers and managers that they should have employment in those mills, and it was not only a moral obligation but it was a legal obligation which, in my judgment, could be enforced.

If a man says to me "if you will come to a certain place, invest your money in property there, in consideration of that you shall receive employment by me," it is a legal contract which I can enforce, or at least for which I can recover damage if he violates it. It is not only a moral obligation, but it is a legal contract that may be the subject of litigation and recovery in a court of justice. Yet here were thousands of honest people who had constructed their homes that would be worthless to them as soon as they were out of employment in the mills. The moment they refused to have their wages cut down, the moment they began to murmur, as such people will murmur and must murmur, because it affects vitally the interests of their families, the moment they began to protest, the great Carnegie who lives in Clunie Castle, Scotland, most of the time, procured through his agents an unlawful force of marauders and banditti to come upon the shores of Pennsylvania under the false pretense of protecting his property. What ensued? One of the most disgraceful scenes that has occurred in this country for many a day.

Then, Mr. President, witness the great State of Pennsylvania calling out its entire military force, amounting to some thousands of men at least. I do not pretend to recall the number, but I think eight or ten thousand. All of this military force was called out for what purpose? For the purpose of stifling the cry of hunger and the cry of distress; for the purpose of overawing American citizens who were clamoring for the protection of their rights; for the purpose of overawing one portion of the people of this country who were unfortunate enough to be compelled to labor for a living in the interest of aggregated capital. There for a month or more stood the carpet knight Snowden with his forces overawing the honest citizens of Homestead. Not only that, but similar scenes have occurred all over this country, manifesting a disposition to ignore the rights of the common people. Those rights have been ignored; and the disposition is manifested to ignore them in the legislation which has caused a constant decrease in the volume of money.

But that is not all, Mr. President. In the New York World of September 11, 1893, from which I have just quoted showing the turn of the tide, I find a singular contradiction. Here is the turn of the tide of prosperity, confidence being restored. Here is an article headed:

EVERY LOAF A LIFE—THAT IS JUST WHAT YOUR GIFTS TO THE PEOPLE REALLY MEAN—COME DOWN TO THE FREE BREAD HEADQUARTERS AND SEE FOR YOURSELF—YESTERDAY 5,382 LOAVES WERE GIVEN AWAY OUT OF YOUR FUND—SOME OF THE POOR WHO COME FOR BREAD—ALWAYS A PATIENT, WAITING CROWD, TOO TIRED AND TOO EXHAUSTED TO MAKE NOISE—CHILDREN WHO HAVE FORGOTTEN WHAT CHILDHOOD MEANS—LENA SHANDER COMES FOR A LOAF AND TELLS HER STORY—MRS. ANNIE MALZ HAS A HARD TIME KEEPING HERSELF ALIVE—BREAD IS ALL SHE WANTS, BUT IT HURTS WHEN THE BABY CRIES FOR MILK OR MEAT—LOUIS JACOBS DOING A WOMAN'S WORK AT HOME, THOUGH THERE IS NOTHING TO COOK.

The article shows the condition of thousands of people in the city of New York. It does not seem to occur to many Senators that that class of people are entitled to any consideration. It does not seem to occur to Senators that their condition is probably the result of vicious legislation.

Mr. President, I have not selected merely isolated cases of this kind. No later than September 29, a very few days ago, the New York World contained a short editorial on the subject of the poor of New York.

There is still a cry for bread in New York.

Is it not strange that in a country like this, teeming with wealth, there should be any class of people who are compelled by force of circumstances, outside of the mere accident of sickness or something of that kind, to beg for bread?

There is still a cry for bread in New York. Hungry crowds daily besiege the World's bread-distribution depot. Sometimes there is not enough to feed the hungry. Is not this a shame to the citizens who "have enough and to spare"?

This paper had been scolding the richer class of New York for a failure to come forward promptly and furnish the means for temporary relief for these honest starving people; yet the spectacle of thousands of men and women, boys and girls, going hungry and starving in New York, not in consequence of any fault of their own, of a refusal to work, of dissipation, or anything of that nature, but honest people going hungry; yet the papers of that city were compelled to criticise the action of those who were able to afford relief for not extending it. It speaks volumes for the charity and for the humanity of that class of people.

We know of no one who has looked upon the throng of those who come for bread who doubts the fact of great destitution. Want and suffering are apparent enough. There is no question of the keenness of the hunger.

There is no question about that. They were hungry.

The revival of business is not yet so general that all willing workers have an opportunity to earn food for themselves and their families. This class of unfortunates must be fed or starve while present conditions last. Have you done anything to keep them alive?

The article admits that they were honest citizens, admits that they were unfortunate citizens, and yet the same paper which publishes those items and calls for contributions of bread for the relief of the hunger of these people in New York, was at the same time clamoring for passage of an act which would aggravate the condition of that class of people and augment their number.

So in the New York Press of October 1, 1893, I find an article covering several columns, which I shall not undertake to read, excepting the head lines:

OPPRESSIVE TENEMENT HOUSE RENTS—WARD M'ALLISTER RECEIVES ANNUALLY $1,926 FOR DWELLING PLACES FOR THE POOR ASSESSED AT $28,500—WHAT THE PRESS INVESTIGATIONS SHOW—A MIXED GROUP OF LODGING HOUSES, STABLES, AND FRONT AND REAR TENEMENTS OWNED BY THE SOCIETY LEADER—GRIM HUNGER IN THE HEART OF THE BLOCK—THE SAD STORY OF MRS. HEWSON AND HER FOUR CHILDREN—THREE LITTLE ROOMS' COST—SMALL AND DIRTY AND FILLED WITH FOUL ODORS—HOW HIGH RENTS BEAR DOWN—DESCRIPTIONS AND INSTANTANEOUS PHOTOGRAPHS OF A FIRST-WARD HIVE WHERE THE BEES CAN NOT GET WORK, BUT PAY WELL FOR THEIR LITTLE CRANNIES IN THE COMB.

Here follow pictures which are horrible to look at, taken upon the spot. [Exhibiting.] There is the condition of a certain portion of the people who are admitted to be honest and worthy people, but unfortunate, and yet I have not heard one word here in the Senate in behalf of that class of people.

Mr. PALMER. Will the Senator allow me?

Mr. ALLEN. Certainly.

Mr. PALMER. Words are the cheapest possible contribution to the poor. I have not spoken for the poor, because I have felt that words were valueless. The Senator from Nebraska has given words, but so far as I know, nothing else.

Mr. ALLEN. The Senator from Nebraska always gives, as far as he is able, to the support of the unfortunate, and it has kept him poor; but, Mr. President, it is not a question of the administration of charity. Let me ask my friend from Illinois, however, why he is not willing to join me in the passage of some wholesome legislation——

Mr. PALMER rose.

Mr. ALLEN. Wait a moment. I ask why he is not willing to join me in some wholesome legislation, which will stimulate the industries of this country, give these very people the op-

portunity to earn an honest living and not compel them to eat the bread of charity?

Mr. PALMER. Within the limits of the Constitution, I absolutely will.

Mr. ALLEN. Certainly! starve according to the Constitution.

Mr. PALMER. I will give $100 out of my pocket to relieve those very suffering people.

Mr. ALLEN. The Senator from Illinois is worth, I presume, four times as much as I am, but I will give a like amount.

Mr. PALMER. But I have no words to give. Words do not satisfy hunger. I get pretty tired in hearing gentlemen affect to have all the charity and all the sensibility because they favor giving to the poor from the property of other people, the property of the people of this country. I will give of my own, but I have nothing to give from the public Treasury, except in pursuance of very well-established constitutional principles. I do not know what I can do to give these people bread; but if the Senator has any scheme he can suggest, which is constitutional, by which these poor people can be provided for, he will have my earnest coöperation and my warmest sympathy.

But, Mr. President, the gentlemen who favor free coinage claim to be the friends of the poor. They propose to give the poor cheap money; they affect to be the champions of the farmers. May I be allowed to say, without giving offense to my friend, whom I will not offend if I can help it, that there is an enormous affectation of sympathy for the poor, and a very small amount of performance.

Mr. ALLEN. Mr. President, with all due deference to the Senator from Illinois, I know of no man upon the face of the earth who has any right to judge of my motives. I am responsible to a different authority than the Senator from Illinois for the motives which actuate me in what I do and say.

I am not like the Senator from Illinois—probably fortunately for him—I am not only willing to give of my means for the immediate relief of these people, but I am willing to indulge in some wholesome legislation for them. I am willing to indulge in some legislation which will give these people an opportunity to earn an honest living, and not be the recipients of the bread of charity.

Mr. PALMER. If the Senator will allow me, will he suggest the method?

Mr. ALLEN. I will suggest the method. Let the Senator join with me, and join with other Senators, in increasing the volume of money in this country until the money which is now being hoarded is driven into manufacturing, farming, and productive enterprises of different kinds, so that there will be a demand for honest labor, so that every honest man, woman, and child, under the flag of this country, shall have an opportunity to labor and earn a livelihood.

Mr. PALMER. Mr. President, if the Senator will allow me, I have lived fifty years in active life; I have observed the effect of these expansions of the currency, based upon fancy or fallacy, and I have never known them to produce any substantial or permanent results. My life was commenced under the Commonwealth-bank system of Kentucky; I saw afterwards the State-bank system of Illinois; I saw and I lived under stay laws and various legislation intended to give temporary relief, but they produced disaster, poverty, and distress. I have never known any other method by which prosperity can be assured except by giving to the people a stable, fixed currency, as uniform and as constant as it is in the power of human skill to devise, and giving to each man the equal, uniform compensation for his honest labor. If there is any other mode than this of promoting prosperity, I do not know of it.

Mr. ALLEN. Neither do I.

Mr. PALMER. I believe in giving to the country a uniform, stable currency.

Mr. ALLEN. Certainly, I agree with the Senator from Illinois as to that.

Mr. PALMER. And that currency should be as abundant as is consistent with the laws of the country; but I have never known public or private prosperity to be advanced by mere fictitious advancements of mere currency, of currency baseless and worthless in the hour of trial.

Mr. ALLEN. I object to the implication of the Senator from Illinois, that anybody is in favor of a fictitious valuation or a worthless currency. Certainly I am not in favor of it and I have said nothing to indicate that I was in favor of anything of that kind. I am in favor of every dollar in this country—to use the language of an ex-President—being as good as every other dollar.

Mr. PALMER. We agree there.

Mr. ALLEN. I am glad we do agree.

Mr. KYLE. Will the Senator from Nebraska yield to me that I may put a question?

Mr. ALLEN. Certainly.

Mr. KYLE. I should like to ask the Senator from Illinois if he thinks the interest of the poor people of this country was advanced by the demonetization of silver in 1873?

Mr. PALMER. I do not.

Mr. KYLE. Is it not true, upon the other hand, that by the demonetization of silver in 1873 gold was appreciated, and that the price of products was correspondingly decreased?

Mr. PALMER. It is not.

Mr. KYLE. Is not that the testimony of the best gold experts of Europe to-day?

Mr. PALMER. It may be testimony which satisfies any man who chooses to believe it, but I do not.

Mr. KYLE. Mr. Robert Gibbon, secretary of the Board of Trade of London, and many of his distinguished colleagues take that ground to-day.

Mr. PALMER. Mr. Robert Gibbon has the right to his own opinion, and I have the right to mine. I have known of no insufficient currency in this country.

Mr. ALLEN. I suppose the Senator from Illinois will accord to the balance of us the right to have our own opinions.

Mr. PALMER. I have spent my life in endeavoring to secure for myself and others the right of free thought and free speech.

Mr. ALLEN. I know that is true.

[At this point Mr. ALLEN yielded to Mr. SHOUP for a call of the Senate.]

Mr. ALLEN. Mr. President, there are many other interesting features of this question which I have failed to discuss, yet I think a sense of duty to other Senators, who have not yet had an opportunity to speak upon this question, requires that I should give way this morning to Senators who are prepared and who are desirous of being heard. I shall take occasion hereafter, if the opportunity offers itself, to submit some observations upon some important branches of this very important question, which I have not yet discussed.

England has no silver mines of any great significance. If she had she would look after her interests. She has immense interests in her gold-producing colonies, her Australian mines alone up to the year 1875 had produced gold to the enormous amount of $1,250,000,000. From 1881 to 1888 Australia produced gold to the amount of $180,000,000. From 1860 to 1888 the United States produced 1,703 tons of gold, worth $1,190,200,000. From 1860 to 1888 Australia produced 1,706 tons of gold, worth $1,038,200,000. Saying nothing of her large interests in the African gold fields.

Is it any wonder that England wants to strike down silver, one of our greatest interests? Knowing these facts, is it not peculiar that England should receive any assistance from the United States? If England had owned the silver interests of the United States, silver would not have declined as it has since 1873.

This is a Trojan horse; but underneath and behind this whole scheme I see two monster Shylocks, like Argus, hundred-eyed, and, like Briareus, hundred-handed. One of these is England, the other the Shylocks of Wall street and the East, both alike reaching out their long, bony, and merciless hands for their pounds of flesh, regardless of the welfare of the laboring classes and producers of this country, regardless of the prosperity of this country, but interested solely and alone in their own selfish aggrandizement.

Shall we, the representatives of the people, stand idle and see them crushed beneath the wheels of this modern Juggernaut, or shall we strangle the Laocoon before it strikes our people and our homes? Let those who answer yes go read the Declaration of Independence and answer to the people. What has been the conduct of England toward this country that it should call for such efforts from us to advance her interests by increasing the value of her gold, of the bonds that she holds? What has she done for us that we should strengthen the sinews of the harpy hands of this colossal Shylock that has the debtors of the world by the throat?

Let us see what she has done for us.

On the 6th of September, 1620, the Pilgrims, driven forth from England by religious persecution, looked from the decks of the Mayflower upon the shores of their native land for the last time. For sixty-three days they were buffeted by the storms of the Atlantic. Then they landed upon a barren and hostile shore in the dead of winter, many of them weakened by their sufferings and dying from hunger, cold, and exposure; strong men were struck down by fever and consumption until but a handful was left of that brave band to carve the way of civilization in the Western hemisphere. By their iron energy they slowly prospered, warring with savage tribes and living under the charter (the first seed of the Constitution) which they made for themselves, and in which they covenanted together to live in peace and harmony, with equal rights to all, obedient to just laws made for the common good.

God alone knows the privation and suffering endured by these

people and the people of Virginia while planting the first milestones along the highways of this great Western Empire. England did not object to the Puritans leaving their native land, but she did object to their taking money out of the realm. The common dictates of humanity would suggest that a people should have been treated kindly who had established themselves in a foreign land under such adverse circumstances, but as soon as the colonies began to prosper we find England, in 1651, passing the Navigation Act requiring the foreign commerce of Virginia to be carried on wholly in English vessels and directed exclusively to English ports, and a war vessel sent over to compel submission. In 1686 the royal governor of New England visited Hartford, invaded the provincial assembly while in session, seized the book of minutes and wrote "finis" at the bottom of the page. The royal governor of New England demanded the surrender of the charter of Rhode Island, and his demand not being complied with, he repaired to Newport, dissolved the government, and broke the seal of the colony.

The English governor exacted immense revenue from the people. The people complained, and the order went forth as follows:

If there is any more murmuring against the taxes, make them so heavy that the people can do nothing but think how to pay them.

The taxes continued to be levied upon the colonies without authority, and the protests of the people were treated with contempt. The people asked that they be granted the right of electing a colonial legislature; the answer was:

That popular assemblages were seditious and dangerous; that they fostered discontent and disturbed the peace of the Government.

Where in the history of civilized nations do we find a parallel to the ruin of Acadia by the English? Three thousand human beings, wives and mothers, old men and children, driven from their peaceful homes at the point of the bayonet on board of British ships, their homes burned before their eyes, and the people carried away and scattered among the English colonies!

Early in the eighteenth century, in 1733, England treated the colonies to the Importation Act, then to the Writs of Assistance, or general search warrants, then came the Stamp Act and the Boston port bill; and the colonies, unable to stand further tyranny and persecution, shouldered their flintlocks and went forth to battle for freedom, death being preferable to further submission to the greed and selfishness of England.

No American will ever forget that long and terrible struggle from Lexington to Yorktown, in which the yeomanry, raw recruits, inspired by the love of liberty, often half fed and poorly clad, contended against the trained veterans and hired Hessians of England. Lexington and Bunker Hill, Trenton and Concord, Saratoga and Yorktown; Washington and Greene, Allen and Lee, Sumter and Marion will never be forgotten while a stone stands in the temple of American liberty.

In 1812 the domineering spirit of England having been asserted against our Navy, we went forth to do battle for free trade and and sailors' rights, upon the seas and upon the land, we fought the English and their allies, the Indians. The hired Hessian was hurled against us in the Revolutionary war, but a more savage agent was used against us in the war of 1812. The atrocities of the River Raisen stand without a parallel in the history of warfare amongst civilized nations; there the wounded American soldiers and the prisoners were left to the mercy of the savages who did their work of slaughter well, with torch, tomahawk, and scalping-knife. Failing to subdue us in war, they resorted to other means.

In 1811, when the charter of the United States Bank expired, the stock of which had been paying an annual dividend of from 8 to 10 per cent, it was discovered that the English had gotten control of nearly all the stock. Since then she has gradually gotten control of our carrying trade, bleeding us of millions of dollars every year. She has gotten control of large areas of our public lands, of immense tracts of our coal, timber, and mineral lands, which she has bought for a song, and from which she will reap immense profits. She has bought large interests in our most profitable flour mills, our breweries, stockyards, and manufactories. She holds our bonds and has made millions speculating in them. She draws annually from the United States over $100,000,000 in the shape of interest and profits alone. Notwithstanding all these things the agent of the Rothschilds now comes in the year 1893, in the year the Columbian Exposition, and the one hundred and seventeenth year of our Independence, and demands that our Secretary of the Treasury in these United States of America issue $150,000,000 worth of bonds.

The rule of England is that rule of tyrants—coercion. This rule of coercion was used with iron hand against the colonies until they, with almost superhuman exertions, broke the bonds that made them slaves. In 1812 we again fought against coercion, and now, in the year 1893, in this month of October, we find ourselves facing the same question. Horatius Cocles, single-handed, held at bay the army of Porsena while his companions cut the bridge and saved Rome, and then leaped into the raging Tiber with his armor on. There are, here in the United States Senate, many Horatius Cocles who will battle to the last gasp, like Cæsar's tenth legion, in solid column with shield overlapping shield for the rights of the people who eat their breakfast by the candlelight, and work from sun to sun, who swing the ax and the hoe, the pick and the shovel, the cradle and the hammer, and whose hands bear the marks of honest toil; and against the Shylocks and bonded aristocracy of England and the East.

When the gallant Montgomery fell in charging the batteries at Quebec, his last word was, "Forward!"

When brave young Lawrence fell wounded upon the bloody deck of the Chesapeake, he raised himself upon his arm and in feeble breath gave his dying orders to the gallant seamen, "Don't give up the ship."

Thank God that their spirit still lives and breathes and walks abroad.

When Mardonius, chief of Xerxes's generals, desiring to get control of Greece, made seductive offers to the Athenians, the Athenians would not answer until they sent for the Spartans, and this their answer was:

We are not ignorant of the power of the Mede, but for the sake of freedom we will resist that power as we can. Bear back to Mardonius this our answer: So long as yonder sun continues his course, so long do we foreswear all friendship with Xerxes; so long confiding in the aid of our gods and heroes, whose shrines and altars he has burnt, we will struggle against him for revenge. As for you, Spartans, knowing our spirit, you should be ashamed to fear our alliance with the barbarian. Send your forces into the field without delay. The enemy will be upon us when he knows our answer. Let us meet him in Bœotia before he proceed to Attica.

So far as I am concerned, I ask no favors and wear the collar of no man; and when the Shylocks of England, Wall street, and the East, and their coadjutors, ask that the rights of the people be surrendered, my answer, so far as I am concerned, will be that not one jot or tittle of these rights shall be surrendered while life lasts, if I can prevent it; we will meet them in Bœotia before they proceed to Attica, and we will not permit them to put their shirt of Nessus upon the back of American labor. We bid the Shylocks and money lords, here and hereafter, open and bitter defiance.

The Financial Situation.

SPEECH
OF
HON. HENRY M. TELLER,
OF COLORADO,
IN THE SENATE OF THE UNITED STATES,

September 27, and October 6, 11, and 23, 1893.

The Senate having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. TELLER said:

Mr. PRESIDENT: On the 11th day of September I was diverted from some remarks I was making by an adjournment of the Senate. Since that time I have had no opportunity to conclude what I was then saying. Notwithstanding the oft-repeated declaration that there has been unnecessary delay in this Chamber in the discussion of this subject, I assert here that I have come here every day prepared to take the floor if an opportunity should be presented, and no such opportunity has been presented.

Mr. President, this debate has taken within a few days a somewhat singular direction; and to-day we have been treated to a lecture as to the improprieties of debate. It is complained that in the course of this discussion certain members of the Senate have seen fit to criticise the action of the Executive Department of the Government. We have been told, in substance, that criticisms of the Executive are out of place. For the first time in my life I have heard the suggestion—not made on the floor in a public manner, but by a Senator—that it was contrary to good taste and the rules of the Senate for a member of this body to criticise the President of the United States in his official action. I have also heard what I considered a fair criticism denominated in this Senate as a personal assault upon the President.

I should regard a personal assault upon the President in this Chamber as out of order; that is to say, I should regret to hear any Senator attack the President of the United States concerning matters not of public importance or of a public character. But whether the criticisms that have been made upon the Executive have been made in proper manner and spirit may be another question, about which I shall not now speak, although I have no fault to find with the spirit or manner of those who have spoken on this question. It is an official criticism of the President's official act, which I say is proper in this place and at all times.

If the doctrine is to prevail in this Senate that because the President of the United States or the executive department is a coördinate branch of the Government then this body is not allowed to criticise his official conduct, there will be an end in this country of free government. I trust Senators will distinguish the difference between criticising the House of Representatives, which is a part of the same branch of government that the Senate is, on the one hand, and on the other the criticism of the executive department of the Government, which is but a coordinate branch.

The Senator from Illinois [Mr. PALMER] who sits on my left last night seemed to be very impatient over the criticism made by the Senator from Nevada [Mr. STEWART]. I know the Senator from Illinois will not deny the right of any Senator on this floor to criticise the Executive whenever in his judgment criticism is necessary. If he does, then I have been very much mistaken in the Senator's views concerning public affairs, and I have been somewhat familiar with his public life and services for nearly forty years.

Mr. President, I regard the right of a Senator to stand on this floor and call in question the acts of the executive department, a right guaranteed to him by the Constitution, guaranteed to him by the very genius of our Government, and I am astonished, and almost dismayed, when any Senator tells me that it is not in good taste and does not indicate a proper spirit. I have served under Democratic Administrations and under Republican Administrations. I have claimed the right on this floor to criticise the official acts of a President whom I had helped to elect. I shall claim the same right with reference to a President whom I did not help to elect, and whose election I regarded as unfortunate for the welfare of the country. I shall extend to him the same fair criticism that I have attempted to extend to a President that I had helped to elect. If I criticise him here in a proper spirit and in a proper manner, and he takes offense at it, so as to disturb the personal relations that ought to exist between the Executive and Senators, that will be his fault and not mine.

Now, I do not intend to go into any discussion of the question whether the present Executive has laid himself open to just and proper criticism at this time, but at some time during this discussion I may do so. I only want to put in my protest against the suggestion practically made here by the Senator from Illinois [Mr. PALMER], and in private conversations by Senators to me, that the right to criticise the Executive does not exist, and that the same courtesy must be extended to him and to all branches of the executive department that we are required to extend to the other House of Congress, a part of the law-making power with us. I can see the distinction between a criticism of the House of Representatives and a criticism of the executive department of the Government.

The Senator from Nevada [Mr. STEWART] yesterday read from the public press of the country a purported criticism of the President of the United States upon this body. I am not now saying whether that was a correct version of what he said or not. A leading Democratic paper in the country announced that the President of the United States had taken the Senate to task for its lack of patriotism and its failure to discharge its duty to the public in a proper manner. If it be conceded that the interpretation given to his words by the press—not by one Democratic paper only, but by a number—is true, then every Senator in this body ought to resent it. By that I do not mean that they have not stated the language exactly as the President uttered it. But did he refer to the Senate? I do not insist that the President intended his remarks as a rebuke to this body, for if he did he would show that he had no idea of the relations that ought and by the Constitution does exist between the executive department and the legislative department of the Government.

But, Mr. President, without saying whether or not the Executive has been guilty of speaking disrespectfully of the Senate, the fact can not be overlooked and it can not be denied that on this floor—in private conversation at least—we have been told day after day that the President of the United States had determined on a policy for us concerning the repeal of the Sherman act. We have been told that by the public press everywhere; we have been treated *ad nauseam* to the declaration that the President had determined that no compromise should be made; that unconditional repeal, and unconditional repeal only, was the course for this body. I am not charging that the Executive is responsible for that. I am not asserting that the President has ever said to anybody that there should be no compromise, that he demanded unconditional repeal, and that he demanded it in the haste in which it is asserted he has.

If I had the proof that the President had issued his orders to this body I should speak of his conduct in just such language as I think it deserves. I will not assume that the President has declared that no compromise shall be made. I will not assume that he has said that it was unconditional repeal or nothing. If the friends of the Executive are willing to assert that he has given utterance to such expressions as are accredited to him I shall be greatly surprised and alarmed.

There is no question, however, that we are drifting very rapidly away from the doctrines of the fathers as to the independence of each branch of the Government. There can be no question that since the great political upheaval growing out of the war of the rebellion we have been imperceptibly, but certainly, departing from the well-established rules which before that time had been insisted upon with reference to the entire independence of the legislative department from the executive department of the Government. It grew out of the war, and it is possible that it was one of those things which could not be avoided. It is possible that that great contest may have imperceptibly destroyed that principle which is essential to the freedom of the people; that the legislative department must act independently of the Executive, and can neither be coerced nor forced in any manner by Executive favor or Executive displeasure. The tendency is beyond question in that direction, and I know that there are Senators on this floor who have seen it, as I have seen it, with alarm.

It has been one of the complaints I have made against the political party to which I have been attached. I had believed for years that the Republican party as a party were not on that question in full accord with the old doctrine of the fathers of the Republic. I believe that in our desire to have a strong government to deal with national questions we are losing sight of the fact that the Government of the United States is not a centralized government, but is a government of States. We have been losing sight of the fact that the Congress was not organized for the purpose of doing all the legislative duty that is put upon legislatures in this country.

I think the Democratic party during the last twenty-five or thirty years has been entering its protest, mainly because it has been in the minority, and not because it has been or was likely to be, any more in sympathy with the old original ideas than the party to which I belong. It is to be hoped that the party in the minority will always resist the aggressions of the party in the majority whether from the legislative and executive department. Now the Democratic party is in power. It remains to be seen whether this imperceptible drifting away from the very foundations of the Government in this particular is to be continued under this Administration, and under the next, if it shall be Democratic, until there shall be a centralization of power in the General Government and a domination by the President that shall be entirely contrary to the genius of our Government and entirely contrary to the plain provisions of our Constitution.

Mr. President, in view of this great threat of centralization and Presidential domination is it to be said that we have now reached a point where no man in this body can criticise the President of the United States? If I believed that the American people had wandered so far from the old, original, and sound doctrine of a free government that they denied to their representatives here the right of a fair criticism of the Executive (of his official acts I am speaking) I should dispair of the preservation of a free government in this country.

I do not pretend to say that the statements made by the newspapers and the charges made by the newspapers, although they are his supporters, are true. But I do say that it is no answer to charges of Presidential interference for the Senator from Indiana [Mr. VOORHEES] to rise in his place and tell his party that they can afford to let all these charges go; that they need not defend against them; that the President of the United States is so strong in the affection of the people, so strong in their confidence, that any attack made upon him will go for naught. If that is true, the very fact that he is so strong in the confidence of the people, the very fact that he is so strong in their affection, makes it more important for the representatives of the people to stand here, as they ought, under the Constitution asserting the independence of this body against any encroachments that he shall make. If he were an unpopular President, if he were a President not having the confidence and support of the people as it is claimed he has, he could do but little harm. Harm comes in this case from the fact that the people are willing to trust him.

I repeat, that to say he is strong with the people is no answer to criticism of him. Is the President of the United States guilty of encroachment upon the legislative department, of a deliberate assault on the members of the Senate, who do not on some questions agree with him? If he is, then Senators on the other side representing the Administration ought to see to it that fair criticism is allowed and should not complain.

Mr. President, seldom have the liberties of any people ever been taken away from them except by imperceptible encroachments. The Republic can not be destroyed by force. All the combined powers of the world brought against it could not destroy this Government, and yet by imperceptible encroachment

by the Executive not warranted by the Constitution it will be very easy to change the entire form of government.

I have said this with reference to criticisms of the present Administration of Mr. Cleveland as I said of his former. When I criticised Mr. Cleveland's conduct when he was President before I was met with the same rebuke that the Senator from Nevada [Mr. STEWART] is, that it was not in good taste. I replied then that I would criticise him exactly as I would criticise him if he were a Republican President. I would not criticise him with any more temper than I would a Republican President who should do the same thing.

Mr. President, if all the statements made in the newspapers are true, if a tithe of them are true, the President of the United States scarcely understands his relations to this body. How am I to know whether they are true? I can not conceive it possible, and I will not assume that on the hundredth anniversary of the laying of the corner stone of this Capitol, the President of the United States intended to insult the Senate of the United States. I will assume, as the Senator from Alabama [Mr. MORGAN] did last night, that it is not true: because if I believed it to be true, I certainly should not pass it over in silence.

Mr. President, this is all I care to say upon that subject, to which I may return again at sometime, and I may not.

I wish to say one word more before I commence on another subject, with reference to what occurred here this morning. We were told in substance that we are a minority in this Chamber who oppose repeal and that we are resisting the public will. We were told by the Senator from Rhode Island [Mr. ALDRICH] that he would cooperate with any Senator to prevent continued and further humiliation of the American Senate by our conduct.

I submit that there has been no conduct on the part of any Senator representing the views I entertain that justifies any Senator in making that statement. I suggest that if it is to come to this, that the keeping of the honor of the American Senate is in the hands of the Senator from Rhode Island, we have reached a sorry pass, and the sooner the American Senate disbands and ceases to be a body the better it will be. Who made the Senator from Rhode Island the keeper of the honor of the Senate? Has he at home or has he abroad a character better than the men who stand here and resist repeal? Does he represent more people than we represent? Has he any commission to speak for anybody with reference to preserving the American Senate from humiliation and disgrace?

Mr. President, the Senators who represent the great Northwest are quite able to take care of their honor, and in doing so they will take care of the honor of the Senate. We need no assistance from the Senator from Rhode Island, or anybody else. In all respects we claim to be the equals of Senators on this floor, and in moral worth and excellency we claim to be their equals anywhere. We may live in a section of country not as full of riches as Rhode Island, with not as much hoarded wealth as Rhode Island, but we represent a people who are brave, enterprising, and intelligent, and who will stand up and be counted by Rhode Island's side at any time and on any day. The State that I represent will not take off its hat to Rhode Island, either for the decency of its people or their intelligence and general worth. Remarks of the kind made by the Senator from Rhode Island are uncalled for in this Chamber. They are undeserving this place, and they are undeserving an American Senator.

The question before the American people now is, as I said in the beginning of the present session, an important question. I think it is one of the most important questions that has ever been presented to the American people. I think it touches more interests than any other question that has been presented since the issue was made whether the Government of the United States should be preserved or destroyed. I want to say here for myself that I am not to be deterred in my opposition to this repeal bill by any newspaper attacks nor by any attacks that shall be made on this floor. Believing that the repeal of the law will bring great disaster to the people of the United States, I intend to resist it by every legitimate means in my power. What those means may be I will determine for myself on my oath, responsible only to the people of the United States and my constituents in the State of Colorado.

I shall not be deterred from debating this subject to the fullest extent by any cry that there has been enough debate. It is inconsequential to me what may be said or what may be done outside of the Chamber, or what influences may be brought here or brought there. I think I speak the sentiment of a great number of Senators on this floor who feel that they have not only a local interest in this question, but that they have a general interest in it, and that other sections of the country are as much interested in it as we are. As my colleague said this morning, if anybody thinks we will debate it without considerable heat and zeal he does not appreciate the situation in which we believe the repeal of the act will put the whole country.

We believe that it will not only do what my colleague said it would do in one-third of the United States in area, but we believe it will bring disaster and distress to more than four-fifths of all the homes in this land. We believe it is an effort by the great capitalist classes of this country to get control of all of the productive agencies of the country and to dominate it to such an extent that the people will become practically the serfs of those who hold the money of the country.

Since I have been in public life, Mr. President, I have endeavored to direct every act of legislation in which I have been engaged with reference not to the classes, but to the masses. I formed my opinion upon this question years ago. I was here in 1878, when the silver question was before Congress. I was a new member in this body, and I thought it becoming in me as a new member to wait to hear others on the subject. I voted on every occasion in the interest of silver money, and from that time to this upon every occasion I have, in voting for silver money, voted for that which I believed was conducive to the interests of the great mass of the American people. We believe that the legislation now proposed is inimical to their interests, and is it to be supposed that we are now to lie down and yield and be trodden underfoot and humiliated rather than to stand here and do what the minority has done repeatedly—resist, with all the parliamentary tactics known to parliamentarians efforts, that we believe to be hostile to the people's interests?

I have not said what I regard as legitimate opposition and legitimate obstruction. I leave that until it becomes necessary, if it should become so, to resort to these. I have seen the American Senate sit here night after night filibustering over the question of who should be seated in this body and who should not. I saw the last Republican Senate filibustering to prevent the Senator from New York [Mr. HILL] from getting up a bill to bridge the Hudson River in his State. Yet we are told that if we should insist upon reasonable debate it is improper obstruction, and that we must make haste to get rid of the Sherman act. Who has a right to demand when debate shall close in this body? Every Senator for himself on his oath and nobody else.

I repeat what I said the other day: we are not here speaking to-day by courtesy of the Senate or by courtesy of anybody. We are here because the Constitution gives us the right to be here, and debating the question because the Constitution gives us the right to discuss it until we shall say upon our responsibility as Senators we have concluded: and when we have concluded, I repeat, then, and then only, will the Senate vote upon this question.

Mr. President, I have said this substantially before and I say it again, because I find that this statement of mine has been treated in certain quarters as an insolent threat. I am told that it is a piece of impudence for an American Senator who has served a good many years in this body to insist upon the right to be heard upon a subject that he upon his oath says he regards of more importance to the American people than any question which has been before the Senate for a quarter of a century. I propose before the debate is over to show why I think this is a great question, and I propose to attempt to show why I think that you can make a mistake by legislation here that will bring irretrievable disaster and distress upon the great mass of the people of the United States, and that you may take a step which it will be impossible to redress. So believing and so feeling, I approach this question with no apologies, with no explanation why I take the time of an apparently unwilling Senate, or why I abuse, as they say we do, a clamoring public, whether it be in New York or elsewhere.

When I was on the floor last I was addressing myself to the question whether the Sherman law is responsible for the financial condition that has existed in this country since the 1st of July. I should have been glad to continue my remarks, because I did not present all that I desired to present at that time. I shall not go over that question again. I shall not attempt now to repeat what I then said. I then challenged anyone in this body to stand here before the American people and declare that in his judgment the financial condition existing on the 11th day of September was the result of the Sherman law. Up to this hour nobody has accepted that challenge, unless it may be the Senator from Delaware [Mr. HIGGINS], who sits on this side of the Chamber, and the Senator from Delaware [Mr. GRAY], who sits on the other side. Both of them did say that they thought the law had much to do with it, and yet the Senator who sits on this side made haste to say before he concluded his speech that he did not pretend that it was the great cause of the so-called panic.

I said more. I said that the newspapers of the country, if they were truthful in their statements, had made it morally certain that the panic was prearranged and brought on. I said I did not mean to charge that the authors of this trouble intended to bring on just such a panic as now exists or did exist, but that they intended to bring on a pressure by getting up a fright among the masses upon the Senate and the other House to compel the repealing of the act I think is morally certain.

When I addressed the Senate on the 11th instant, I did not have time to present some things that I should like to bring before the Senate, and I will present them now. I do not care to present any more evidence as to the condition of the country or with reference to what had been done before the 11th of September when I concluded my remarks.

I asserted on this floor the other night, night before last perhaps, that if the same agencies which brought about the recent panic were not intended to bring on another, at least they intended that the public should believe there was another coming. So, for the last week or more the public press of the city of New York and other great cities that had been crying for the repeal of the Sherman act appear to have entered into an arrangement with one another to sound the alarm and to declare that we are now about to enter upon an era of exporting gold, and we are told in the public press that Mr. So and So is about to export gold, or the rates of exchange are rapidly approaching a gold-exporting point.

I have here an extract from the New York Daily Indicator, a financial paper published in the city of New York, dated September 22, 1893. It says:

ARE GOLD EXPORTS IMMINENT?

The alarm has already been sounded, "Look out for gold exports," but why there should be any fears on that score we are unable to discover. Some wild theorists have suggested that our recent imports of gold were only loans by foreigners who had kindly come to our rescue when they thought that the silver law would be repealed, and who would at once take it back if they should become convinced that the law would not be repealed at all. It is such stuff as this which has crammed the financial literature of the day, and has apparently muddled those who write it as much as those who read it. But we need not worry about the good or the evil will of foreign investors for some time to come. If the silver law has exerted a bad influence, all the ill effects have been accomplished, as far as the exchange of our securities for gold is concerned. There is not much left on the other side that is for sale.

It may be of interest to note the gold movements, however, in past years, and perhaps gain an idea as to the possible future of the precious metal. Experience has demonstrated that this is the gold-importing season, which ordinarily extends from September 1 to February 1, or about five months. This year we began to import gold about two months earlier than is the rule, and so on September 1 we had some $46,000,000 of gold that had come into the country since July 1.

About $10,000,000 more, I believe, has come in since the 1st of July.

It might well be that so large imports prior to the beginning of the regular importing period would moderate the future movement of gold, but it is a question whether the exceptional condition which preceded the gold imports of July and August will not prevent further exceptional experiences hereafter. The ordinary course of gold movements between September 1 and February 1 is shown in the following table, covering the past seven years:

I will skip the table and ask to put it in without reading.

Five months ended February 1—	Exports.	Imports.	Net imports.
1887	$1,861,957	$34,909,946	$33,047,989
1888	1,868,832	31,132,268	29,263,436
1889	15,308,590	6,013,898	*9,294,692
1890	3,872,674	7,345,133	3,472,459
1891	2,634,614	13,404,602	10,769,988
1892	2,037,801	39,791,957	37,754,156
1893	30,714,683	8,910,459	*21,804,224

*Net exports.

The Daily Indicator proceeds:

Only twice in seven years have we lost gold in the five months ended February 1. That was in 1892 and 1893. The experience during the period ended February 1 this year was so exceptional that it does not seem possible that any one could expect it to occur again in the succeeding year. On the contrary, we are strongly of the opinion that the exceptional occurrences for some time to come will be on the line of correcting previous exceptional happenings. What the latter were may be best shown by a statement of the net movements of gold in each six months of each calendar year since 1875, as follows:

I will not read the remainder of the article, but will ask to be allowed to put it in. It is a table of the imports and exports of gold from 1876 to 1893, with some further remarks of the editor.

Years.	January to June.		July to December.	
	Exports.	Imports.	Exports.	Imports.
1876	$19,561,586			$12,005,943
1877	12,350,063			4,907,100
1878	871,340			2,693,251
1879	1,655,917			76,308,412
1880		$810,959		69,771,240
1881		27,604,847		30,100,230
1882	28,311,056			2,992,505
1883		3,140,756		12,866,435
1884	31,117,075			18,123,486
1885		87,318		12,140,786
1886	34,349,628			34,375,587
1887	1,168,173			35,911,046
1888	11,352,963		$12,212,711	
1889	37,454,716		1,474,112	
1890	2,857,037		961,970	
1891	67,154,140			33,037,669
1892	33,533,542		25,547,568	
1893	61,968,895			

The Daily Indicator proceeds:

For twelve years, from 1876 to 1887, inclusive, we gained gold in the last half of the year, while in the five years since we have lost gold four times, the exception being 1891, when we imported net $33,000,000 of gold between July 1 and December 31. That we are to add another year to the list of importing years may fairly be assumed from the fact that we have some $18,000,000 to our credit for the first two months of the half year, with something over $3,000,000 more for September to date, making close upon $50,000,000 altogether. That we shall keep all this and gain more between now and the close of the year is quite certain unless there be a serious falling off in our merchandise exports, and there is no reason to anticipate that.

I have here a report of the stock market taken from the Daily Indicator of September 22, the same date from which I have just read, and which I desire to read:

THE GENERAL STOCK MARKET.

WALL STREET, *Thursday, September 21, 1893.*

The market is wholly in the hands of the traders at the present time, and little interest is taken by anybody else in the fluctuations in quotations. The general opinion seems to be that now is as good a time to take things easy as there will be; and while there is nothing in the shape of news to stir things up the dullness is likely to continue. The indifference as to what Congress may or may not do with silver is growing apace, and people are coming to realize how badly they have been fooled by quick-witted politicians and political writers, who attempted to win a political trick by playing silver. No progress appears to be making with the repeal bill in the Senate, and as the papers which are now shouting the loudest about the disaster to follow failure to pass it are the same which a few months ago were telling how dead sure a thing the repeal was, it is not suprising that nobody is worrying about the matter. Reports concerning the revival of business are all encouraging, and the pouring in of money into the city banks assures an easy money market for the remainder of the year.

I do not care to read further. I read the other day briefly when the Senator from Nevada [Mr. STEWART] was speaking, an extract from the financial statement published in the Philadelphia Press of September 22, 1893. I want to read it again because it is still asserted that the present condition of the stock market, which is not as satisfactory as the speculators in Wall street would desire, is the result of the failure on the part of the Senate to repeal the Sherman law. I read it to show two things. First, that it has no influence whatever upon the stock market; that the intelligence in that part of the country is so great that they know very well it never had anything to do with the disturbance: and, secondly, that it is entirely inconsequential so far as they are concerned whether it shall be repealed or not.

The stock market opened somewhat lower, but the volume of business was small. London did nothing. In the early part of the day the Industrials were advanced and in the afternoon Reading spurted a little. The traders are doing about all the business that is done. No news has any effect on prices, not even the street gossip that the silver repeal bill would fail in the Senate. This is a remarkable fact considering the importance which was attached to this matter only a short time ago. The market is simply stagnant and it awaits an impetus. The people dealing in stocks now have not the power to make any important fluctuations and the leaders are waiting for daylight on the tariff revision, the mercantile situation, the future of the money market, and the outcome of the silver debate and the political legislation in the House. There was no news of importance except routine reports.

I ask that I may put the remainder of this article in the RECORD without reading:

The Bank of England rate of discount was reduced from 4 to 3½ per cent. The proportion of reserve to liability rose to 53.82 per cent as compared with 52.56 per cent last week and 49.54 per cent in the corresponding week last year. The bullion increased £486,000 and the reserve increased £746,000. The net result of the day in stocks was a fractional decline in many of the actives. A number advanced. Big Four was exceptionally weak and lost 2 per cent on rumors of a strike on that system. The total sales in New York were 92,471 listed and 21,192 unlisted shares. Money was easy on call in New York at 2 and 3 per cent, and it is reported that the city banks are still receiving large shipments from country institutions. Clearing-house certificates to the amount of $350,000 were retired in New York, leaving about $41,000,000 outstanding. Sterling exchange is stiffer. Mr. James R. Keene, who has been the street leader in New York for many years, expects to take a short vacation next week.

The action of the stock market proves conclusively that silver repeal is a matter of small influence, except when it is manipulated. In the present uncertain state of the repeal bill we would have a great bear market if the whole business were dependent on repeal. Instead of this the bull traders have been able for two weeks to hold prices almost steady in the face of bad news from Washington. The situation there is more uncertain than is thought in financial quarters, and it has been further complicated by the arbitrary action of Speaker CRISP in the matter of the elections bill. The orders of the Administration which were so patent in the House are so far disregarded in the Senate, and Mr. VOORHEES has but little authority in the Senate. The silver Senators are not the only people who are consuming and apostrophizing time. A great question in that body is: "How can it be arranged so that the Southern free-coinage Senators who are too great to accept orders from the Administration can vote for repeal without appearing to be inconsistent?" The solution of this question is one of the problems on which time is being used at Washington.

I skip part of it and read the following, to which I desire to call the attention of the Senate:

There are ominous rumors in the street that New York will again put the screws on the Senate. Whether this is street talk or not remains to be seen, but the hardening of the rate of sterling exchange at a time of large merchandise exports and in the middle of our exporting season, looks as if gold exports would be made to influence the silver lunatics. There is no question but that the banks of New York are still withholding money from merchants while possessing millions of idle cash because of a tacit arrangement not to unloose it until the Senate votes for repeal. Now, if gold exporting movement began, that would be another striking occurrence on which to impinge public thought and on which popular argument could be based. There is one point lacking in any programme of this kind. The public have learned that the influence of the silver bill on business has been overestimated. The predictions of those who have urged that everything depended on repeal have not been verified. Indeed, much that was said has been disproved by

recent occurrences, and the feeling that the influence of the law was wildly exaggerated for political effect has spread at Washington and elsewhere. Exports of gold at this time might emphasize this feeling and, rightly or wrongly, it would be said that the gold went out at the behest of Wall street. Not an hour would be gained in the Senate for the repeal cause by any such movement.

I believe that a very large number of intelligent people in the city of New York who favor the repeal of the Sherman law are agreed that its effect upon the business of the country has been practically nothing. I have the circular of Henry Clews & Co. of the date of September 9. It came to me after my remarks of the 11th, or if I had it at the time I did not use it. The circular says:

"The winter of our discontent has been made glorious summer" by the death knell of the panic, and now it is over, it can be reviewed, and of all the panics that this country has ever had, it has been the silliest, as there was less cause for it than any previous one. It is not unlike the "Bull-Run" panic during the war period. From the day that memorable event occurred up to this date, I have never yet been able to find anybody who could give a reason for its occurrence, whether on the battlefield or off at the time. The same can be said of the recent financial panic. I venture to say that no one can now give a good and justifiable reason for it having occurred; for that reason it has been a "Bull-Run" panic. The whole country, in consequence, has had to go through a general liquidation of credits. In fact, it started as a gold panic; then came a silver panic, which was followed by a credit panic, and the climax was reached by a money panic.

I have here a large number of such articles that I might read, but I do not care to do so.

Now, I come to the question. I think it must be substantially admitted by everybody that this panic was not brought about by the Sherman law. I know to-day when the Senator from Nebraska [Mr. ALLEN] was holding a little colloquy with the Senator from Delaware [Mr. GRAY] and the Senator from New York [Mr. HILL], both the Senator from Delaware and the Senator from New York asserted that if the law was repealed the panic would be over, but neither of those distinguished Senators has spent a moment in the Senate in endeavoring to show in what way the Sherman law brought on the panic.

They assert with a great deal of vehemence that it did bring it on, or that it had something to do with bringing it on, but the *modus operandi*, as to the way the issue of $3,000,000 and more a month of money that is just as good as the gold in the Treasury, because it commands the gold could have any tendency to alarm and disturb the public they have never seen fit to enlighten the Senate, and I venture the assertion that they will never try. I know they may say in a general way the public thought we were going to come to a silver basis. How could the public be alarmed and believe that we were coming to a silver basis when the paper that was being issued was, by the policy of the Government, payable in gold, and while the bullion that was being bought was not being put into money, but picked away in the Treasury?

Now, it would be interesting if either the Senator from Delaware or the Senator from New York would enlighten us as to the method by which the law of 1890 frightens and disturbs the capitalists not only in this country, but all over the world. I should be greatly obliged if some Senator would now, in the time that I will be glad to yield him, give one reason why that happened. It is not enough to say that people are frightened. I repeat, there has been no evidence before the Senate that the Sherman law has been a potent agency in bringing about this disturbance at all.

Mr. STEWART. May I interrupt the Senator from Colorado?

Mr. TELLER. Certainly.

Mr. STEWART. Is it not possible that the threat which has been hanging over the country that the law would be repealed has alarmed persons for fear we would go to a gold basis and make money much more valuable, and for that reason keep it out of property? I have heard many business men talk in that way, and I think there is a general sentiment in the country that they will keep their money because it will become more valuable when we go to a gold basis.

Mr. TELLER. Very likely.

Mr. STEWART. I think that is the case.

Mr. TELLER. Very likely in that way it may have had some influence upon business. It is not the act itself which has had the effect, but it is the threat against the act, the attempt to get rid of the act. I stated the other day, and I repeat it now, that from the hour when the President called the extra session business grew worse. An attempt was made in New York the day that they got the news to bolster up stocks and the next day the stocks were lower than they had been before. When the repeal bill passed the other House an attempt was made then to sustain stocks. They went up the day they got the news, and went down the next day; and they have been going down ever since until with a few days.

When this question was up some weeks ago, and the Senator from Georgia [Mr. GORDON] was making some remarks, the Senator from Louisiana [Mr. WHITE] made haste to tell him that the passage of the repeal bill in the other House had put cotton 14 points above what it had been the day before. The Senator from Louisiana has never risen in the Senate to tell us that on the next day it went 19 points below, which is a fact, as he can find by reference to the Financial Chronicle on my desk.

Mr. WHITE of Louisiana. I simply called the attention of the Senator from Georgia to the rise in the price of cotton as reported by the daily telegraphic dispatches at the time the statement was made. As to the fluctuations of cotton since and the causes of those fluctuations, I think I shall be abundantly able to answer the Senator when I take the floor to speak on this question, as I propose to do before the debate is closed. I think I shall be able to show beyond the peradventure of a doubt that the delay which has taken place in the Senate in giving the country the relief which I think it is entitled to receive and for which it is clamoring has cost the cotton-planters of the South millions of dollars up to this time and will cost them millions more if the delay is prolonged much further.

Mr. TELLER. I hope while the Senator is upon the floor on that occasion he will tell the Senate further how much the demonetization of silver in 1873 has cost the cotton-planters.

Mr. WHITE of Louisiana. I can answer the Senator that we are considering now the repeal of the Sherman act, and my opinion is that the decline in the price of cotton since the passage of the Bland-Allison act and the Sherman act has been a great deal larger than it was before that date. With the Bland-Allison act and the Sherman act upon the statute book, look at your figures and see when the decline has taken place. If we are to attribute the decline to the fiscal legislation, why will you go back to 1873, and attribute the decline to 1873 and not attribute the decline to the condition of the fiscal legislation at the time the greatest decline took place?

Mr. TELLER. I hope while the Senator is on the floor—not now, but when he takes the floor in his own right—he will also tell the Senate what will be the price of cotton when he has succeeded in demonetizing silver completely in this country. Let him prophesy a little as to what will happen in the future.

Mr. WHITE of Louisiana. I have not been engaged in prophecy. I have been engaged in a retrospect, looking at the actual facts. I consider that the Senator is engaged in prophecy. I am engaged in casting my vote here. I endeavor to deal with facts, not with prophecy.

Mr. STEWART. Why could you not look as far back as 1873?

Mr. TELLER. If the Senator will cast his eye back to 1873 he will find that cotton was worth 16 cents in gold; that in 1874 it was worth less, and it kept gradually dropping until it came to a point where nearly all the cotton-raisers in the South declared if it went much below they would have to cease to raise cotton. It may be that the Senator is correct that the Bland-Allison act, which was not a silver measure, and that the Sherman act, which is not a silver measure, have not sustained cotton as free coinage would have sustained it; but it can not be said that those acts destroyed the price of cotton or changed it for the worse a particle. Before I get through I shall call attention to the conditions which have brought a low price to the cotton-planter and to the wheat-grower of this country; and there can be no mistake about it. The Senator from Louisiana will be ingenious indeed if he can find any reason why cotton has fallen more than one-half in price since 1873.

Mr. STEWART. It has all the time borne the same price as silver.

Mr. MCPHERSON. And yet production has increased year after year.

Mr. TELLER. I know production has increased, and so has consumption increased with production. If the Senator from Louisiana will take the market reports from 1873 down to this time he will find that as gold appreciated, as compared with the commodities, just so cotton went down; or, in other words, that cotton has fallen because it has been measured in gold. An ounce of bar silver to-day will buy twice as much cotton as an ounce of bar silver would buy in 1873, when silver was selling in this country for $1.32 an ounce and cotton at 16 cents per pound in gold.

I do not mean to say that the entire fall in cotton is to be attributed to the financial policy of the United States, but I do say that a great portion, more than 50 per cent of its fall can be attributed entirely to our financial policy and to nothing else. What I have said of cotton may be said of wheat. But of that I shall speak at another time. I did not intend to speak of the operation of the act of 1873 upon prices at this point in my remarks. Later on I shall come to that.

Mr. MCPHERSON. Would it interfere with the Senator if I should ask him a question?

Mr. TELLER. No, if the Senator does not make a speech.

Mr. MCPHERSON. I am hardly able to make a speech.

Mr. TELLER. I am sorry.

Mr. MCPHERSON. I have been prohibited from making such an effort for the past three weeks.

Mr. TELLER. I sympathize with the Senator. I have been in the same condition myself.

Mr. McPHERSON. I now ask the Senator, what was it that has produced the great depression in values, the prostration in business and in industries, if it has not been the Sherman law? The Senator states that it was not the export of gold. He states it was not for want of prosperity among the business industries of the country.

Mr. TELLER. I answered that question the other day, but I have no objection to answering it again for the benefit of the Senator from New Jersey.

In the first place, I should like to ask the Senator to qualify his question a little. How long does he mean the great depression has existed?

Mr. McPHERSON. The Senator, in the remarks he made a few days ago, read some newspaper statements, some editorials, and he also asserted, upon his own authority, that there had been greater prosperity in this country up to December, 1892——

Mr. TELLER. I beg pardon; I brought it up to May, 1893.

Mr. McPHERSON. Very well, up to May, so much the better for my contention; there had been a longer and a greater era of prosperity than had been known in this country for a great number of years. Immediately and almost without notice, in spite of the great prosperity of which the Senator speaks, the country was suddenly convulsed. What was it that produced the great convulsion? The Senator tells us that it was not the export of gold, for we could have paid away more gold if we had owed it than we did pay.

It was not for the want of prosperity among the business enterprises up to that time. But suddenly, as a thief in the night, confidence was lost, banks closed one after another, business enterprises went into the hands of receivers, and it was found in most of the cases, when you came to investigate business affairs, that the assets were in excess of the liabilities, showing that it was no recklessness on the part of banks, no profligacy on the part of the people. But still the panic appeared. Now, the Senator says that the Sherman law has nothing to do with it. Then, in God's name, what has had something to do with it?

Mr. TELLER. The Senator as usual makes a speech. I do not object to that, but that he must adopt it as his own, for I can not accept it as mine. I will answer the question when I come to it in a moment. The Senator says I said we had prosperity for a greater length of time than we ever had it, or words to that effect. I made no such statement. I said that in 1889, when Congress met here in December, there was a very disturbed financial condition in the country, and that it grew worse all winter.

I believe everybody will admit that to be true and that when we reached the spring of the year it was exceedingly threatening, so much so that the Secretary of the Treasury, under the authority that he might exercise, and of which I have never found any fault, took the surplus money of the Treasury and put it in New York for the purchase of bonds in order to give the New York market currency—a very proper measure, beneficial to the Government of the United States, and to the mercantile and general interests of that great city. That action averted for the time the trouble that was threatened. Then we passed the Sherman act, and by means of the Sherman act at one single movement, the moment it became a law, we took $62,000,000 out of the Treasury and put it into the arteries of trade. It went over to New York immediately to purchase bonds—$62,000,000 that without that law could not have been touched.

We followed that then by the purchase of silver bullion and the issue of Treasury notes, which the people gladly took in New York as quickly as they would gold; and by that movement we prevented a panic that was inevitable in 1890. Soon after the passage of the act, which became effective on the 14th of August, or in the following month, there arose in Great Britain a great financial disturbance. The great house of Baring Brothers failed, the greatest private banking concern in the world, I think, unless the Rothschilds. Certainly it was the greatest private banking house in Great Britain, and it had been for two generations in the estimation of the public as sound as the Bank of England. I do not believe that there was a man in this country or in England who doubted the solvency of the Baring Brothers until the crisis came.

That came in September, 1890. Then a gentleman who had been governor of the Bank of England learned that this house was in distress, and knowing what its failure meant to British interests and, more than that, what it meant to the whole world—because if the Baring Brothers had failed it is the opinion of the best financiers in Europe the Bank of England would have been compelled to suspend specie payments, and if it had done that there would have been a toppling all over the world, and there would have been a panic in this country such as compared with what this panic has been a mere *émeute*—induced the Bank of England to come to the relief of the failing house, and thus averted a panic throughout the world. I have said that the act of 1890 then carried us through that crisis.

The next spring we sent over to Great Britain and to France and to Germany, where this disturbed condition existed, $73,000,000 of gold in four months. In the month of May, 1891, we sent out every day, including Sundays, a million dollars of gold. This exportation did not bring any panic. The Sherman law was in full force and effect, and the people knew that it was in full force and effect. I said the seventy-odd million dollars of gold that we sent to Europe brought prosperity in a limited degree to Europe, and it did not in the slightest disturb affairs in this country, because the men who have been making the raid upon the Sherman law had not then determined that it was necessary that they should secure the repeal of that act.

It had not occurred to them that they could make the export of gold in 1891 an excuse for an attack upon the Sherman law, and they did not attempt to do it. The newspapers did do some talking about it, but there was no general alarm. The consequence was that in proper time, in a few months, a little more than one-half of it came back to this country. From July down to November, if I am not mistaken in the dates, $38,000,000 and more returned.

Mr. McPHERSON. Now, may I ask——

Mr. TELLER. Wait a minute. I said then that the act brought prosperity from that time up to May, 1893. Then there was a change in the condition of affairs. Gold had been going abroad all winter. As I told the Senate, on the former occasion, it went abroad simply because we were buying more than we were selling. We were simply paying our debts, and the Senator from New Jersey knows as well as I do that as the imports increased the exports of gold increased also. As the imports of merchandise exceeded our exports of merchandise so in proportion the gold went.

I told the Senate then that the people in New York who had determined that the act should be repealed got together and announced that they intended to withhold from the borrowing classes of the great West the money that they had been in the habit of borrowing. The Senator does not deny that that conference was held at Mr. Williams's house, and there was present at that conference the Secretary of the Treasury, who, no matter what he did say, there is no proof here or anywhere that he dissented from the policy announced, that they intended to pinch the West and compel the Western Senators, because of the disturbance in the finances of the Western country, to consent to the repeal of the act. I have said that is what brought the panic about in part. I did not claim that it was the only cause. I did not attempt to give all the reasons. I will give them before I get through. I will give what I think are the real reasons why this disaster has occurred. Now I will hear the Senator from New Jersey if he wishes to question me.

Mr. McPHERSON. Will the Senator from Colorado yield to me?

Mr. TELLER. Certainly.

Mr. McPHERSON. I would not ask the Senator to yield to me in the middle of his speech were it not for the fact that he broadly challenged any Senator upon this floor to give some reason why the Sherman law was adjudged guilty and could be proved guilty of the evil of which we complain.

Mr. TELLER. The Senator is perfectly right.

Mr. McPHERSON. The Senator now undertakes to say, if I correctly understand him, that it is because of an export of gold, that we were indebted to foreign nations in our trade relations with them of imports and exports.

Mr. TELLER. How is that?

Mr. McPHERSON. The Senator lays it to our trade relations of exports and imports.

Mr. TELLER. What? The financial difficulty?

Mr. McPHERSON. I so understand; the exports of gold.

Mr. TELLER. Oh, not at all. I said that was the reason why gold went abroad, not that it was the cause of the panic.

Mr. McPHERSON. I assure the Senator it could not have been the reason, because we did not owe any country in Europe a great amount of money above our exports; but it was because there was a difference against us in the balance of indebtedness. The balance of indebtedness was made up by a return of our securities, which were poured in upon us here in a perfect flood, and for the past two years we have been purchasing our securities from English and European holders at high prices.

Now, the gold is returning to us: and why? It comes in payment of 60-cent wheat. It comes back again in payment of securities which they sold to us eight or ten months ago at par, and they are buying them back to-day at 50 cents upon the dollar.

That is the reason, Mr. President, why gold left us and why gold is returning to us. Want of confidence among the people that the financial policy of the Government could not be main-

tained was the cause of the panic. When the Sherman law was passed, it was declared that it was not a law that was satisfactory to either the silver advocate or the opponent of silver. It found not one single advocate or vote upon this side of the Chamber. It was not a bill which was acceptable to anybody.

Now, why? It did not grant to silver all that the silver men wanted the bill to do. It granted to silver a larger place in our circulation than was thought safe by the banking interests, the financial interests, the capital of the country, and by all prudent business men in the country. It was a departure from all known rules of finance in this country. It was said by the people of this country and by foreigners as well that it was abhorrent to every principle of sound finance.

And why? It abandoned the policy as we had it under the Bland-Allison act, which provided for the coinage of $2,000,000 a month, and it injected instead four and a half million ounces a month of additional silver into our circulation. What else did it provide for? It provided for the redemption of the Treasury notes issued upon the deposit of that silver bullion in gold. It was declared to be the policy of the Government that all coins, "the two metals," I believe were the words of the law, should be maintained on a parity.

Sir, there was no actual discretion left in the hands of the Secretary of the Treasury to redeem those Treasury notes in silver.

Mr. TELLER. Why not?

Mr. McPHERSON. Not the least bit. He was commanded by the terms of the law to maintain the parity, and how could he maintain the parity between a stronger metal and a weaker metal by redeeming the notes in the weaker metal itself?

Not a particle of discretion, free from other demands in the law, is left in the hands of the Secretary of the Treasury as to the redemption of these notes, because if he did not redeem them in gold, then the notes would be made payable in silver coin, which would be worse even than the notes themselves. The notes have behind them a security in silver, placed there upon terms of gold. Every one of those notes has behind it, in the Treasury of the United States, a gold dollar's worth of silver. The law provided that the Secretary of the Treasury should coin the silver for the purpose of redeeming the notes, which he might do either in gold or silver coin. Following that is a declaration of policy. The Secretary was not commanded to pay the notes in gold, but he was commanded to maintain the parity, and there was nothing either in the Treasury or within the power of the Treasury to obtain which would make the parity secure except gold coin.

As I have said, the people became alarmed, they became suspicious that it would not be possible for the Government to redeem its promises and to maintain its policy of continuing gold payments, and the fear was that we were going to the silver basis. There was but $100,000,000 of gold in the Treasury to redeem $1,100,000,000 of silver and paper circulation: and that $100,000,000 was pledged to a special purpose. That special purpose was the redemption of the greenbacks. But, aside from the greenbacks stood six or seven hundred millions of silver and paper together, behind which there was no free gold in the Treasury with which to redeem it. Therefore the people became alarmed and feared that we were going from the gold plane to the silver plane with our money, and finally the money began to be drawn out of the banks, and the people became alarmed also, fearing that even the financial institutions of our country were not to be trusted.

There was $200,000,000 of circulation taken out of the national banks alone within two or three months by frightened depositors, to say nothing of the vast amount which was taken out of the State banks, the savings banks, the private banks, and trust companies. Nobody can estimate correctly the amount of money withdrawn from circulation, which had been taken out of all these institutions by frightened depositors. The banks were unable to meet their obligations, for, as is always the case, when one man becomes frightened with respect to his money all his neighbors become frightened at the same time, and they made their drafts upon the Treasury. The Treasury was unable to meet them. The Treasury had no gold except the $100,000,000 reserve, and for every dollar that the Treasury was depleted of the amount of security behind the greenbacks for their redemption just so much was the confidence of the people lessened in the greenbacks.

Mr. TELLER. Does the Senator mean to say that any drafts were made upon the Treasury which were not responded to?

Mr. McPHERSON. I say that drafts were coming upon a depleted Treasury.

Mr. TELLER. Ah!

Mr. McPHERSON. Day after day the demand was made for the redemption of Treasury notes issued in exchange for silver bullion, and that demand was met in gold. The Secretary thought he had no right to pay these obligations in anything but gold. What was the result? The $100,000,000 reserve of gold was brought down to about $90,000,000, and there was no one who could say how much further it would be depleted if this process should be continued.

Mr. TELLER. Mr. President, it would be a little difficult to answer that "question," but I shall have to challenge the assumption of the Senator that the Secretary of the Treasury was obliged to pay gold on the Treasury notes. There is no declaration of that kind in the law.

The Treasury note is payable in coin. Of course I need not say to the Senator from New Jersey, who is familiar with these things, that that means either silver or gold. "Coin" does not mean gold, it means either silver or gold.

Mr. McPHERSON. The law requires that the parity shall be maintained.

Mr. TELLER. No; the law does not say that the Secretary of the Treasury shall maintain the parity. It says it is the established policy of the United States to maintain the parity. That might mean one thing, and it might mean another. It might mean that the Government of the United States intended by some subsequent legislation to provide that these notes should be paid in gold only; it might mean that the Government of the United States intended at some time to provide that silver and gold should be alike paid out on a debt, as was done at one time in France, for the purpose of maintaining the parity; it might mean that the Government should simply limit the amount of silver which was to be in use; or it might mean that the Government should limit the amount of paper money which was to be put in use, for that would maintain the parity, as everybody knows. So there was no obligation on the part of the Secretary of the Treasury to pay gold. The Government was to coin silver to redeem these notes. If they were not to be paid in silver at all, why coin silver?

Mr. McPHERSON. If the Senator will allow me——

Mr. TELLER. I hope the Senator will wait until I get through. I will give him a chance in a few moments on that point. If the silver placed in the Treasury was there as security for the Treasury notes, pray tell us how it could be any security whatever, if it was there not for coining purposes, but to be left there simply as a commodity?

There was nothing in the act which required the Treasury to pay gold at all; and if Secretary Foster had said when the first Treasury note was presented, "I will pay it in silver," what would have been the result? Those notes would have stood exactly like the silver certificates, and they would have been in public estimation the same as if we had put in the act "payable in silver." Secretary Foster did not choose to do that. His successor came in. I will admit that he had a different task. I submit that Mr. Carlisle, when he became Secretary of the Treasury, was placed in a very different position from what Secretary Foster occupied. Secretary Foster was absolutely at liberty to pay either silver or gold. It is somewhat doubtful whether Secretary Carlisle was at liberty to do that without creating some disturbance and some distrust. He did not do it, however. He paid gold, and everybody who went to the Treasury for gold got it. The Senator can not show that anybody who ever went there and put his Treasury note down did not get gold for it.

One of the first things announced by the new Secretary of the Treasury, or rather by the President for him, I believe, when there was some question as to what he was going to do, was that the intention was to pay gold. When it was said the Secretary had some doubt whether we ought to pay silver or gold on these certificates, the President of the United States had himself interviewed, and he is reported to have said, "I propose to have gold paid." Did the people distrust the President? Did they distrust our ability because we had only ninety-eight or ninety-nine million dollars of gold then in the Treasury? Does the Senator think that the people distrust a country which receives a million dollars every day in its revenues?

The Senator goes back and reasons in a circle, just as he did before. He says it is the Sherman law that is responsible. I ask why? He says the people became distrustful. That is the same statement which has been made before. What I complain of is that nobody shows why the Government was distrusted. It is not enough to say that the people were afraid that they could not get gold. That is the opinion of the Senator; but nobody in this country ever offered a Treasury note who did not get gold for it; and there have been only $40,000,000 of these Treasury notes taken out during this excitement. I think $40,000,000 went to Europe; and so in the course of a year we sent to Europe $87,000,000 of gold, of which we have got considerably more than half back in two months, with the same law in existence.

The Senator from Oregon [Mr. MITCHELL], who sits beside me, says that we have recovered all but eighteen millions of the amount which went abroad; and the same law is still on the statute books. Can it be said that gold went out because of the Sherman law

when it began to come back with the Sherman law still in existence a month before we even assembled here?

I say again, as I said the other day, that there was no statement in the public journals that the Government was not able to meet its obligations in gold. I challenge the Senator from New Jersey to show any public utterances in Europe in respectable economic and financial papers that there was danger that we could not meet our obligations in gold.

Mr. PALMER. I should like to ask the Senator a question, because I know his knowledge is very much superior to mine on this question.

Mr. TELLER. I will hear the Senator.

Mr. PALMER. I ask whether the Senator does not think that the return of gold was largely influenced by the declaration of the President that payments would be continued in gold?

Mr. TELLER. Oh, Mr. President, the declaration of the President may be very potent around here, but it is not potent enough to bring one ounce of gold from Great Britain, nor from France, nor Germany. Gold does not come at the bidding of politicians. Gold comes at the bidding of commerce.

Mr. PALMER. But I beg to say that I had supposed that gold might be moved or influenced by the declarations of the financial policy of the Government, and that the declarations of the President and the Secretary of the Treasury amounted to the fixing of the policy of the Government until it should be changed by legislation.

Mr. TELLER. The policy of the Government was announced in March, when Mr. Carlisle was hesitating whether he would redeem in silver or in gold the one hundred and forty-odd millions of Treasury notes, if presented; and the President of the United States announced the policy then that every Treasury note, greenback, and Government bond should be paid in gold; and, as suggested here, the panic began then, or nearly then; certainly soon after. If the Senator from Illinois can show that the Sherman law drove gold out, and that then it came back simply seeking its former habitat, like some wild animal which had traveled abroad when frightened and had come back when the fright was over, then the Senator might possibly show that the Sherman law had brought gold back.

I assert that a careful examination of the exports of this country will do much more to convince the Senator that gold came back because the exports were going out in large quantities, as stated by the Senator from New Jersey, on account of Europe buying our 60-cent wheat, our meat, our cotton, our corn. That is what brought gold back. It was no edict of the President or of anybody else.

Mr. PALMER. The point which I wanted to suggest does not involve the question of what drove gold out. I was not discussing the question of what drove gold out.

Mr. TELLER. I will tell the Senator.

Mr. PALMER. I am simply suggesting that it may be possible that it was largely effected, though not altogether, by a declaration of a policy on the part of the President and the Secretary of the Treasury, which would remain the fixed policy until legislation would alter it.

Mr. CHANDLER. Will the Senator from Colorado allow me to ask the Senator from Illinois a question?

Mr. TELLER. Yes.

Mr. CHANDLER. Do I understand the Senator from Illinois to say that there were such declarations made on the part of the President and the Secretary of the Treasury?

Mr. PALMER. I have just given the information which everybody else has on this subject. I understood there was such a declaration.

Mr. CHANDLER. Then, I will ask the Senator whether he remembers what caused these declarations? What created the alarm? Was it the fact that gold was going out, or was it the previous declaration of the Secretary of the Treasury which threw doubt upon the question whether or not he would redeem the Treasury notes issued under the act of 1890 in gold or in silver? What was the occasion of the declaration which the Senator from Illinois cites here as showing that the Administration did something to keep gold from going abroad?

Mr. PALMER. I have an indistinct impression that there was some expression used by the Secretary of the Treasury, which was supposed to put in doubt the question as to what the policy of the Government would be.

Mr. CHANDLER. Is it not perfectly well understood that that was the fact?

Mr. PALMER. The Senator may so understand it, but I understand the policy of the Government became settled by means the Senator understands as well as I, that the obligations of the Government should be paid in gold.

Mr. MCPHERSON. Did that statement ever appear over the signature of the Secretary of the Treasury?

Mr. CHANDLER. I do not understand that anything appeared over the signature of the Secretary of the Treasury. Certainly nothing appeared over the signature of the President of the United States, but the Senator from Illinois [Mr. PALMER], it seemed to me, was claiming credit for the Administration for having done something which checked the outflow of gold, and it seemed to me he omitted to state a fact which should go along with it, which he now candidly and frankly states, as becomes the Senator, that it was the declaration by the Secretary of the Treasury of a doubt as to whether the Treasury notes under the act of 1890 should be paid in gold or silver which caused the panic; which, as the Senator now says, it was meritorious on the part of the President and the Secretary of the Treasury to check by their utterances. If I am wrong in my theory of what took place I should be very glad to be set right either by the Senator from Illinois or the Senator from Colorado.

Mr. PALMER. If the Senator will allow me a moment, I will say that I asked the question of the Senator from Colorado for the single purpose of getting information. I answer the Senator from New Hampshire by saying that I had no idea of claiming credit for anybody or throwing discredit upon anybody. I was simply seeking light upon this interesting question.

Mr. CHANDLER. The Senator will excuse me. There seemed to me to be a feeling on his part that he was bringing in a very meritorious fact here, that the President and the Secretary of the Treasury had done these things; and it seemed to me very proper, if the facts were so—I do not know whether it was so or not—that there should go along with the Senator's statement the fact that the panic had been caused in a large degree by this expression of doubt on the part of the Secretary of the Treasury as to whether he would keep the Treasury notes of 1890 upon a parity with gold.

Mr. STEWART. Will the Senator from Colorado allow me to ask the Senator from Illinois a question?

Mr. TELLER. Certainly.

Mr. STEWART. The Senator from Illinois stated that there was a declaration by the President of an intention to pay out gold.

Mr. PALMER. Substantially.

Mr. STEWART. That is the declaration the Senator referred to, which was made in March last, to redeem these notes in gold as a reason why gold was retained. Does that have anything to do with it?

Mr. PALMER. I merely asked the Senator from Colorado——

Mr. STEWART. I ask the Senator from Illinois if, in his opinion, that policy, declared by the President in March last, had a tendency to retain gold in the Treasury?

Mr. PALMER. Yes, that is my opinion.

Mr. STEWART. Now, I would remind the Senator of the fact that France and Germany pursued exactly a different policy. They paid out silver and held their gold. We let our gold go, and it did go. I had always supposed our gold went because the Secretary of the Treasury wanted it to go.

Mr. PALMER. I may be allowed to say that I suppose the statesmen of Germany and France acted wisely with reference to their own condition, and that the President and Secretary of the Treasury acted wisely with reference to our condition, and I had supposed when it became certain as to what the policy of this Government was to be, that that tended to supplement the restoration of confidence and to influence the movement of gold.

Mr. STEWART. This was a mere question as to the movement of gold, but the fact is that our Government exercised its option and paid out gold.

Mr. PALMER. I think so.

Mr. STEWART. The other governments exercised the option differently, and retained their gold, and our gold went and theirs did not.

Mr. PALMER. I have no doubt that those governments pursued the policy which they deemed wisest.

Mr. STEWART. They kept their gold and we paid ours out. That is the difference.

Mr. TELLER. I thought the Senator from New Jersey rose awhile ago to ask me a question, but I could not yield to him until the Senator from Illinois had finished. I now yield to him.

Mr. MCPHERSON. I do not wish to occupy time at all; but only to make a response to the suggestion made by the Senator from New Hampshire [Mr. CHANDLER]. I wish only to say that if the fact that the public were notified in some way, whether by idle rumor, common report, or whether it was by something which the Secretary of the Treasury was alleged to have said—for certainly it did not appear over his signature—that that of itself was sufficient to produce a panic in connection with other things which were then working to produce such result.

I do not say that the so-called interview with the Secretary had much to do with the financial trouble. I do not think it had, because the President, a few days after the time referred to, de-

clared it to be the unalterable policy of this Government to maintain the parity, to maintain gold payments, and to continue the financial policy of this Government.

How could the financial policy of this Government be maintained if the Secretary of the Treasury should pay in silver coin the Treasury notes, amounting to $150,000,000, when the law declared that it was the policy of this Government to maintain the two metals on a parity? There is no way that the parity could be maintained between the two metals, confessedly unequal, except by paying the certificates representing one in the better coin? Therefore the Secretary of the Treasury, obeying the law and the injunction here found, has redeemed these notes in gold.

I will admit all the Senator from Colorado says, that the Secretary had paid in gold all the notes which had been presented; but there was at one time a very serious period in the history of the Treasury of the United States with respect to this question. It was thought that the Treasury could go no further in the direction of the redemption of these notes. The banks, having $200,000,000 of gold in their reserves, were not treating the paper issues of the Government as the Government was obliged to treat them. The people outside of the Treasury and outside of the banks, who held $300,000,000 of gold coin, were not exchanging their gold for Treasury notes. Nobody was obliged to do that except the Treasury of the United States, and the Treasury had only $100,000,000 of gold out of $600,000,000 of the stock of gold said to be in the country. How could the Treasury maintain these gold payments or maintain the financial policy of this Government unless it could obtain gold with which to do it?

Mr. CHANDLER. Will the Senator from Colorado allow me a suggestion?

Mr. TELLER. Certainly.

Mr. CHANDLER. The period of time about which the Senator from Illinois wishes light (and as to which I am an humble follower of his also seeking light) when these declarations were made or supposed to be made first by the Secretary of the Treasury, which led to doubt as to how the Treasury notes of 1890 were to be redeemed, and the declarations of the President at a later period, was in April, and the panic, if I remember right, which led to the large exports of gold, was afterwards. So the declarations to which the Senator from Illinois refers as having prevented the outflow of gold were made before the outflow took place. If I am wrong, Senators will correct me.

But I have understood—and I ask the Senator from New Jersey whether it is not a fact—that at one time the Secretary of the Treasury wrote to the Assistant Treasurer at New York, directing him to stop redeeming the Treasury notes of 1890 in gold, and that the fact that such a letter had been written became known in banking circles in New York City. I am so informed, and if the fact is not so, I should be very glad to know it; if it is so, I think the fact ought to be known, and perhaps the Senator from New Jersey or some other Senator can tell me whether it is true or not.

Mr. McPHERSON. I think the Secretary of the Treasury, in an interview with some newspaper correspondent, was alleged to have said, in effect, that it might be necessary to pay the Treasury notes in silver coin; in other words, if the Treasury could not obtain the gold, and having it not, if it could not be obtained from the banks, which held about $200,000,000, if it could not be taken out of the hoards of the people in this country who had hoarded every remaining dollar of gold against the day of disaster, then how could the Treasury get it, except by the issue of bonds and the purchase of gold?

Let us see what that would have accomplished. There has been here a very grave doubt expressed as to the power of the Secretary of the Treasury. I wish to say for myself that if the responsibility were placed upon me as Secretary of the Treasury under existing law to issue bonds with which to purchase gold to continue the purchase of silver, I should say that the authority to do it was not found in the law; but, as it will be remembered by every Senator, bills were introduced in the last Congress giving the Secretary of the Treasury the power to issue 3 per cent bonds for the purpose of replenishing the gold in the Treasury to meet this ever-increasing obligation, which was daily coming upon us by reason of the purchase of silver, and the bills failed of passage.

I repeat that I think there was at one time an interview alleged to have occurred—whether truthfully or otherwise I do not know—in which the Secretary of the Treasury expressed in effect a fear that it might become necessary to resort to a silver redemption of the notes. This would amount to putting us at once upon a silver basis, and when we had reached the silver basis it would be a step which we could never retrace. The evidence of it is found in this panic itself, for almost every dollar of gold, save that controlled by the Treasury, had gone out of circulation, and even the paper issues of the Government, which had the promise of redemption in gold, like the greenbacks, were also hoarded.

The other issues of the Government, like the Treasury notes, which had a chance of redemption in gold, had also gone into their hiding places. Therefore, if we had reached the point where the Treasury would have been obliged to proceed with this condition of things staring it in the face; in short, if there had been no extra session of Congress and no pronounced judgment of the House of Representatives, and if there had not been a reasonable and just expectation on the part of the people of this country that the Senate itself was to follow the lead of the House of Representatives and repeal the Sherman law, we would to-day be in a condition little short of being upon a silver basis.

Mr. TELLER. Mr. President——

Mr. CHANDLER. Will the Senator allow me a remark? I do not wish to interrupt him.

Mr. HARRIS. Will the Senator from New Hampshire and the Senator from Colorado yield to me, in order that I may move that the Senate proceed to the consideration of executive business?

Mr. TELLER. Certainly.

Mr. CHANDLER. If the Senator from Tennessee will wait a moment I will simply state an idea that is in my mind, and then I shall yield with pleasure.

Mr. HARRIS. Very well.

Mr. CHANDLER. The Senator from New Jersey, like the Senator from Illinois, has admitted that the Secretary of the Treasury did make certain expressions which threw a doubt about the intent of the Government to redeem the Treasury notes of 1890 in gold, and the Senator from New Jersey——

Mr. McPHERSON. The Senator will not do me the injustice to say that I attributed to the Secretary of the Treasury any such statement. I said it was an alleged statement appearing somewhere in an interview.

Mr. CHANDLER. The Senator is right that the newspapers stated it, but the statement was uncontradicted so far as I can recall the fact, that the Treasury might find it necessary not to redeem those notes in gold; and, as I have said, I am informed that the Secretary wrote a letter in April to the assistant treasurer in New York to stop redeeming those notes in gold, which was afterward recalled.

Mr. President, if that was true of the Secretary of the Treasury, it was also true, as the Senator from New Jersey now states, that the effect of that refusal to pay out gold by the Secretary of the Treasury would have put the country upon a silver basis. Did not the Secretary of the Treasury know that fact; and was not the action of the Secretary of the Treasury, if he made the declarations which the newspaper said he did, the starting point of the distrust in commercial and financial circles which began the panic of June? I think it was.

The Senator from New Jersey has recalled another fact which deserves to have a brief notice from me, and then I shall yield to the Senator from Tennessee. That is the fact that there was a proposition pending here during the winter to reinforce the authority of the Secretary of the Treasury to sell bonds for the purpose of maintaining the reserve. That bill was pending, and it was advocated by the Senator from Ohio [Mr. SHERMAN], then the chairman of the Finance Committee; it was adhered to by the Republicans of the Senate and passed the Senate; and had been adopted at the request of Mr. Carlisle, who expected to be Secretary of the Treasury, with the assumed approval of the President-elect. Now, this contest to secure that reinforced authority to issue bonds was abandoned in the committee of conference at the express request of Senator Carlisle. Does not the Senator from New Jersey know that fact?

Mr. McPHERSON. The Senator from New Jersey does not know that fact, and I doubt very much if the Senator from New Hampshire knows that fact sufficiently well to state it in that form.

Mr. CHANDLER. I was informed that the attempt to secure the bond clause was abandoned as the direct result of telegrams sent to this city by Senator Carlisle from New York.

[At this point the Senate proceeded to the consideration of executive business.]

Friday, October 6, 1893.

Mr. TELLER. Mr. President, last week I addressed the Senate in the latter part of the day and was taken off the floor by an adjournment. Since then other Senators have desired to occupy the floor, and I have had no opportunity to conclude my remarks. The last half hour of the time I occupied the floor I only occupied it by the courtesy of the Senator from New Jersey [Mr. McPHERSON], whom I do not see here now, the Senator from Illinois on my left [Mr. PALMER], and the Senator from New Hampshire [Mr. CHANDLER], who seems to be absent; and in looking over the report, it did not seem to me that I had taken very much part in the discussion in that half hour.

I desire to address myself now to some of the questions presented by the Senator from New Jersey and the Senator from Illinois, particularly with reference to some remarks I was making as to the cause of the export of gold. I charged that, in my judgment, the export of gold was a normal export unless, as has been charged, that some portion of that export was sent out of the country for the express purpose of creating fright and panic. I stated then, and I state now, that in my judgment a reason can be found for the export of $61,000,000 of gold between the 1st day of January and the 1st day of July.

The Senator from New Jersey said that it could not have been; that it went out simply to pay our obligations, because we were not indebted to Europe to an extent to justify such an export. He also stated that in his opinion the export of gold was caused by the sale of American securities in this country. I am sorry the Senator is not here. I have not the notes of his remarks before me, but I think that is a fair statement of his position. He attributed the panic in this country to the exportation of gold, and attributed the exportation of gold to the fright which Europe had sustained with reference to our credit.

Then came the junior Senator from Illinois, who sits on my left, who seems to think he found the answer to my statement that if the Sherman law had sent the gold out of the country, it was as fair to assume it had brought it back, for nearly an equal amount had come back in about one-third of the time that it was going out. He said he thought he found the answer to that in the fact that at about that time the President of the United States had by his declaration of the Democratic policy on finance in this country given such assurances to Europe and the world that confidence had been restored to the extent that it brought back gold. That I questioned. I was not prepared to state at that time exactly what the date of the President's declaration was. I knew, though, it must have been pretty early in the season. I find, by an examination of the files of the public press, that the declaration was made somewhere in the neighborhood of the 26th or 27th of April, and that during the month of May the export continued to a large extent, that it dropped off in June to practically nothing, or a little less than $2,000,000, and in July the balance turned in our favor and has been in our favor ever since, with the Sherman law still in force in all particulars and not near so much certainty of its repeal as the Senator from New Jersey and the Senator from Illinois seem to think the public entertained.

I desire to go into the action of the executive department of the Government with reference to the financial question, because I have been challenged to do so by the Senator from New Jersey and the Senator from Illinois. I do not, in criticising the Secretary of the Treasury, bring any charge against him of misconduct in the way of the venality or wickedness. I assume that not only the Secretary of the Treasury, but the President of the United States, with whom I differ as radically as it is possible for two men to differ, is not actuated by any desire to injure the country, to destroy the industries, or disturb property interests or the financial peace of the country.

I did say, and I repeat, that I believe the evidence can be and has been produced here to justify that statement, that neither the President nor the Secretary intended to interfere in the slightest degree to prevent in any manner by any action of theirs a disturbance, which was somewhat apparent as early as the last of April or the 1st of May.

I will say more than that—that so far as I am concerned, I am satisfied that that excitement and distrust was created to a large extent by the attitude of the executive department of this Government on the financial question; that if the banks of New York City and the financial corporations all over this country were disturbed and had doubts as to what was to be the policy of the Government of the United States with reference to the payment of gold, it was created not by anything which the preceding Administration had done or failed to do, but grew out of the conduct of the present Administration touching that subject. I believe, and I am sure that every man in my presence believes the same thing, that last winter there was an organized effort to compel the President of the United States to issue bonds.

The great banking concerns of the country saw that under existing conditions in a few years, at least, the banks would cease to be Government agencies unless some new system were adopted. They saw that the present national indebtedness was apparently about to be paid, and that in the next fourteen years, at least as early as that, the banking system of the United States would assume an entirely different shape and be reorganized upon an entirely different basis or they would cease to be banks of issue and Government agencies in the manner they had been since their organization. I believe that everybody expects that, unless some system of revenue collection shall be adopted to change that policy, the Government of the United States intends, when the unpaid bonds mature, that they shall be paid.

That has been the policy of this Government from the beginning; that is the policy of the people of the United States everywhere to pay the interest-bearing debt, and get rid of it. These financial agencies in New York recognizing that fact, thought to impress upon the Government of the United States the necessity of a new issue of bonds for the purposes, I say, of making it the basis of banking issues. I charged that in February on this floor. I remember with what heat the distinguished Senator from New York—Mr. Hiscock, not now here—replied that these banks did not want to be continued as banks of issue; that the charge that this was a demand on their part to secure bonds for banking purposes was not supported by the facts; and, if he did not, some Senators did go into an argument here to show that there was no profit in a bank issue, a statement which some days ago I showed to be fallacious, at least.

I did charge, and I repeat it, that I believe the President of the United States did not intend to take such steps as had theretofore been taken when disturbance existed in New York to bring quietude and peace to that financial center, because in the interviews published as having been had with the Chief Executive and the Secretary of the Treasury, heretofore read in the Senate, there is not anywhere an intimation that the great power of this Government, through its Treasury Department, would be exercised in the interest of peace and quiet in financial circles.

If we are not misinformed, the President has upon more than one occasion declared that the people of the United States were to be treated to an object lesson, and that the only way the people would be brought to sound financial views would be to feel the effect of the disturbance, which he attributed, of course, to the Sherman law.

In the interview which took place in Mr. Williams's house last April in New York, in which the Secretary of the Treasury was present (which I have read once here, and will not now read again), the statement was made, and it has never been contradicted by anybody to this hour, so far as I know, that the Secretary had declared that no bonds would be issued and nothing would be done which would retard or hinder the securing of the repeal of the Sherman act.

I know it was said while I was on the floor discussing this question before, that this was an accidental meeting of the Secretary with the bank presidents. I had not then looked up the public press reports, but I see now that it appears in the public press that Mr. Jordan, the former Treasurer of the United States, and now assistant treasurer, as I understand, in New York city, arranged the very interview of which I have spoken at the house of Mr. Williams. So it was not one of those accidental meetings at a lunch or something of that kind. It was a preconcerted movement, if the papers are correct, and the meeting occurred about the hour the Secretary himself had arranged that it should take place, or soon after, he having fixed 4 o'clock and the meeting having been a little later.

Mr. President, if the Secretary of the Treasury on the change of Administration had announced in an authoritative manner that the policy pursued by his predecessor would be pursued by him, there would have been no uneasiness in financial circles, save and except that which had been created by the banks in their effort to secure the issue of national bonds. I do not pretend that there would not have been still the same demand, but the class of men who are not interested in the issue of national bonds, who do not desire to see the public debt increased for any purpose, would have been content and all the world would have been entirely satisfied not only with our ability to maintain our promises according to the letter and spirit of them, but according to the policy which we had adopted, that is, to pay in gold.

On the 14th of November, 1891, the Secretary was confronted with the question whether he would redeem Treasury notes in gold or in silver; and that, I am informed on what I regard as good authority, is the first time that any Treasury notes had been presented to the Government for redemption. It is possible there may have been a few presented, but I think not. I think I state it correctly when I say this was the first time. A firm in New York City of gold exporters went to the treasurer at New York with $1,000,000 of those Treasury notes and demanded gold for them.

The officers in New York submitted the question to the Secretary of the Treasury, and after a conference, I think, with the President of the United States—I have always understood that to be the fact—determined while these notes were payable in silver or gold at the option of the Government that they would pay them in gold. Thereupon this firm took out of the Treasury for their notes 1,000,000 of gold dollars and sent it abroad for, I presume, perfectly legitimate and proper purposes. Had Mr. Foster, the then Secretary of the Treasury, said, "We hold our-

selves ready to redeem these notes in gold whenever any citizen or any holder thereof wants to exchange a reasonable amount of Treasury notes for gold; but we do not intend to make the Treasury of the United States the agency through which gold exporters can, without the payment of any premium, or what the French call "agio," or any expense whatever, come and take our gold and ship it abroad. Therefore we decline to meet that kind of payment in gold." Had he said that, he would have performed a meritorious and deserving act, and one which it was absolutely within his discretion to have performed.

Mr. GRAY. If he had.

Mr. TELLER. If he had, but he did not.

Mr. GRAY. Who was that?

Mr. TELLER. Mr. Foster.

If there is blame for the payment of the Treasury notes in gold, I am frank to admit that there is where the blame lies. I am not here to complain that the succeeding Secretary paid in gold, just as his predecessor had done.

If these exporters of gold had found that they could not go to the Treasury and take out a million, or two million, or three million, or four million in a day, as they did—if they had found that they could not do that, if there was a demand for gold sufficiently imperative, they would have gone to the banks of New York City and bought gold, and paid whatever the bank would have required them to pay for the transaction; and to that extent, at least, the export of gold would have been discouraged.

The chances are two to one that if they had gone to the Treasury and been denied they would have gone into the market and bought wheat or cotton and shipped that to Europe to make good the balances they were seeking to make good. If the Government of the United States could and would put upon the export of gold a burden of some character, it would discourage such export and encourage the export of commodities. Everybody understands that, and I need not waste any time on that subject.

That, however, was not done. So we entered upon a policy of paying these Treasury notes in gold, just as we had paid the greenbacks in gold for the profit of the exporters of gold. Every greenback is redeemable in gold or silver at the option of the Government.

Then came the change of Administration, and Mr. Carlisle, as Secretary of the Treasury, was confronted with this very question. Where there had been an inconsiderable amount of gold in the aggregate taken out of the Treasury of the United States, there came to be a great amount taken out during the early months of his administration. I say here now, believing, as I do, that the Government of the United States should never have paid a dollar of gold upon these certificates, and certainly not a dollar under the circumstances under which they were paid, that if I had been Secretary of the Treasury I should not have changed the policy of the Government at that time, and paid silver on them in the condition in which the market was during the early days of this Administration. It was no more than proper and right.

I am not going to criticise an officer for doing that which I think, under the custom which had been established, he was in duty bound to do, which was to continue a policy which his predecessor had established, in order that there might be no disturbance in financial affairs at a time when financial disturbances were threatened; for while I think the payment of these Treasury notes by Mr. Foster, in the first instance, would not have created a ripple in financial circles, I am free to say that I believe if Mr. Carlisle had paid them in April, May, or June, there would have been a considerable disturbance in financial affairs; not that we should have gone, as the Senator from New Jersey said, to a silver basis or anything of that kind, but it would have added to the excitement; and there was no reason why, the policy having been adopted, the Secretary of the Treasury should not have continued it, because we were able to pay in gold.

So I make no criticism of that. My criticism of the Secretary of the Treasury is that he did not say promptly, with that firmness which should have characterized a public officer charged with so great a duty as that of maintaining, as the Secretary of the Treasury is to some extent, the financial security of this country, on the 4th day of March, or immediately after, "I propose to follow just in the line of my predecessor in this matter." I repeat, if he had said that, there would have been no disquietude anywhere under the sun with reference to the question whether we were able or willing to continue to redeem the Treasury notes and the greenbacks in gold.

What did the Secretary do? I shall not read all the interviews which the Secretary seems to have submitted to; but I think the unfortunate part of the whole affair was that the Secretary did not himself seem to know what he was to do. He seemed to have hesitated whether he was going to redeem in gold or whether he was going to redeem in silver. When the inquiry was being put to him, he said, "I shall wait until I see whether the $100,000,000 reserve is impaired"—which he had not reached—"when we reach the hundred millions reserve, then I shall determine whether I shall pay in gold or pay in silver." If he had said that the Government would pay in silver, I doubt very much whether he would have created any more disturbance in the financial affairs of the country than he did when he said, "I do not know whether I shall pay in gold or whether I shall pay in silver."

I am bound to say that I do not attribute all of the trouble which arose to that act, but I do believe that very much of the disturbance in the public mind arose from the very uncertain character of the statements of the Secretary. I have here, but it is probably not worth while to read them, reports of various interviews with the Secretary of the Treasury. Senators can find them all on the files if they desire to examine them. I shall merely call attention to what was said by one or two gentlemen. Take the Post of this city of the 21st of April, 1893. It states in a financial article that the statement of the Secretary of the Treasury was not satisfactory to bankers. J. H. Parker, of the United States National Bank of New York, was interviewed, and said that it was impossible to see what the intention of the Secretary was. George F. Barker, of the First National Bank, refused to venture an opinion as to what the Secretary meant to do. Mr. Simmons, of the Fourth National Bank, said the Secretary had announced no policy.

[At this point the honorable Senator yielded for an executive session.]

Wednesday, October 11, 1893.

Mr. TELLER. Mr. President, some days since I addressed the Senate on the pending question, and was cut off by an adjournment, or an executive session. Since that time I have not had an opportunity to continue. At the time I was interrupted I was discussing the effect of the vacillating action of the executive department of the Government with reference to the payment of Government obligations in gold.

On a former occasion I had been challenged by the Senator from New Jersey [Mr. MCPHERSON], whom I do not now see in his seat, and the Senator from Illinois [Mr. PALMER], who also is not in his seat. The question put to me then was whether the declaration made by the President in the latter part of April had been the cause of bringing to this country a large amount of gold. I find that, as I stated on a former occasion, the Secretary of the Treasury had had various interviews, as printed in the public press, with reference to the obligations of the Government as to the payment of the greenbacks and Treasury notes in gold. As I stated then, it had been the policy of the predecessor of the present Secretary to pay those obligations in gold. The question was presented to the Treasury Department whether that practice should be continued.

It is said, though I do not know whether truly or not, that the Secretary of the Treasury telegraphed to the treasurer at New York City to withhold the payment of Treasury notes in gold until the Department should give him further directions. I find in the public press, but will not stop to read them, though I should like to do so—I have a large number of extracts from the New York press and the press in Washington, of different dates, expressive of the methods or the manner in which these assertions of the Secretary were received in financial circles, especially in the city of New York—

The statement that the Secretary would reserve his decision as to whether the payment should be made in gold until he had reached the limit of $100,000,000 in gold appears to have been by the bankers and public of New York City recognized as a declaration on his part that he would pay in silver when that point was reached. That point was reached sometime in April of this year. The Secretary did not pay in silver. But it is said that there was a Cabinet consultation on this point, and that after that meeting the Secretary telegraphed to the treasurer at New York to continue the payment of gold on Treasury notes as theretofore.

The President on the same day or the next day submitted to an interview, in which he declared that all the Government obligations should be paid in gold. I do not understand that that declaration of the President means what it was asserted on the floor of the Senate it did mean, that all the Government obligations of all kinds were to be paid in gold. I do not understand that silver certificates were included, which I think are Government obligations, although the Senator from New Jersey [Mr. MCPHERSON] stated that they were not.

Mr. MCPHERSON. Mr. President, do I understand——

The PRESIDING OFFICER (Mr. GRAY in the chair). Does the Senator from Colorado yield to the Senator from New Jersey?

Mr. TELLER. I do.

Mr. MCPHERSON. Do I understand that the Secretary of the Treasury does not consider a silver certificate an obligation

of the Government payable in gold, just as he redeems the Treasury notes issued for the purchase of silver bullion? As a matter of course, by the practice of the redemption of silver certificates every day in the custom-house for customs dues and other taxes, the Government is pursuing a process of redemption, and in that way it is supporting the silver certificates upon a parity with the other money of the country.

I have also heard it said, whether it be true or not I do not know, that occasionally there had been gold paid, at the pleasure of the holder, for silver certificates, but not under this administration of the Treasury, because I think the present administration of the Treasury has never had gold enough, since it came into power, to do that. I think the present Secretary has never had gold enough with which to pay the obligations that he felt bound to pay, to wit, the Treasury notes.

Mr. TELLER. Mr. President, I do not know what the Secretary may consider the silver certificates, but how he can consider them anything but obligations of the Government is beyond my comprehension.

Mr. McPHERSON. If the Senator will bear with me again he will see, from the wording of the certificate itself, how it stands. Let me read what it says; I have one here.

Mr. TELLER. It is very important.

Mr. McPHERSON. Yes, I think it is very important for us to know exactly what the silver certificate says. It says:

Silver certificate. This certifies that there have been deposited in the Treasury of the United States two silver dollars, payable to bearer on demand.

I do not say that that is an obligation resting upon the Secretary of the Treasury to redeem it in gold, even if an attempt were being made to maintain the parity between gold and silver dollars, for it simply calls for "two silver dollars." That is the redemption, and all the redemption, that the Government makes of this certificate. It proposes nothing more, it promises nothing more, and it is obligated to do nothing more. It is nothing but a warehouse receipt for two silver dollars.

Mr. TELLER. It is more than that, Mr. President. It is more than a warehouse receipt. It is a promise on the part of the Government to pay two silver dollars. It is more than that. It is money, according to the modern definition of political economists and scientists. It is money; it is receivable for taxes and public dues, and for all obligations of the Government; it is paid out and received. The Government holds in trust, you may say, two silver dollars for the redemption of that silver certificate, or $100 for a hundred-dollar certificate. But it is an obligation of the Government that the Government ought to respond to, as much as the greenback is an obligation of the Government, and that is simply an obligation that the Government will redeem every five-dollar greenback with $5 in coin. I assert here now that the Secretary of the Treasury has neither now nor heretofore ever redeemed silver certificates with gold, nor with paper that commanded gold.

Now, I want to bring the attention of the Senate a moment to the statement made by the Senator from New Jersey that there is a redemption of the silver certificate because it is received for public dues and because it is taken by the Government at its agencies for the collection of its import duties, or for any other obligation due to the Government, the idea being that that is redemption in gold.

Why, Mr. President, gold is received at the Treasury Department for dues. It is received for all kinds of taxes, and it would be just as fair to say that the gold is redeemed in silver, because it is received just exactly as silver is, as to say that silver is redeemed in gold or that silver certificates are redeemed in gold, for they all perform exactly the same money function, one with the other.

Mr. McPHERSON. The Senator should not forget to remember——

The PRESIDING OFFICER (Mr. PASCO in the chair). Does the Senator from Colorado yield?

Mr. TELLER. I yield.

Mr. McPHERSON. That gold is the standard, and that everything the Government receives by way of revenue of all sorts in any money of the United States it receives at its par value (of course it receives all the other money at its par value) and that is a payment really in gold. The Government as I understand never redeems its coin, but redeems its certificates through the custom-house, to any amount that the customs duties may come to every day.

Mr. TELLER. I think I understand that. It is another way for the Senator to say that the silver certificate is redeemed because it performs money functions in dealings with the Government. It is no more redeemed in gold than the greenback is redeemed in silver, because silver is redeemed also at the Treasury for import duties.

That is aside, however, from what I intended to speak about. I want to go back to the colloquy between the Senator from New Jersey and myself, that occurred the last time I was on the floor, touching this subject.

The Senator not only then said, but in a second speech repeated and took great pains to show, that the present financial difficulties of this country were—I will not say entirely in that statement, because in the second speech he did not go quite so far as in his first—due to the pernicious effects of the Sherman law. Because I had said that the export of gold did not create the difficulty, that the export of gold was not the occasion of the distress that he complains of in this country, therefore he assumes that it must be something else; that there was no other agency—using his own language—and therefore it must be the Sherman act.

Mr. President, what I said was this: I said the $61,000,000 of gold that went out between the 1st day of January and the 1st day of July went out, in my judgment, the most of it if not all of it, in a perfectly normal manner. I do not know but that I should be inclined to say that all of it had gone out in that way, were it not for the information given us by the senior Senator from Kentucky [Mr. BLACKBURN], in a powerful speech recently delivered, I do not know that he made the statement on his personal knowledge, but he certainly made his statement as a Senator, that some portion of that gold was sent abroad for the purpose of creating distrust in financial circles of the United States. I know that had been charged. I had no proof of it, and I did not make that charge. I believe that that export of gold may have been perfectly legitimate, except, perhaps, it be a very small part of it, that went out in the latter part of the season. I believe that nearly that amount has been imported into the United States since the 1st of July last. I say that that was a legitimate importation because of the demand in New York for money.

In the first place, the demand in Europe for gold was so great that the $61,000,000 that went out from this country to Europe during the early months of the year 1893 went out, I think, every dollar of it, at a premium. Every dollar went out, I believe, when the rates of exchange did not justify the export of gold, and went out not because of any condition (I repeat) in this country, but because of the condition existing in Europe, a condition that has existed in every nation of Europe for the last three years.

It came back when conditions were reversed. It is immaterial what brought about that condition, but when conditions were reversed in the United States there was a grand scramble for money. International money (gold) always goes to the country willing to pay the most for it. For a season, at least, the cities of New York, Chicago, and other American cities, happened to be willing to pay the most for gold. Whether it came to settle the balance of trade, or whether it was a gold loan, is absolutely immaterial. The same law that took the gold to Europe in the early part of the year brought it back in July, August, and September.

The Senator from New Jersey said that it could not have gone in a normal and natural way because we did not owe so much money to justify it. It might have gone if we did not owe a dollar. Whenever a country gets more than its distributive share of international money, it will find a place to go, and it will go to some country that has less than its distributive share. With international money, with money that is good in every country in the world—which the Senator from New Jersey insists is the only good money there is—no nation in the world can take more than its distributive share. That distributive share must depend, first, upon the wealth of the country; second, upon the business of the country. If you have a large, wealthy country, with diversified industries and great business, it can keep more of the world's money than a poor country with little commerce. In other words, the distributive share is more than it would be if a country had only one-half as much business. That, I suppose, is not to be questioned.

We had last year more than our share, more than belonged to us. When a balance was struck between the nations of the earth we were too rich in gold, and they had a right to call upon us for it, as they did call upon us for it, in accordance with the universal law of trade. It went from us because there was a vacuum of money where it went and a plethora in the place from which it went.

Mr. McPHERSON. The Senator from Colorado will note, I think, in the few remarks I had the honor to make the other day, that I drew quite a wide distinction between what is known as the balance of trade and the balance of indebtedness. The statistics give information of how much money we owe to a foreign nation in dealing with it, and of how much they are indebted to us. The balance of indebtedness is quite a different thing, because it may represent something that does not appear upon any record whatever.

In this case the balance of indebtedness is against us by reason

of the return of our securities which were poured back upon us by foreign people.

Mr. TELLER. So said the Senator on the former occasion; so said he when he was addressing the Senate while I was on the floor; so he said in the speech that he recently delivered, in which, I believe, he did not allow anybody to interrupt him. I am not finding any fault now with his interruption.

Mr. McPHERSON. The Senator knows very well the reason why I did not want to be interrupted. It was because I was unable to deliver myself properly of what I desired to say if I should be interrupted.

Mr. TELLER. Very well, I am not complaining.

[At this point the honorable Senator yielded to Mr. WOLCOTT.]

Mr. TELLER. The Senator from New Jersey reiterates what he has repeated on two occasions, that the disturbance in this country grew out of the fact that our securities were sent here because of the distrust of our ability to redeem in gold. The controversy between the Senator from New Jersey and myself is this: I assert that causes existed other than distrust. If distrust existed (and to some extent I admit it did, but not to the extent claimed by the Senator from New Jersey) it was brought about by the vacillating and uncertain conduct of the Treasury Department. That is capable of proof.

I think if I should spend the time of the Senate, as I do not care to do, in reading half a dozen interviews with the Secretary of the Treasury that have appeared in the press between the 6th day of April and the 25th of April, it would be very apparent to everybody that the policy of the Department had not then been settled and that neither the business men of the country nor the Department itself understood what the policy of the Government was to be with reference to the redemption of these Treasury notes. I have a letter from the Secretary of the Treasury, addressed to a gentleman in Boston on the 25th of April, 1893, which, of itself, undoubtedly, while well meant and well intended, I think had a tendency, and ought to have a great tendency, to bring about distrust in that section of the country to which the letter went. It was published in the public press of the country at the time, and now I will read it:

TREASURY DEPARTMENT, *April* [illegible], 1893.

MY DEAR SIR: I desire you to convey to the associated banks of Boston my sincere thanks for their generous and patriotic action in tendering gold to the Treasury. If all the banks in the country which now hold gold would imitate the example set at Boston, the present financial situation would soon be changed, and there could be no doubt hereafter as to the ability of the Government, with the patriotic assistance of the people, to maintain its credit even under the most unfavorable circumstances.

Very truly yours,

J. G. CARLISLE.

Mr. PHINEAS PIERCE,
Chairman Clearing House Committee, Boston, Mass.

Let me read a portion of it again:

If all the banks in the country which now hold gold would imitate the example set at Boston, the present financial situation would soon be changed, and there could be no doubt hereafter as to the ability of the Government, with the patriotic assistance of the people, to maintain its credit even under the most unfavorable circumstances.

If that is not a declaration by the Secretary of the Treasury that there was doubt of the ability of the Government, even "with the patriotic assistance of the people," to maintain its credit unless the banks came to its relief, I do not know what it means. The Treasury has been for twenty years the great steadying machine of this country.

From Black Friday, when Gen. Grant ordered $15,000,000 of gold sold in the city of New York, to the very last panic that has been in this country, the Treasury of the United States has done for this country what the great banks of other countries do for those countries when there are financial disturbances. Our great Treasury Department is the greatest money treasury in the world, I want the Senator from New Jersey to remember. There is no other treasury in the world that has ever accumulated such money. There was no other Treasury in the world where the Government could put its hand on $100,000,000 of gold at such a time, saying nothing about the great resources of the Government that always stands behind the treasury. Here was the greatest depository of gold in the world, and the chief agent who had it in charge, the Secretary, and who ought to have known more about it than anybody else and everybody else, declaring in substance that it was not sufficient for our wants, and that unless the banks came to the relief of the Government there was danger that the Government could not meet the demands for gold that would be made on it. It can not and it does not mean anything else.

I do not mean to say now that the Secretary of the Treasury intended to create financial distrust, but I do say, in view of the circumstance that occurred some four days later, that it does look very much as if at least it was not the intention of the Treasury Department to quiet the distrust that was growing up. But I say there is abundance of evidence that the distrust in the country largely originated from—I will use no harsher term—the vacillating course of the Treasury Department.

Now, the Senator from New Jersey says that securities were coming over here. Yet the Senator has not offered a particle of evidence to show that the securities came to this country, at any time during the year 1893, in any abnormal quantities. I stated to him when I was on the floor before, and I state to him now—and he may verify that at the Treasury Department if he chooses—that $20,000,000 of American securities were sold in the foreign markets in the month of January, 1893. I have read from the report of Dun & Co., dated the 17th of February, 1893, declaring that large amounts of American securities were then going to Europe.

I assert here, Mr. President, that there has never been any evidence adduced by anybody that there has been any return of the amount of American securities that the Senator says came to this country in the year 1893. I do not say that they have not come in considerable quantities, because they are coming and going at all times of the year. When the people in Europe want money, and want it quick—and when they want money they do want it quick—they sell American securities, which are the gilt-edged securities of the world, and nobody doubts that, I believe. Practically in England, for many months previous to the 1st of January, 1893, American securities were the only foreign securities that would fetch gold. Therefore they did send some of them here.

Whenever the money market eases up in Great Britain, then immediately they begin to buy American securities, and if the papers do not make a mistake the great Jewish banker, Baron Hirsch, recently invested $5,000,000, or £1,000,000, in American securities. Their financial agents in New York will tell the Senator, and he knows it, that there has not been a month this year that a great many American securities have not found their way across the water to Great Britain.

Mr. President, it is not fear of our nonability to pay that has ever brought our securities back, any more than it is the same fear that has sent them out. It was the law of trade that sent $61,000,000 of gold to Europe in the first part of the year and brought back $55,000,000 in the last part. The true course of trade and commerce settles these questions. There was no distrust then by anybody of American securities, nor of the credit of the American Government.

Mr. McPHERSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield?

Mr. TELLER. Certainly.

Mr. McPHERSON. I wish to note one particular fact, which it seems to me the Senator seems to slip over without paying very much regard to, that is, as to whether the Government of the United States was attempting to maintain all its money on a parity when the Secretary of the Treasury was found, on the particular occasion to which the Senator refers in the letter which he read from the Secretary of the Treasury, complimenting the associated banks of the city of Boston for their patriotism.

Now, the Senator knows that whenever the Treasury of the United States is unable to maintain the financial policy of this Government, then the people outside the Treasury begin to look out for themselves. If the banks of the country, who held nearly $200,000,000 of gold on the 1st day of July, had not treated the note issues of the Government as the Secretary of the Treasury was treating them, I should like the Senator to tell me why it was that the Secretary of the Treasury felt obligated, so to speak, to compliment the bankers for assisting him to maintain the policy of this Government. If there was nothing prior to that which made the bankers afraid, if there was a bank that felt cowardly about loaning gold to the Government, what was it that produced that cowardice? Was it the Sherman law?

Mr. TELLER. The banks did not loan any gold at all.

Mr. McPHERSON. What was the letter that the Senator read?

Mr. TELLER. It does not say a word about a loan.

Mr. McPHERSON. I understood that he had got gold from Boston.

Mr. TELLER. It simply says that they assisted the Government. The banks were all banks of Boston, and Boston, like several other sections of the country, furnished the Government gold in exchange for other Government money.

Mr. McPHERSON. If the Senator will allow me another word right there as to that particular point, I shall have said all I want to say about it.

Mr. TELLER. Certainly.

Mr. McPHERSON. Between the time of the passage of the Sherman law in 1890 and the 1st day of July, 1893, we had lost in gold $156,000,000; we had gained in silver $147,000,000 or $148,000,000. My contention is that during that whole period of time

the foreign investors had discovered that we could not long maintain the policy of purchasing silver and redeeming it in gold, and they had been sending us back our certificates. As a result we lost $156,000,000 of our gold. Only a small part of this $156,000,000 was returned. We knew all the time that the balance of trade was against us. But the balance of indebtedness was shown by the returns, of which, as I said before, there was no record made. This return of our securities has been going on for nearly three years. Of course the gold has gone abroad, that some has come this way, since the 1st day of August, for the purpose of investing in 60-cent wheat and in securities which had fallen in value more than 50 per cent.

Mr. TELLER. I have not stated, and do not intend to be understood to say, that no American securities came back, because I stated when I was on the floor before, or last night, or on some occasion, that I had been informed that the failure of the Barings in London caused in a very short time several millions to come upon our markets. But that was before the Sherman act had any influence upon public affairs.

The Senator wants to know why the Government was short of gold. Early last spring, immediately after we had voted in this body that there would be no bond issue, or rather, after it had been determined in another place that Congress could not authorize an issue of $50,000,000 of bonds (which was a clause of an appropriation act, as I recollect), there was a great clamor made about the fact that the Government was short of gold. The Government then had $100,000,000 of gold that it had accumulated, almost all of it, about $95,000,000, if I recollect rightly, by the sale of bonds. The Senator from Iowa [Mr. ALLISON] says the amount was $95,500,000, as disclosed by the tables. That was accumulated for the purpose of redeeming the greenbacks. That has been kept intact. At no time had what we call the free gold in the Treasury ever got down to $100,000,000. Of course the gold in the Treasury pledged for the payment of gold certificates was not considered in returning the amount the Government had, which was from $125,000,000 upwards.

In the fore part of the winter of 1893 this sum began to grow less, and as the Treasury approached the $100,000,000 limit there was a great howl set up in all the financial circles of the country, and the statement was made over and over again—and I think there was nobody much more distressed about that than the Senator from New Jersey—that when the Government reached that $100,000,000 limit, if it should put its hand on a single dollar of it, it would commit an act of degradation. Exactly what was said to be going to happen I have no means of knowing, but it was something dire and dreadful. We were told again and again that if the Government interfered with its reserve, that moment distrust would come.

It always occurred to me that if I had a large amount of money in a bank, it could not add to my credit if the public understood that I could not use any portion of it. So it seemed to me that to say that the Government had relegated $100,000,000 to absolute idleness—for that was the claim—was the height of financial folly, if not financial wickedness. If the $100,000,000 was put there to sustain the credit of the Government, for the redemption of greenbacks, and was subsequently applied by the Treasury to the payment or redemption of the Treasury notes, I want to inquire of these great financiers in New York, who claim to instruct us upon finance, what they supposed that money was there for? Was it there to look at? Was it there, like the miser's hoard, or was it there for the purpose of being used when the Government had necessity for it, the necessity being indicated by the statute?

We were told by the public press, and we have heard it on this floor, that if the Government should trench upon that $100,000,000 there would be great trouble in this country. We did trench upon it. The Secretary of the Treasury, who had more sense than his advisers in New York, found it necessary to trench upon it. But before he did trench upon it the banks of New York City proposed to aid him in maintaining the reserve of $100,000,000, and they furnished him $6,000,000 of gold, for which they took currency, which was every bit as good as gold, and better, because the people of the United States much prefer it.

Having attracted the attention of the whole country to the wants of the Treasury Department, having furnished this mere trifle of $6,000,000, they turned around and said to the Secretary of the Treasury, "You can have no more gold from us unless you adopt the policy we have outlined for this new Administration—that is, you must sell bonds to strengthen your reserve—if you are not going to do that, we decline to furnish you any more money."

The national banks in a city away out on the plains, a city that has grown up since the most of us arrived at manhood, that twenty-five years ago was on the very frontier of civilization, a city that to-day possesses as many elegant buildings and as much culture and refinement and learning as any other city on the continent, in proportion to its population, the city of Denver, sent word to the Treasury by telegraph, saying: "If you want $1,000,000 of gold from us you can have it." The Secretary of the Treasury accepted it, and then from every portion of the country, from Chicago, from Pittsburg, from Boston, and from all over the country came offers and proffers of gold.

The people did not believe the Government of the United States was in distress. They knew very well what was attempted by the great bank agencies of New York City. They knew it was for the purpose of compelling the Government of the United States to accede to their wishes and to adapt its financial policy in accordance with their theory, or else it was to discredit the Government of the United States. Little towns the Senator never heard of in his study of geography made their gold proffers of $50,000 and $100,000 to the Secretary of the Treasury. I said to him myself in person before I left this city last spring, "If you want $20,000,000 gold from the West I will show you how to get it. You have only to say to the great West that you want gold, that you will exchange paper money for it, and it will come to you. You can get $20,000,000 in Denver, Kansas City, Omaha, San Francisco, Helena, and the States of Washington and Oregon." It was there ready to come. Boston came to the aid of the Government in the same way. The Secretary, as he ought, recognized their patriotic conduct; and he said, "If everybody would do as well as you have done, then there would be no fear of disaster." I need not say that Boston, of course, was frightened; because they knew nobody would do as well as Boston, of course. That is the way Boston came to furnish money to the Treasury of the United States.

Mr. MCPHERSON. If the Senator will yield to me a moment, I wish to call his attention to the fact that perhaps the city of Denver and other cities in Colorado were in a better condition to loan gold to the Treasury than any other part of the United States. I notice from the reports made by the Comptroller of the Currency in the past two years that the Denver banks particularly, which I believe are very strong institutions, have held a very small portion of anything in their reserves but gold. It always seemed to me very strange that in the heart of the silver industry of this country, according to the statement, I think, if I remember right, in March or May of last year, the banks held only about 3 per cent of any items in their reserve except gold, and therefore the Denver banks were in a stronger condition.

I notice further, if the Senator will permit me, that in Nevada, Arizona, Montana, and other silver States the same condition of things seem to exist; there was nothing but gold held in the reserves of those banks for the past two years. Perhaps the Senator can explain it. I can not explain it except on the idea that the methods of doing business out there are a little different from what they are in the East, and their currency may be different. I know it is the case in California, and I presume it may be so in Colorado.

Mr. TELLER. I can explain to the Senator why the banks of Denver have gold. There are no mints in Denver. The Government does not coin any money in that section of the country. The nearest mint is Carson City, 1,500 miles away, or something like that distance.

Mr. MCPHERSON. You have no mint in Denver.

Mr. TELLER. We have no coinage mints in Denver. Consequently if we get silver we have to get it from Philadelphia, New York, or somewhere. The Colorado bankers are just like other national banks. They did not know exactly what the Senator from New Jersey would be able to do in the very severe attack he has made on the silver dollar here in the last fifteen years I have been here. I remember he used to introduce pretty nearly every session a bill for the repeal of the Bland act or touching the silver question. We are told by all the Government agencies that the silver dollar, although a good dollar to-day, to-morrow would not purchase as much as a gold dollar. So the Denver banks, with that proper precaution that they would take at such time, loaded themselves up with gold.

I think, as the Senator says, the banks in Denver have been especially strong, and yet—I did not intend to speak of this but I will—notwithstanding they were so strong in gold, in July no less than six of the banks in the city of Denver suspended. They did not all suspend. There were some of the banks that had a sufficiency of money to pay all the depositors. I walked into one bank the day that it suspended, after banking hours, and I was told by the cashier and the president that they had actual cash enough to pay every depositor in full. At least two banks were in that condition. The Denver banks were especially strong and well managed.

Since the Senator has attracted the attention of the Senate to the Denver banks, let me state why they failed. It is not a matter that I have felt very much like talking about, because I have

had very little patience with certain Government officials, and I do not desire in this place to bring severe accusations against any of the public officials if I can avoid it.

Mr. President, those banks failed because of the misconduct of the Treasury Department. There were in the month of July about twenty days when no owner of silver bullion in the United States could get a dollar for it at any price whatever. No broker in New York dared to buy; and the Government of the United States, that was authorized in those twenty days to take 4,500,000 ounces at a price that no living man ever expected to see it sold at between 62 cents and 70 cents, absolutely declined to consider any proposition whatever for the purchase of silver bullion. The banks that had advanced money to the silver miner and to the smelter were compelled to go without the money that would have been realized on the bullion which was offered to the Government and which was in New York and offered to the brokers there and could not be sold.

Thus banks absolutely as sound as any banks in the State of Connecticut or New Jersey or anywhere else, were compelled to close their doors because they did not have currency to pay their debts. If they had reached the high state of financiering of the New York banks they would have simply said when a man went with his check, "We will give you credit on our bank books." That is the New York system. "We can not pay you money, but we will give you credit on our books." If an attorney had gone with his client to the bank so refusing to honor his check and said, "That is an act of bankruptcy and I will put you into bankruptcy," or "I will call on the Comptroller of the Treasury to close you up," they would have said, "We are above the law." That is what they said in New York. They had not yet reached that high state of banking, and they thought that being a bank of deposit, when a check came, in the man who had money there was entitled to have it paid, and when they could not pay it it was their business to close their doors and declare that they had committed a breach of the banking act that rendered them liable to lose their charter unless through the wisdom and discretion of the Treasury officials extension might be granted.

I want to say to the Senator from New Jersey that every one of the six banks which failed in one afternoon in the city of Denver has resumed. Every one of them is solvent; and I repeat, if the Secretary of the Treasury had purchased the silver that was offered, as he ought to have purchased it, the banks would not have closed their doors.

In July only about one-half of the amount required by law was purchased, and that in the latter part of the month. The Secretary of the Treasury has pursued that policy from that day to this, buying each month just about one-half, or a trifle over one-half of the requirement of the statute, upon the theory that it is not offered to him at the market price.

The Senator from Nevada [Mr. STEWART] has spoken of this, and I do not desire to spend any further time on that point. The Senator further said, not in his last speech, but in the former speech:

> The people became frightened and made their drafts on the Treasury, and the Treasury could not meet them.

I do not suppose the Senator meant to assert that any drafts went to the Treasury that were not promptly met, because at no time was the reserve intrenched on more than $8,000,000 or $9,000,000. At no time, as I recollect, did it ever get below $90,000,000. So there were at all times $90,000,000 of gold for any citizen who held the obligations of the Government in the shape of greenbacks or Treasury notes.

Mr. McPHERSON. Is the Senator quite sure that he quotes me correctly? If I said that drafts were made upon the Treasury which could not be met and were not met I certainly had not said what I intended to say. Inasmuch as all the reserve gold in the Treasury was pledged to a special purpose, and as there was no free gold, there was a fear in the public mind that the Government would not long continue to maintain the policy it had outlined.

Mr. TELLER. That is what the Senator said. Of course, I understood that he did not mean that a draft was actually tendered and refused.

Mr. McPHERSON. I sometimes speak carelessly.

Mr. TELLER. He meant the fright the people were in.

Mr. McPHERSON. Yes.

Mr. TELLER. Is it not worth while, when we come to debate this question, to debate it upon facts that must be apparent to everybody? Is there any evidence anywhere to indicate that the people did not believe the Government, with ninety-odd million dollars of gold, could redeem its $140,000,000, or less than $140,000,000 of Treasury notes, and its $300,000,000 of greenbacks, if they should be presented?

As I said on a former occasion, I repeat now, the demand which has been made upon the Treasury Department by the people who hold these two kinds of paper, greenbacks, and Treasury notes who want gold for ordinary uses is absolutely inconsequential. The demand for gold is always made by the exporter. It was not a cause of fright; and to the exporter of gold, who did not then hold or own this paper, who only expected to go to the bank and get it and then go to the subtreasury in New York and draw it out, and it would have made no difference if the Government of the United States had declared that it would not pay a dollar of the Treasury notes in gold. Then the holder of the greenbacks would have gone to the Treasury, and if the Treasury Department had declared that as they were payable in silver instead of gold, the export of gold would have still gone on until the banks of New York City had charged such a rate for furnishing the gold that it became unprofitable to export it, and then it would have ceased.

There are a good many other things that the Senator said in reply to me that I will not have time to go over. The burden of the Senator's complaint was that the people lacked confidence; and that is the burden of the complaint of those who demand the repeal of the Sherman act, and that the lack of confidence was brought about by the fact that the Sherman law was in force. I aver that a careful examination of the condition of the national banks in this country ought to convince any person who is at all familiar with financial affairs that it was not distrust of the Government that brought about this difficulty, and there has been at no time any distrust of the Government whatever among the people.

The distrust was of the banks and by bankers of themselves. As a Senator who sits near me said the other day in speaking of this matter, the first distrust was when the banks distrusted their ability to pay their deposits; and that is true, with the immense deposits that the national banks and the State banks had of more than three times as much as all the money in the country, with the savings banks in this country with deposits that could not be paid by the holders of every dollar of money that is in circulation in this country. If one man had had it he could not have made good the debts of the savings banks alone. The fact was there had been piled up in those banks immense deposits which meant nothing more nor less than credits. Who supposes that the $2,000,000,000 of bank deposits in the national banks, and the more than $2,000,000,000 more in private banks and trust companies was money ever put into the banks or that it represented money at all?

These great banks say to a gentleman who wants to borrow money, "Very good, we will lend you $10,000." The way they do it is to take his note and give him credit. Not a dollar passes from the bank to him. They put it on their books and say, "Now you are entitled to draw from us $10,000." Then they put on $10,000 for another; and so a bank with a capital of $100,000 will have $1,000,000 of deposits, which means that on its $100,000 it has given $1,000,000 of credit and has taken the chances that all the depositors will not come for their money at once, and that out of the money that shall come in from actual depositors they may pay the parties to whom they made the loan or that checks drawn on them may be put to the credit of the drawee. When the banks were met face to face with a financial stringency and shrinking of every security that they had, which had been going on for three years, it is not strange, as a Senator said to me, that they began to distrust their ability to pay their deposits; and then in a little while the people began to distrust their ability to pay their deposits.

It was then that the people drew out of the banks the $200,000,000 that we hear so much of. And they took any kind of paper; they took any kind of money metal; they took anything that they could get. In addition, in New York City they were compelled to take nearly $40,000,000 of clearing-house certificates, which were simply the notes of a committee of banks in which they promise to pay and put up to whoever should be the holder of their securities or rediscounted their securities.

Mr. HIGGINS. Will the Senator yield for a question?

Mr. TELLER. Certainly.

Mr. HIGGINS. I ask the Senator from Colorado if the condition of the banks and the bankers in respect to their deposits and loans which he has just described, and to which he attributes the causes of the panic; that is, that the people got afraid of the banks——

Mr. TELLER. I do not attribute the distrust entirely to expansion by the banks.

Mr. HIGGINS. I ask whether that was a novel or exceptional condition, or one which had been in existence for a long time?

Mr. TELLER. The method of the banks in making loans was not a novel condition.

Mr. HIGGINS. If it was not a novel condition how was that the cause of the trouble?

Mr. TELLER. That is not a novel condition. It is the usual method of banking. But if the Senator will look he will see that the difference between the loans made by these banks now

and ten years before, the loans made, say, in 1883, and the loans made in 1893, he will be convinced that there had been an inflation, not of money, but of bank credit unparalled in this or any other country. It was not that the system is not perfectly proper, and perfectly natural; but if a bank with $100,000 can put upon its books the credits of various business men in the community for three or four million dollars, the Senator must see that is a condition which must ultimately break down.

The other day when the Senator from New Jersey was on the floor he was very emphatic, not only that the law of 1890 was the cause of all the present disasters in the country, but that there was a universal demand of the people of the United States for its repeal. I think he said that at least forty million of the people of the United States had demanded its repeal. How they demanded it, through whom they demanded it, he did not see fit to enlighten us. I have heard a great deal about the demands of the people of the United States for the repeal of this law. The boards of trade, the chambers of commerce, the associated banks, and all sorts of corporations everywhere have been in accord in demanding the repeal of the law, and even, I believe, in some instances political organizations have demanded its repeal, and we are told because it is the universal cry from those sources that therefore the American people demand its repeal.

I said the other day, and I repeat it, that the American people have not demanded its repeal nor have they been heard on it. I want to read to the Senate some of the means that are being used to bring about and to create an opinion that there is a great demand for a repeal. We were told recently that the Democratic State convention of the State of Nebraska had demanded the unconditional repeal of the Sherman act. It was supposed by everybody that the State of Nebraska was rather a liberal State upon the question of silver coinage. Two years ago last fall a Democratic campaign was made upon a free-silver plank and the Democrats for the first time I think in that State elected a Democratic governor. Last fall, in 1892, a campaign was made upon the gold basis; and whereas in the campaign before the Democratic governor had received seventy-odd thousand votes, in 1892 he received I think about 40,000, or a little more than one-half.

Now, I want to read the method, because in the Senator's speech the other day he speaks of the whirlwind of indignation that is about to sweep the Senate out of existence because of our inattention to this public demand, and because we have not repealed the law the people are about to change the form of government and do away with the Senate. We will see how they get up these whirlwinds of indignation. I read from the Atlanta Constitution:

NEBRASKA'S STATE CONVENTION WAS PACKED WITH CANDIDATES—MR. MORTON'S SCHEME WAS SMART—APPLICANTS FOR FEDERAL OFFICES WERE CLUBBED INTO SUBMISSION—EACH MAN RECEIVED WARNING—HE HAD TO GIVE HIS VOTE OR GET NO OFFICE—DELEGATES BULLDOZED BY PATRONAGE—THE PEOPLE FOR SILVER.

LINCOLN, NEBR., *October 9.*

Naturally, the Democracy of the West and South was surprised last week when the Nebraska State Democratic convention declared against the free coinage of silver, and for unconditional repeal. The sentiment of the State is overwhelmingly in favor of silver, but the convention was packed through the manipulation of Secretary Morton, who pulled the wires from Washington, whence came the word that BRYAN must be downed.

BRYAN is a member of Congress.

In order that you may know what influences were brought to bear upon the convention I copy some letters sent out by the secretary of the State central committee:

"OMAHA, NEBR., *September 1, 1893.*

"DEAR SIR: You were some time ago indorsed by the State central committee for the post-office at ——. Circumstances may arise which may cause a revision of that action. You are earnestly urged to be at the Democratic State convention October 4, as a delegate. Be sure and have your delegation composed of Democrats whom you know can be relied upon.

"Yours, truly,

"J. B. SHEEAN, *Secretary.*"

Shortly after that the following letter was sent to each one of the 2,000 candidates who had applications before the State central committee:

"OMAHA, NEBR., *September 14, 1893.*

"DEAR SIR: The officers of the State committee desire to communicate with you respecting the indorsement which they gave for postmaster. The delay in making the desired changes in this State necessitates vigorous action on the part of the committee and applicant, and you are requested to meet the officers of the committee at Lincoln on the 3d or 4th of October. The State convention will be held there at that time, and you are urged to be present as a delegate from your county.

"In order that there may be a full representation, you are especially requested to be present in person. It is important that you be present representing the best interests of Democracy and coöperating with the committee for the welfare of the party. Trusting that this may receive your serious consideration.

"I am yours, respectfully,

"J. B. SHEEAN, *Secretary.*"

The above letters are samples of the way the Democratic convention was packed and the sentiment of nine-tenths of the Democratic voters of this State was smothered by the votes of three hundred applicants for post-offices, who were delegates to the State convention and whose instructions were to see to it that the Administration was indorsed, that its financial policy was indorsed, and that the executive branch of the Government should use Nebraska as a club to aid it in coercing a coördinate branch of the Government into submission to its wishes. Of these applicants who were delegates, nearly all were free-silver men, but they had a club held over their heads and were compelled to vote as they did or lose the indorsement of the State committee, which meant the loss of the post-offices.

I write this in order that you may know what the Administration and its representative, the State central committee, are doing in the way of buying and bulldozing with patronage the voters of the State. I know what I am talking about when I say that nine-tenths of the Democratic voters of Nebraska are in favor of the free coinage of silver, and the expression in the Democratic platform recently adopted in this State does not represent the views held by Democrats here.

W. D. TIFFANY,
Vice-President Democratic State League of Clubs.

This is all I care to say about the whirlwind of indignation that the Senator from New Jeasey spoke of in his recent speech.

Mr. President, I do not intend to review the Senator's last speech in detail. There is too much of it and there is not time. I do not care to do it. There is one thing the Senator said in his recent speech that I do not quite understand, and I will venture to read it; and if the Senator has any explanation to offer I should not object to hearing it:

Let not the silver-producing States, or the manufacturing States, hug to their breasts the delusive phantom of hope that our sympathy for the one, or our charity for the other, will longer suffice to degrade the currency, as open mints would do, or oppress the masses, as our tariff laws now do. Let not my democratic friends on this side of the Chamber longer indulge the vain hope that the Democratic people of this great country will continue in the future to support that party and its candidates notwithstanding the fact that it trifles with issues before which all other issues must perish and sink.

I do not know, after the extensive speech the Senator had made to show how wicked the Sherman law is, whether the Senator really believes that the Sherman law is worse than the tariff law, or the tariff law worse than the Sherman law.

Mr. MCPHERSON. In what respect?

Mr. TELLER. I do not know.

Mr. MCPHERSON. What I wanted to get at is the Senator's application? Does he mean whether it has been influential in bringing about the disaster of which the country complains?

Mr. TELLER. Yes; that is what I mean.

Mr. MCPHERSON. If that be so, it seems to me as though the Sherman law was entirely responsible for it all, because Mr. Cleveland was elected last year in November, and it was pretty well known after Mr. Cleveland was elected and a Democratic House and a Senate that we would have a radical revision of the tariff. There was no panic started in the country. The country was not convulsed until some time in the month of May of this year, when it was discovered that the Treasury could no longer take care of the financial policy of the Government.

Mr. TELLER. Then I suppose according to that the tariff is not so bad a thing as the Senator seems to have supposed. I am pleased to have that admission.

Sometime since when I addressed the Senate in a very brief manner, the Senator from Oregon who sits in front of me [Mr. DOLPH] took me to task for what he seemed to consider an inconsistency. He said I had berated (or words to that effect) people who did not agree with me as to the free coinage of silver; and yet that I had declared that if I did not believe the free coinage of silver and the parity between gold and silver could be maintained with free coinage of silver, I would not be in favor of the free coinage of silver.

I did make that statement exactly as the Senator stated it, and I did not go any further then. But I was not then attempting to discuss the silver question or present it in a very logical manner; I was replying rather hastily to something that had been said by the Senator who sits on my right [Mr. HAWLEY]. I have repeated over and over again in the Senate that if I did not believe we could maintain the parity of the two metals with the double standard I should be opposed to the double standard. I could not reconcile my ideas of the proper financial policy to having one dollar worth 90 cents and the other worth 100 cents, or having one dollar worth 110 cents and the other worth a hundred.

If I believed that the divergency that the Senator himself fears would exist I should not be in favor of the double standard; but I say now, as I said to the Senator from Illinois [Mr. PALMER] last night, that if the United States is driven to one metal alone it is infinitely better that we should take the silver standard and not the gold. I believe that is the opinion of some of the best financiers in this country and in Europe. I believe there was a strong sentiment in the last Brusse s conference, amongst intelligent and learned men on this subject, that the silver standard is the most stable standard of the two.

The Senator from Oregon, in the same speech to which I now refer, declared that gold is the stable money of the world, and that sliver is the unstable money.

Mr. President, you can only determine what is stable money by comparing it not with itself, because no comparison can be made with itself, but by comparing it with the commodities that it measures or commands. If the law of supply and demand is the same to-day that it is to-morrow, and to-day it commands twice as much as it will to-morrow, that is an unstable standard.

The Senator assumes that gold is immovable, that gold does not change; and neither does it, if you measure it by itself. Neither does silver. Measure silver by itself and it is as unchangeable as gold. Measure it with gold, and it is as changeable as gold, and not a bit more so. Measure silver with commodities. That is the proper measure to determine the stability of money, the things that it commands and controls; and if it has controlled them all along for a series of years exactly in equal or nearly equal quantities, making proper allowance for change in supply and demand, then that is a stable money; but if it fluctuates as gold prices have fluctuated up and down, then it is evident that it is not stable money.

I find a great many people believe that gold is a stable money, because it is the only money that has been in practical use in this country as the standard money. Silver has been in use as a depreciated and degraded money, although it has always been able to buy and pay just as much as gold; but it has been always been under the ban of the displeasure of the capitalists of this country.

Up to 1871, there was but one single gold standard country in the world, and that was Great Britain. Prior to 1816 there was not a country on the face of the green earth that had exclusively a gold money. The old philosophers, and the learned students like Locke, declared that silver is the stable money. Locke was a single-standard man, and not a double-standard man, as my friend from Delaware [Mr. HIGGINS] seemed to think when he referred to him in his speech. Locke was never a double-standard man, never a bimetallist, but a monometallist; a silver-money metallist, declaring that there could be but one standard, and that silver was the only metal fit for that standard; and it was so declared by a committee of the House of Representatives in this country as late as 1829 or 1830.

All the world prior to 1816 regarded silver as the chief money metal of the world. It was everywhere the favorite money, and it practically remained so outside of Great Britain until 1871, when Germany took the first step towards the demonetization of silver. In 1847 the government of the Netherlands, a country that I suppose has more men learned in political finance than any other country in the world in proportion to its population, appointed a commission to determine which was the best money metal for the standard. Now, this was before there was any influx of gold from California. It was before there was any depreciation of gold by the large output from Australia, California, and Russia. That wise financial country adopted silver, and the committee reported to the government that they took silver because it was the stable money of the word, and because up to that hour, as up to 1871, it had been everywhere when compared with commodities more stable than gold.

Mr. MCPHERSON. Why did it change?

Mr. TELLER. It changed because the Government of Germany in the first instance, the United States in the second, the Latin Union in the third, withdrew from silver the protection of law.

The Senator from Oregon [Mr. DOLPH] the other day said the stamp of the Government can not make good money; that it is the intrinsic worth that makes good money. Now, I want to ask the Senator from Oregon what has become of the intrinsic worth of silver that in 1873 was worth $1.29 an ounce, and is worth today 73 or 74 cents. Intrinsic value ought to be the same always. I think the Senator from Oregon confounds the commercial value with the intrinsic value. I think he is right according to the dictionary definition to say that silver and gold have intrinsic value, but I think with the Senator from Nevada that if he were to write a treatise on political economy he would hardly speak of gold as having intrinsic value.

Mr. DOLPH. I am satisfied to use the word as defined in the dictionary for two hundred years to express what I want to express by it; and I do not expect to write a treatise on the subject. That is good enough for my purpose.

Mr. TELLER. I do not propose to waste any time upon the question whether it has intrinsic value or whether it has not, because the term we always understand, and I make no criticism of the Senators use of the word "intrinsic." What is meant by it is that it has a metal value, that somebody wants it because he can make use of it somewhere. Now, gold and silver have qualities that commend themselves to the whole world. There is no history so old that it can not be found that silver and gold preceded it, and I say there is no history so old that the law touching silver and gold had not preceded that history. I assert here now that there is no natural money. Aristotle declared that ages ago, and nobody has ever improved on his definition of money from that day to this. Money is just what the law makes it.

Now, it does not follow because money is what the law makes it that the Government can make money out of everything, out of potatoes and out of wheat and out of corn, and make it good money. The government of some countries could say that a bushel of wheat should discharge a debt of one dollar, and it would discharge that debt, I suppose. I do not say the Government of the United States does that; but I have no doubt it could be done by some governments that have more ample powers touching those things than ours.

The relation between gold and silver and its use as money is one of absolute law, and I challenge any historian or reader of history to show anywhere in history, profane or sacred, modern or ancient, where gold and silver have circulated as money, that the law had not fixed the amount and the relation that existed between the two metals.

Mr. PLATT. May I ask the Senator a question?

Mr. TELLER. Certainly.

Mr. PLATT. Does the Senator think that if the United States should provide a dollar coin of silver at a ratio of 5 to 1 it would have the same debt-paying power as a gold dollar of 25.8 grains?

Mr. TELLER. That would depend on a great many questions, and would necessitate my entering into a discussion of very intricate and difficult features of finance. That I do not care to do. Suppose the Government of the United States cleared the country of every dollar of money, wiped it all out. You would have nothing but barter. The Government of the United States says now we will have $500,000,000 of gold; we will have $500,000,000 of paper; and we will have $500,000,000 of silver; and the ratio between the silver and gold shall be 5 to 1, or any other ratio the Senator from Connecticut may suggest.

If we needed three times as much money as we had, it is barely possible that we could float it at that very different ratio from everybody else in the world. It has been done. It was circulated in the Indies in the early times at 12 to 1, when the ratio was 14 and 15 in Europe; it circulated in Japan at 4 to 1; in China at 6 to 1. That was at a time when the means of intercourse were very limited, and it was not easy for anybody to get to China or Japan to exchange silver for gold. In the United States it might not be that you could thus maintain that relation, but if every nation in the world using money should declare that the ratio should be 5 to 1, that would be its ratio, and it would be its commercial ratio from that minute on, or any other ratio that they might choose to adopt. Does the Senator from Connecticut doubt that proposition? Then, if that is true, is not the relation that exists between the two metals one of absolute creation of law? Is there any commercial or natural relation between the two metals? The Senator from Oregon said the other day that an instance could not be found anywhere where the legal relation did not conform to the commercial relation.

Mr. DOLPH. No; but that you could not find a civilized nation where gold and silver coin circulated with the free coinage of both at a legal ratio different from the commercial ratio. That was the proposition. It was free coinage.

Mr. TELLER. At one time Spain had a ratio of 16 to 1. Portugal had a ratio right side by side of 14 to 1; France had a ratio of 15½ to 1. France had a ratio from 1726 to 1785 of 14.62 to 1, and England had a ratio at the same time of 15 to 1; and the silver and gold circulated in France, and silver and gold circulated in England, and all had free coinage of silver. The Spanish Government at one time added one-fifth of the value to their gold coin.

Now, I will admit that it is much more difficult to do that now than it was in those days, because the means of intercourse are so much greater, because the trade is so much more active, and because we have got so much like one commercial community. I started out to say in answer to the Senator from Oregon, who said Government could not make good money, tnat nobody else can make money but the Government, and nobody else ever did make money but the Government; I did not say, I repeat, that you could make money out of everything that exists. Under certain restrictions you can take copper and make it into money.

Now, I will go back to my first illustration of $500,000,000 of gold and $500,000,000 of silver and $500,000,000 of paper, and we will say the relation between the gold and silver is one of universal relation, and therefore there is no question as to its ratio. One billion five hundred million dollars of gold, silver, and paper doing the money business of this country. If there is any more money than is needed, the gold and silver will leave the country; the paper will not leave; it is not international money. There is nobody anywhere outside of the United States holding out their hands for paper money, and everywhere in the world all the goods of the world are being held out in front of the gold and silver when the relation exists between them as it did before 1873.

Now, if there is more, as I said before, than our distributive share of money, either gold or silver will go, and that will go which is the most sought after. Prior to 1873 it was silver all over the world that was the favorite money. That money

brought 3 per cent premium in this country over gold. Now it is gold. The fashion has changed, or, as one man said in the monetary conference of 1878, a craze for gold has taken possession of the people, and they want gold; so gold would go first, and then the silver; but neither will go unless the country has more than its distributive share of money.

[At this point Mr. POWER called for a quorum.]

Mr. TELLER. I was supposing the United States have three kinds of money, paper, gold, silver, in equal quantities, say $500,000,000 each. If, as I have before said, that was no more than the business of the country required there would be no difficulty to maintain the parity between the gold and the silver, between the paper and the gold and the silver, because each one has its duty to do, and full duty to do. But if the paper money should be increased beyond the amount demanded by the business of the country, beyond what it would absorb, then the paper will depreciate or commodities measured in that kind of money will rise. I am assuming now that neither one is redeemable in the other. Each one's value consists in the fact that it is performing money functions. Suppose with these $1,500,000,000 of money the Government adds to it all at once $500,000,000 more of paper and that the country does not need $500,000,000 of additional paper. If it does not need $500,000,000 more money, it has more money now than belongs to it.

What is going to become of it? By the rule that I laid down before, when one country gets more than its distributive share of the world's money, then it goes to some other place. Now, the paper would not go out of the country and the gold and silver would, when it could be put into the coin of the country to which it would go. But suppose, on the other hand, instead of increasing the paper they increase the gold and then there is a surplus of gold, the country not needing this additional gold, there is a surplus and it will seek some country where the surplus does not exist. When it can not be profitably used in the country where it is it will seek a country where it can have better treatment.

Mr. MCPHERSON. May I ask the Senator a question?

Mr. TELLER. Certainly.

Mr. MCPHERSON. Suppose, then, as I fear would be the result of the Senator's policy, it would give us too much silver, where could the silver go without a mint in Christendom open to its reception?

Mr. TELLER. I will get to that, if the Senator will wait. I am making an illustration now that I do not care about going away from.

Suppose some morning the holders of gold in this country with $500,000,000 wake up and find, when they take up their morning paper, that the day before the Government of the United States had demonetized gold; that is, the Government had said it will no longer take gold for taxes, it will no longer pay debts between individuals, what would the Senator from New Jersey, if he had his pocket full of that gold, do with it? He would say at once, "Well, this is not legal-tender money here; it is legal-tender money in Great Britain; it is good somewhere else; it is valuable still to me." But suppose the next morning when he took up his paper he found that every country on the face of the earth had demonetized gold, that every country had declared that gold was no longer a legal tender and should not be received for public dues, does the Senator suppose that he would have a place then to send his gold?

Mr. MCPHERSON. But is not the Senator illustrating his argument by practical impossibilities?

Mr. TELLER. No; I am not. I am going to make the application before I get through.

Mr. MCPHERSON. The Senator will please remember that gold is worth just as much to the holder without the Government stamp.

Mr. TELLER. It is not. Now, there is where the Senator from New Jersey is wrong. It is worth very little without the Government stamp, as I shall show him. Suppose all the world had declared that gold was no longer money. What use can you put it to? It is good for bangles and spangles, and rings and cases of watches; but there is more gold in the world than the world could use for such purposes in fifty years. Over forty-nine-fiftieths of it would be hunting a market, and what would become of it? Nobody would want it. It would be outlawed. It is not money. The day before the law interfered it was worth just as much in the melting-pot as it was in the coin, because it could be taken to the mint and put into coin, but you may have withdrawn that privilege from the holder, and then you destroy it.

Mr. MCPHERSON. What would the world do without it?

Mr. TELLER. Oh, that is another question. I am illustrating what use it has as money. That would be the result, and everybody knows it. I need not go into an argument to show that if every mint in the world was closed to gold, if every country denied its legal-tender quality, it would be remitted at once as a commodity, and a commodity with less demand for it than for silver under like conditions. It is now sought after by beauty and fashion and wealth. It would not be then. It would be despised and degraded. That is what has been done with silver.

All the world has outlawed it and put a ban upon it. Yet the Senator tells us that silver is unfit for money; that gold is the only stable money in the world; and that we must have a gold standard, and can not have a silver standard because nobody wants silver. Suppose we should then wake up to-morrow morning and find the mints of every country in the world open to silver and it was a legal-tender money in every portion of the world, does he suppose there would be any silver bought at 73 cents an ounce if the ratio was 15½ or 16 to 1? Then, is it not a creature of law? Is it not a fact, then, that the stamp of the Government is what gives money value to it after all?

Mr. President, I do not want to be misunderstood. I do not want anybody to say that I am advocating that the Government of the United States can make paper just as good as silver; and yet I assert here that under certain conditions it can be done, and it has been done. Irredeemable paper has been made as good as gold, and it can be done again, but the conditions must be all favorable. It is very doubtful whether there ever was a country so wisely governed that sometimes they would not overstep the bounds of prudence and take off the limitations which are absolutely essential to the maintenance of good paper money, because it can go nowhere when there is too much of it in the country in which it is made.

But if the United States, wiping out all its money, should declare that it would have $1,500,000,000 of paper money, and that was a scanty supply for the people of this country, and although not to be redeemed in silver or gold, it should be taken for public dues and should be legal tender between all citizens of this great country, the demand for it would be so great that it would be as good as gold, and it would be maintained exactly as Brazil has maintained her money without any metallic redemption so long as the Government should keep it within the wants of the people. The moment it went beyond that, that moment it would be depreciated, because it depends upon the demand and supply, no more so than gold but precisely alike. However, the demand for gold is a universal demand and the demand for paper is a local demand, and the two stand exactly alike, both created by law, the one a general law and the other local law. It is easier to make gold and silver good money than it is to make paper good money; it is safer, because if you overissue at your mint it seeks some other country; it overflows, it goes abroad, and does money duty in every part of the world where the paper can not.

I assert, then, you may make paper money exactly as Lycurgus made iron money, as the Ionian cities made iron money, exactly as Rome made for years the representative money that was issued by the Senate; but they were careful to limit the amount and never to get more than the wants of the community, because the moment they did, it having no place to go to do money duty and there being no demand for it to do money duty, it depreciated.

Mr. PLATT. To test the theory which the Senator from Colorado is propounding, that the law gives value to money, I wish to ask him a question. Suppose we keep on purchasing silver bullion and the price keeps on declining, would there not, in his judgment, come some place in the downward course where it might not have the same value.

Mr. TELLER. That is the logic of the proposition I have laid down and I will not depart from it. The time will come, if you put 412½ grains in silver dollars and continue to coin them, when the world will only pay you 50 cents, we will say for illustration, for the money when melted. The time will come if you continue when your silver will depreciate, that is, when you have it in superabundance. When the money demand has been reached there is no place for it to go; and that is why I have said the purchase under the Bland act and under the Sherman act, while lawful, was contrary to the correct monetary principles. Open your mints to free coinage of silver. Why do you open your mints? Because it is supposed that it is to give value to your silver. If you open your mints and it does not raise the price of silver, then you are in the same difficulty where you were with buying it precisely. The law is the same.

Mr. MCPHERSON. Will the Senator permit me to apply the theory he has advanced to the present conditions, and I should like to have his answer?

Mr. TELLER. I will answer.

Mr. MCPHERSON. Suppose we continue the Sherman law as it is to-day, without fixing some period of time when the purchase of silver is to cease and we are to stop buying silver with gold. I believe none of the gold which is now out of circulation will return. Now, there are $4,000,000,000 of silver in the world, and I assume the Senator from Colorado would not think from

our past experience that we would absorb in our circulation certainly more than two thousand million of money and use it properly without producing a glut?

Now, there is no demand for silver anywhere upon the earth. Our gold is out of circulation. It stays out. There is no reason in the world why it should come in. Then we must begin to build up our currency in some way to take the place of the departed gold. Now, where do you get it? You get it from the stock of $4,000,000,000 that is in the world. You get it from the stock of nearly $200,000,000 coinage value that you took from the mines last year.

I want to ask the Senator how long it would be before we would have no coin currency but silver? When we reach the point of $2,000,000,000, assuming that to be an estimate of the amount of money we might use, what use are we to make of the other $2,000,000,000 of annual product of the mines? Our currency would not absorb it. We can not absorb it in our circulation. We have then reached a point where we alone of all the nations of the world are standing under this great load of silver. We have lost our gold and we have got silver.

Now, I have heard the Senator in some of the speeches that he has made here upon the floor ridicule the idea that France would part with her silver, that Germany would part with her silver, or that there was any country in Europe that would part with silver. Let me ask the Senator, in this exchange of gold for silver, because our gold has left us, it has gone into the arts or has gone abroad where it is more appreciated, what is to hinder France from taking the $2,000,000,000 of silver which she has in her Treasury and bringing it here to exchange for our gold, we taking her $250,000,000 of silver?

Mr. TELLER. I have said repeatedly that there is only one way to treat silver, and that is to treat it as money metal, and to treat it on an equality with gold upon some ratio to be established by law. Then I am met by the Senator from New Jersey and other Senators who do not agree with me by saying, in the first place you can not fix the relation between the two; nobody can give value to silver in gold. If money is merchandise that is true; but if it stands by itself as independent to some extent of the laws that govern commodities, and I assert that it does, then it is not true.

You may fix the value of it just as France fixed it, at 15½ to 1, and Spain and Portugal had it at a different ratio. In 1726 France fixed the ratio, as I stated before, at 14.62—to be accurate, at 14.625—to 1. Then France, at a later period, jumped up to 15½ to 1, arbitrarily, and the commercial market immediately assimilated itself to it. As I have frequently said, the market for silver is the mint and the market for gold is the mint.

Mr. McPHERSON. One mint might take it all.

Mr. TELLER. One mint might take it all and a hundred mints might be required to take it all, but as long as the mints are open there is a market.

The Senator from Oregon said the other day that it is utterly impossible to fix the value of silver. He said the Government of the United States might just as well try to fix the value of wheat. I submit to the Senator from Oregon or any other Senator, if the Government of the United States would establish an agency in the city of New York and buy all the wheat in the United States at a price fixed at a dollar a bushel when it was 75 cents all through the country, every farmer would put his price at the Government price less what it costs him to get it to New York.

If the Government established agencies all through the country the Government would buy and every farmer would ask for his wheat exactly what the Government was going to pay, less what it costs to get it to the agency. Does anybody doubt that? If the Government did not do it, suppose there is a great milling company like the one the Senator from Minnesota [Mr. WASHBURN], who sits before me, is connected with, big enough and strong enough, we will suppose, to take all the wheat in the country. They announce that in Minneapolis they will pay $1.50 a bushel. They would get all the surplus wheat in the country at $1.50 if their money lasted; and everybody in the United States would ask $1.50 a bushel for wheat less what it cost to get it to that point. It would not all go to Minneapolis, but its price everywhere would be governed by that market. That is what the mint does for silver and what it does for gold. It makes a demand at a fixed price, and so regulates its price throughout the world.

When the Bank of England in 1844 fixed the price of gold at £3 17*s.* 10½*d.* that became the price of gold everywhere else. Why? Because Great Britain is the great commercial center of the world, and anybody who had gold was glad to get it in money that bought anything and everything in Great Britain and anywhere else. If, when the Government fixed the price or the Bank of England fixed it, they had said it should be £4 instead of £3 17*s.* 10½*d.*, that would have been the price of gold the world over, because England was big enough, and strong enough, and rich enough to command the whole world in that line.

Mr. ALDRICH. I am disposed to agree very largely with the Senator from Colorado in the line of argument he is now pursuing; and I think he will agree with me simply as to the question of volume to be offered.

Mr. TELLER. That is it exactly.

Mr. ALDRICH. The resources practically.

Mr. TELLER. That is right.

Mr. ALDRICH. The only disagreement there can possibly be between the Senator from Colorado and myself on this question is whether the United States of itself——

Mr. TELLER. Alone.

Mr. ALDRICH. Has resources sufficient to fix the value.

Mr. TELLER. That is the point exactly. The whole question lies in the ability of the milling company to take all the wheat and pay for it. It can fix any price that it sees fit, from 50 cents to $2 a bushel, if it has the money to buy all the wheat of the country or the world; and so the Government of the United States can buy all the silver of the world if it is sufficiently rich and strong.

[At this point the honorable Senator yielded the floor.]

Monday, October 23, 1893.

Mr. TELLER. Mr. President, some days since I was discussing the question before the Senate, and I had reached a point where I was asked whether I thought the Government of the United States could with the free coinage of silver maintain the parity between gold and silver dollars. Before I proceed to give my reasons in detail I wish to lay down one general proposition, which seems to me to be necessary to the conclusions I have reached.

While money is not merchandise, its value is determined by the law of supply and demand as much as the value or price of commodities. I think it is an important point to be kept in view that the value of money is determined entirely by its supply as compared with its demand, and that whenever the supply of money, no matter whether it is gold, silver, or paper, exceeds the demand, then there is a depreciation of the money or a rise in prices.

The Senator from Nevada [Mr. JONES] who has occupied the floor to-day dwelt at some length both to-day and on a former occasion upon that proposition. It seems to me it is a proposition which does not need any illustration or proof, and in the argument which I shall make I shall assume that it is an admitted economic fact.

Now, if that is the true, the question arises, will the free coinage of silver give us more silver money than the country can use. If it will, then the question becomes a serious one as to what its relation may be to commodities.

On a former occasion when discussing this question I laid down what I thought and believed to be a sound economic principle, one that is supported by all modern writers on political economy as well as by the experience of the world, that all the money of the world is the result of positive law; that there is no such thing as natural money, and never was.

I want now, before I go further, to insist that the relation between the two metals, gold and silver, is one of absolute law; that there is no such thing and there never has been any such thing in any part of the world at any time as a commercial value of gold or silver except as it grew out of statutory enactments. I do not mean to say that in every country where that relation exists there has been a positive legal enactment to establish it, but I mean to say that the relation which exists arises from the fact that somewhere in the world there was such a relation established by law, which has been accepted in that country and in other countries as to the exact relation between the two metals.

I assert here that no student of history can point me to a single instance where these relations have existed that it can not be determined that such relation was the result of law. As I said on a former occasion, I repeat now, written history does not go back far enough to give us the first date when this relation between both gold and silver was established by law.

More than two thousand and two hundred years before the Christian era there was in China a ratio established by law. How long before that period it had been established it is impossible to say. A coin still extant with words on it equivalent to "good for gold" was in circulation in China more than two thousand and two hundred years before the Christian era. "Good for gold" meant, of course, that it was exchangeable for a certain amount of gold. That amount must have been established either by custom or by law. Taking the history of all the countries that have been examined on this subject where positive enactments are found, I think I am justified in saying that it must have been one established by law there. If it was any other than the positive enactment of law there would have been, of course, a fluctuation in the amount of gold that was to be received for the coin, which was composed of other metal than

gold, and at one time it would have called for more gold than at other times.

We find that in India, at least one thousand and five hundred years before the Christian era, there were positive statutes, so old that there is no history showing when they were enacted, providing what the relation should be between silver and gold. The Roman law provided what the relation should be. In all the countries of the world, both before the Christian era and since, where the two metals were used contemporaneously there was legislation as to what that relation should be. So I repeat, there has been no such thing as the commercial relation, in my judgment, uninfluenced by law.

When France in 1726 established a ratio between gold and silver that existed up to 1785, there was a different ratio in Spain, a different ratio in Portugal, a different ratio in England, and a different ratio in other parts of the world. While it was 14.62 in France it was about 10 to 1 in India, 4 to 1 in Japan, and 8 or 10 to 1 in some other portions of Asia. But the French ratio existing until 1785 was very nearly if not quite the European ratio; and when in 1785 France went from 14.62 to a ratio of 15½ instead of 14.62 the whole world went to that ratio practically, as the result of French law.

When Great Britain abandoned the double standard in 1816 the ratio still existed between gold and silver in Great Britain as it existed between gold and silver in France, with the single exception that if a man had silver in Great Britain he could not go to the British mint and convert it into coin, but he could go to the French mint, and therefore the difference in the French price of silver and the English price was simply the difference between what it would cost the holder to take it to the French mint, which was a trifle; or when, as in some portions of the period since 1816, there was an unusual demand for silver in India, then there was a premium in England on silver even over that which could be had by taking it to the French mint. But the French mint substantially maintained the ratio of silver throughout the world at 15½ to 1.

That was determined by the English commission of 1888. I am not going to spend very much time in discussing this proposition, but I wish to read from the report of that commission. They determined that question in 1888. They determined that the stability of silver with reference to gold was the result of French law. I read from the final report of the Royal Commission on gold and silver in 1888, signed by all the members of the commission:

The remedy which has been put before us most prominently, and as most likely to remedy the evils complained of to the fullest extent possible, is that known as bimetallism.

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186. It must be borne in mind that in the case of other commodities the effect of changes in the supply and demand is both more marked and more immediate. These commodities are generally produced for the purpose of consumption at an early date, or within a comparatively short period. The supply at any time available for the market, or capable of being placed on it at short notice, is therefore a very important element in the process by which its value is fixed.

The precious metals, on the other hand, are but to a slight extent consumed, and the available supply consists of the accumulations of previous years.

It follows, therefore, that in their case a diminution or an increase in the new supply is of less importance than in the case of consumable articles, and that an increase or diminution in demand has also a smaller effect. The important consideration with regard to them at any one moment is rather the relation between the total stock then in existence and the then existing demands upon it.

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189. Looking, then, to the vast changes which occurred prior to 1873 in the relative production of the two metals without any corresponding disturbance in their market value, it appears to us difficult to resist the conclusion that some influence was then at work tending to steady the price of silver and to keep the ratio which it bore to gold approximately stable.

* * * Prior to 1873 the fluctuations in the price of silver were gradual in their character, and ranged within very narrow limits.

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The maximum variation in the former year was ½*d.* and the average not quite ¼*d.*, while in the latter year the maximum was 2⅞*d.* and the average nearly 1½*d.* It has not been, and indeed hardly could be, suggested that this difference can be accounted for by changes in the relative production or actual use of the two metals.

191. The explanation commonly offered of these constant variations in the silver market is that the rise or depression of the price of silver depends upon the briskness or slackness of the demand for the purpose of remittance to silver-using countries, and that the price is largely affected by the amount of the bills sold from time to time by the secretary of state for India in council.

But these causes were, as far as can be seen, operating prior to 1873 as well as subsequent to that date, and yet the silver market did not display the sensitiveness to these influences from day to day and month to month which it now does.

192. These considerations seem to suggest the existence of some steadying influence in former periods, which has now been removed, and which has left the silver market subject to the free influence of causes, the full effect of which was previously kept in check.

The question therefore forces itself upon us: Is there any other circumstance calculated to affect the relation of silver to gold which distinguishes the later period from the earlier?

Now, undoubtedly the date which forms the dividing line between an epoch of approximate fixity in the relative value of gold and silver and one of marked instability is the year when the bimetallic system which had previously been in force in the Latin Union ceased to be in full operation; and we are irresistibly led to the conclusion that the operation of that system, established as it was in countries the population and commerce of which were considerable, exerted a material influence upon the relative value of the two metals.

So long as that system was in force we think that, notwithstanding the changes in the production and use of the precious metals, it kept the market price of silver approximately steady at the ratio fixed by law between them, namely, 15½ to 1.

193. Nor does it appear to us *a priori* unreasonable to suppose that the existence in the Latin Union of a bimetallic system with a ratio of 15½ to 1 fixed between the two metals should have been capable of keeping the market price of silver steady at approximately that ratio.

The view that it could only affect the market price to the extent to which there was a demand for it for currency purposes in the Latin Union, or to which it was actually taken to the mints of those countries is, we think, fallacious.

The fact that the owner of silver could, in the last resort, take it to those mints and have it converted into coin, which would purchase commodities at the ratio of 15½ of silver to 1 of gold, would, in our opinion, be likely to affect the price of silver in the market generally, whoever the purchaser and for whatever country it was destined. It would enable the seller to stand out for a price approximating to the legal ratio, and would tend to keep the market steady at about that point.

That is signed by the entire commission, consisting of twelve members. I wish to read in connection with that a short extract from the report of the minority of the commission, composed of one-half of the members, but which may be now considered, I think, the opinion of even more than one-half of the members. I will first read further from the report signed by Lord Herschell and others who were considered the gold people of that commission, and then I will read from the minority report to which I have referred. The commission say:

9. However much opinions may differ as to the extent of the evil arising from the increased difficulty which a fluctuating exchange interposes, we do not think its reality is open to question.

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101. There can not be two opinions as to the very serious effect which the continued fall in the gold price of silver has had on the finances of the government of India.

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102. We are fully impressed with a sense of the difficulties which surround the Indian government, and of the serious questions to which any proposed additional tax must give rise.

It is not only the embarrassment which has already been caused to the government of India that has to be borne in mind, but the impossibility of foreseeing to what extent those embarrassments may be increased and their difficulty augmented, by a further depression in the value of silver.

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We think that in any conditions fairly to be contemplated in the future, so far as we can forecast them from the experience of the past, a stable ratio might be maintained if the nations we have alluded to were to accept and strictly adhere to bimetallism, at the suggested ratio. We think that if in all these countries gold and silver could be freely coined, and thus become exchangeable against commodities at the fixed ratio, the market value of silver as measured by gold would conform to that ratio, and not vary to any material extent.

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119. Apprehensions have been expressed that if a bimetallic system were adopted gold would gradually disappear from circulation. If, however, the arrangement included all the principal commercial nations, we do not think there would be any serious danger of such a result.

Such a danger, if it existed at all, must be remote. It is said, indeed, by some that if it were to happen, and all nations were to be driven to a system of silver monometallism, the result might be regarded without dissatisfaction.

We are not prepared to go this length, but, at the same time, we are fully sensible of the benefits which would accrue from the adoption of a common monetary standard by all the commercial nations of the world, and we are quite alive to the advantage of the adoption by these nations of an uniform bimetallic standard as a step in that direction.

This was signed by Lord Herschell and Mr. Courtney, a member of Parliament, the latter of whom, in an article in the Nineteenth Century for April, 1893, said:

Five years ago I joined with my friends in deprecating any attempt to establish an international agreement for the free coinage of both gold and silver as standard money. I have advanced with further experience and reflection to the belief that such agreement is to be desired, and that it could be accomplished with the minimum of change and with great advantage to the Empire and the world on the conditions I have suggested.

He was then in favor of other countries joining in it, but at that time he was opposed to Great Britain joining in it, and now he says he is in favor of Great Britain also taking part in that kind of an alliance.

I now read what I referred to from the report of the other members, consisting of Louis Mallet, Arthur James Balfour, Henry Chaplin, D. Barbour, W. H. Houldsworth, Samuel Montagu, six members of the commission.

28. We think that the above remarks upon the evils affecting both the United Kingdom and India, if taken in connection with the more detailed statement in Part I of the report, will sufficiently indicate our view as to their nature and gravity, and that they are largely due to the currency changes which have taken place in the years immediately preceding and following 1873.

We think that too much stress can not be laid upon the novelty of the experiment which has been attempted as the result of the above changes. That experiment consists in the independent and unregulated use of both gold and silver as standards of value by the different nations of the world.

We are strongly of opinion that both metals must continue to be used as standard money; the results of using them separately and independently since 1873 have been most unsatisfactory, and may be positively disastrous in the future.

It can not be questioned that until 1873 gold and silver were always effectively linked by a legal ratio in one or more countries.

It is equally indisputable that the relative value of the two metals has been subject to greater divergence since 1874 than during the whole of the

two hundred years preceding that date, notwithstanding the occurrence of variations in their relative production more intense and more prolonged than those which have been experienced in recent years.

29. In 1873 and 1874 the connecting link disappeared, and for the first time the system of rating the two metals ceased to form a subject of legislation in any country in the world.

The law of supply and demand was for the first time left to operate independently upon the value of each metal; and simultaneously the ratio which had been maintained, with scarcely any perceptible variation, for two hundred years gave place to a marked and rapid divergence in the relative value of gold and silver, which has culminated in a change from 15½ to 1 to 22 to 1.

And there has been a much greater divergence since that time, as everybody knows.

PROPOSED REMEDY.

30. It appears to us impossible to attribute the concurrence of these two events to a merely fortuitous coincidence. They must, in our opinion, be regarded as standing to each other in the relation of cause and effect.

We can not, therefore, doubt that if the system which prevailed before 1873 were replaced in its integrity most of the evils which we have above described would be removed; and the remedy which we have to suggest is simply the reversion to a system which existed before the changes above referred to were brought about—a system, namely, under which both metals were freely coined into legal-tender money at a fixed ratio over a sufficiently large area.

The effects of that system, though it was nominally in force only within a limited area, were felt in all commercial countries, whatever their individual systems of currency might be, and the relative value of the two metals in all the markets of the world was practically identical with that fixed by the legislation of the countries forming the Latin Union.

As regards the possibility of maintaining such a system in the future, we need only refer to the conclusion at which our colleagues have arrived in section 107 of Part II, and with which we entirely agree.

That is what I have read.

34. No settlement of the difficulty is, however, in our opinion, possible without international action.

The remedy which we suggest is essentially international in its character, and its details must be settled in concert with the other powers concerned.

It will be sufficient for us to indicate the essential features of the agreement to be arrived at, namely, (1) free coinage of both metals into legal-tender money; and (2) the fixing of a ratio at which the coins of either metal shall be available for the payment of all debts at the option of the debtor.

35. The particular ratio to be adopted is not, in our opinion, a necessary preliminary to the opening of negotiations for the establishment of such an agreement, and can, with other matters of detail, be left for further discussion and settlement between the parties interested.

We therefore submit that the chief commercial nations of the world, such as the United States, Germany, and the States forming the Latin Union, should in the first place be consulted as to their readiness to join with the United Kingdom in a conference, at which India and any of the British colonies which may desire to attend should be represented, with a view to arrive, if possible, at a common agreement on the basis above indicated.

36. We have indicated what appears to us to be the only permanent solution of the difficulties arising from the recent changes in the relative value of the precious metals, and the only solution which will protect this and other countries against the risks of the future.

Mr. President, I have read this to establish the fact that the relation between gold and silver, according to the opinion of the English commission, both the majority and the minority, is one to be established by law.

I have not lost sight of the fact that this commission declared it should be done by an international agreement, nor have I lost sight of the fact that they said its success depended upon the area over which it extended. The Senator from Rhode Island [Mr. ALDRICH], when I was last on the floor, put a question which it seems to me covers the whole ground; and that was whether it was not to be determined by the resources of the country that should attempt it. That is all there is of it.

I do not say that Rhode Island, if it was an independent nationality, could maintain free coinage and open its mints to all the silver of the world. I should think it would be a very doubtful experiment for Rhode Island to try it alone, or Colorado. A witness before the English commission when asked whether he thought that England could do it declared that it could, and when asked if he thought the Isle of Wight could do it alone he said that the Isle of Wight could not do it alone, because if you keep in mind the proposition I laid down that the value of money depends upon its demand, there would not be a demand for all the money that might under such circumstances come out of the mint of Rhode Island or the Isle of Wight.

The question is whether, if we open our mints, there will be a demand sufficient to absorb all the silver that will come to the mint to be coined. That is the gist of the whole question. If that is found in the affirmative, then there is an end of the controversy. If it is found in the negative, then, practically, there is an end of the controversy also.

We come then to the question whether, if the United States should open her mints to the free coinage of silver, there would be such a surplus of silver brought to the mints that the demand for money would not be equal to the supply. Of course if that were the case the money would depreciate, the silver would depreciate, the paper money would depreciate, and gold, to some extent, would depreciate also.

Mr. GEORGE. What does the Senator say about gold?

Mr. TELLER. The gold to some extent would also depreciate, not to the extent perhaps that the other kinds of money I have mentioned, inasmuch as the gold would find access to all the mints of the world, but it would fall to such an extent that it would be more valuable to be exported than to remain in domestic commerce and trade; and that is what the opponents of the free coinage of silver allege would take place.

There we take issue with them. We say there is no reason to suppose that would be the fact. We say there is no such surplus of silver in the world as would come to our mints and overwhelm them, and thus depreciate our stock of money.

Mr. GEORGE. How about the annual supply?

Mr. TELLER. The Senator from Mississippi asks me how about the annual supply. I remember that the Senator from New York, Mr. Evarts, a few years ago addressed the Senate on this subject. He was, I think, very thoroughly informed on the subject, and I remember he said, "There is no difficulty whatever in my judgment in taking care of the annual supply of silver; all I am disturbed about"—or words to that effect—"is that we might get the surplus silver now in coin in other parts of the world."

So far as the annual supply of silver is concerned I do not know how much it amounts to. I know what the statistics of the mint state on that subject. I do not believe the statistics are correct; but assuming that the amount is in the neighborhood of $175,000,000 of new silver coming into the world every year—I am speaking now of its mint value—this amount has disappeared. It has either been used in the arts, or it has gone into the coinage of the countries that still coin silver in a subsidiary way, or it has gone into the great sink of silver, Asia. I do not believe that anybody in this country who is at all familiar with the condition of the markets of the world will claim that there is any surplus silver bullion anywhere.

The Senator from Missouri [Mr. COCKRELL], in a very exhaustive speech recently on this subject, gave us the statistics as to the coinage of silver throughout the world for a number of years past, and showed that the coinage had absorbed all the silver; that there was no surplus silver. The Senator from Nevada [Mr. STEWART] more than once has told the Senate, after careful researches in this direction, that the world contains no surplus silver bullion anywhere. In 1890 when the proposition was before the Senate for the free coinage of silver and when another proposition came for the purchase of a large amount of silver there was an accumulation in the city of New York of about $9,000,000 or $10,000,000 of silver bullion. That I understand has practically disappeared. The last time that I looked at that question it had got down in the neighborhood of a million, and I assume that it has practically gone, if not entirely.

Now, how much silver is used in the arts it is somewhat difficult to say, but every year the amount that is used in the arts is increasing, as all will admit. Suppose that in 1894, if we went to the free coinage on the first of January, all the new silver in the world should come to our mints over and above what is taken in the arts. We would not under any conditions get to exceed from $100,000,000 to $125,000,000 of silver. Does anybody say that the Unites States could not absorb that amount of silver for 1894 without detriment to its financial condition? On the contrary, would it not be a beneficent thing if the Government of the United States could secure $100,000,000 of money of that kind.

There is no country in the world where there is a surplus of silver to-day, whether it be coin or whether it be bullion; and the demand in Asia is an increasing demand, or had been up to the time when the India mints were closed. Nobody who is at all familiar with affairs in India believes that the British Government can close the mints of India and cease to coin rupees. The commission did not assume that that was to be the condition. On the contrary, they assumed that there would be a coinage by the government equal to what there had been by individuals. The trade of India had demanded that a certain amount of rupees should be coined every year, and they asserted that the government would undoubtedly be required to coin the same amount, the distinction being that the government would make the difference between the mint value and the market value of the bullion instead of having it made by individuals.

China has called for more silver within the last two or three years than heretofore. She has now a mint of her own. How much will be coined there nobody can tell. Notwithstanding the India mints are closed, silver still goes, as I said a few days ago, to India, and how long it will continue nobody can tell, but a considerable quantity of the world's production must go to India beyond all question.

Mexico, the greatest producer of silver in the world except this country, coins on an average from 24,000,000 to 26,000,000 silver dollars every year, that disappear as absolutely from the commerce of Europe and America as if they were dumped into the sea. Mexican dollars go to China, they go to the Straits Settlements, they go to different sections of Asia, and there they disappear; they never return.

So no man has any reason to suppose that the Government of the United States would get a tithe of the amount of silver I have mentioned. I doubt very much whether the Government

of the United States would get any more silver in its Mint if it was open than it receives now. When I make that statement I expect some Senator who is opposed to free coinage to rise and ask me—I have heard it so frequently—what benefit, then, do you get from free coinage that you do not get from the purchase of bullion by the Government?

There are $4,000,000,000 of silver money in the world. Prior to 1873 that money was international money. It was the money that could go to every portion of the world and find somebody wanting it for money. There were millions and hundreds of millions of the human race who would not take gold as money; and if there had been a great surplus of gold, if there had been four or five times as much gold as there was in the world, the European and the American demand and the demand from some portions of Asia would have been too small to have taken up this great amount of gold. Silver always found somebody ready to take it, and it was maintained at a premium on gold over the ratio established in this country, and in fact a portion of the time over the ratio established in France.

Asia will continue to use silver. Europe will continue to use silver. But while Asia will use it as international money among Asiatics, Europe is using it as domestic or national money. Silver in Europe has ceased to be an international money, and it has ceased to be an international money in this country.

In other words, then, silver has ceased to perform the entire function of money. If you have more than your distributive share of silver it has no place to go. If you have more than your distributive share of gold the mints of the world are open to it, or at least enough of them are open to it that it will go there, and there it will be coined into money.

Now, if you can open the mints of the world to the free coinage of silver you restore silver to its original state as an international money, and thus you give it a power to regulate prices that it does not now have.

One of the axioms of monetary science is that prices are determined by the volume of money. If you have in this country $1,500,000,000 of money, and you reduce it to $1,000,000,000, what is the result. Prices fall. In other words, the $1,000,000,000 of money measures all the commodities of the country exactly as $1,500,000,000 had measured them. If you add the $100,000,000 of money you have raised prices.

I do not mean to say that if there was $1,000,000,000 of money in this country and you added $500,000,000 more, making it $1,500,000,000, that immediately prices would be in proportion to the addition which had been made to the money, because other circumstances might control that. Your money would not depreciate so rapidly as might at first be supposed. Why? Because the very fact that you had added a large amount of money to the existing stock of money would stimulate enterprises, would start new businesses, and thus increase the demand for money, and maintain its purchasing power. If the amount that is added is comparatively small in proportion to the whole it will simply have a tendency to excite greater activity, and may not change prices. With the increased supply may come a demand equal to the supply, and so prices remain stable.

It may be laid down as an established and settled principle of monetary law that prices are determined by the amount of money in circulation. I do not mean by the amount of money that may be in a country. The Government of the United States may have half the money of the United States locked up in its Treasury. That would have no effect. The banks of the country might lock up a great portion of the money, as they have recently locked it up; and individuals might lock it up. That would do no good. It is the money in circulation which determines the price of commodities.

If we open our mints to free coinage, we increase the price of all the silver bullion in the world. When France opened her mints to silver, she said in substance, as one of her delegates to the monetary conference of 1881 said—France said to all the world, "Bring your silver and gold to our mints. For every kilogram of gold you bring we will give you 3,100 francs; for your silver we will give you 200 francs," good money, one equal to the other. Then who would sell their silver for less than that? If the Government of the United States should open its mints, and say for every ounce of silver in the world brought to us we will pay $1.29, who would sell their silver anywhere in the world for less than that, unless it shall be asserted here and proved that all the world would cease to desire silver the minute that we made it more valuable than it now is? Who can believe that? There is no reason to suppose that the silver of the world would find its way to our mints, whether new silver or old. The moment there was a place where silver could be sold for $1.29, that would be the price of silver all over the world to any man who wanted it. The man who wants to make it into wares, into teaspoons, into cake baskets, pitchers, and trays, and things of that kind, must pay for it $1.29 an ounce, because the holder knows there is a market where he can sell it for $1.29; and the Government which desires to add to its subsidiary coinage must pay $1.29 an ounce for it, because there is a great purchaser ready and willing to take it and convert it into money at $1.29.

Suppose there should come a great quantity of silver to this country, suppose $200,000,000 of silver should come, what would be the result? The first thing that would happen would be the elevation of prices; immediately everything would advance in price. That is but another way of stating that there would be a depreciation of money. The man who comes from abroad to coin his silver would have to exchange his silver dollars, when he got them coined, for American products of some kind, and if the price of those products was too high he would simply say, "I can not exchange my silver for American products at a profit which enables me to transport them to other countries, and, therefore, I prefer to keep my silver until such time as I can get products cheaper."

That is the beauty of the automatic system. Whenever a country obtained more gold or silver than it needed for its currency everybody would be discouraged from going to the mint with his gold or silver, because the money received in return for his bullion carried to the mint is only valuable to him as he can exchange it for products in the country; and if products kept rising in value, kept going up, then he would take his gold and silver alike to some other country, and put it into the mint where there was a less supply of money and a greater demand. Thus free coinage regulates not only the country which has it, but all the world; and if a country no greater than France regulated the relation of silver to gold throughout the world, why can not we?

When the great output of gold from California, Australia, and Russia came into the commerce of the world to such an extent that in ten years there was more gold produced than had been produced in the three hundred and fifty-six years preceding, everybody was alarmed about gold.

I have in my possession now a contract made in the State of Massachusetts in 1859, where a great water-power company proposed to sell its water, making long contracts for water power. So afraid were they that gold would depreciate that they made their contracts payable in silver bullion. That was done in France; that was done in Germany, and that was done even in gold-standard England. The contracts were made payable in silver, because those who made them believed that gold would depreciate; and it did depreciate.

Mr. HOAR. I can inform the Senator that there were at one time in existence in Boston contracts providing for payment in a certain kind of Russia iron.

Mr. TELLER. Very likely. I do not know anything about that, for I have not examined into it; but I know, because I have a copy of the contract, that the Holyoke Water Company provided in their contracts that they should have their pay in silver, because they thought gold would depreciate. They had read Chevalier, I suppose, or else they had read some of the articles in the European press on that subject.

What was the result? The mints of England were open to gold and ours were open to gold. So Spain, Portugal, and France had their mints open to gold, and so gold found no difficulty in being converted into money wherever people wanted it, and France, which has been the great regulator of finance in this world for a hundred years or more—or at least was so up to 1873—took a great deal of the gold and converted it into coin. France coined more gold in a short time than she had coined in ages, and as that gave her more money than she wanted, she disposed of her silver. She sent her silver to India; she sent out the money that the people of India wanted in preference to gold. Thus was the relation between silver and gold practically maintained; but the great amount of gold produced depreciated not only the gold but the silver of the world, and prices steadily rose for several years.

Where are we to get silver aside from the yearly production of bullion? I know it is said that Germany has some fifty or sixty millions of silver to sell, but whether Germany will sell it or not is a question. If, however, Germany should sell it, and if she sent it here, it would not disturb our finances if we coined it all.

It is said that France will dispose of her silver. Whoever makes that statement can have given but little attention to the financial condition of France. France has locked up in her great bank over $250,000,000 of silver, upon which she has issued, at its mint value, paper money. Is the Bank of France going to call in that two hundred and fifty and odd millions, about one-third of the whole silver of France, and put gold behind her notes? If she does she must put behind every one of them just as many 5-franc pieces in gold as she heretofore had of 5-franc pieces of silver. Does anybody believe that the Bank of France would be willing to lose such a large sum of money as she must

lose on her $250,000,000, for it would amount to at least seventy-five or eighty million dollars?

The French Government have not any silver, and never had any silver. It is the people of France who have it. Will the people of France send here their 5-franc pieces, which are doing money duty right by the side of gold at the ratio of 15½ to 1 and exchange them at the ratio of 16 to 1? Is there any danger of individuals doing that, or is there any danger of banks doing it? Nobody will pretend that that will be done.

But it is said that the government of France might conclude to retire silver and adopt the single gold standard. I do not believe there are five men of influence in France who are in favor of the single gold standard. The great mass of Frenchmen, who are in public life, and in private life also, for that matter, are opposed to the single standard, whether it be gold or silver. They are for the double standard. When you dispose of France, you dispose of the only country in the world which can send any amount of silver to this country to disturb our finances.

France, as has been said on this floor, holds some of the money of Italy, some of the money of Switzerland, some of the money of Belgium, to the extent of at least $130,000,000 of silver, which she could present to these countries and demand that they should give to her in exchange her silver money; and if those countries should not have it they would be compelled to pay the difference in gold.

France has resisted all the efforts of the moneyed men of England to compel her to demand this $130,000,000 or more of silver in gold because she has not desired to create a greater scarcity of gold; because, as one of the French commissioners said at the Paris conference, France has an abundance of gold and France has an abundance of silver. He said further that France finds no difficulty in maintaining the two metals at proper relations to each other. Gold and silver are alike in France; the one is as good as the other; and the bank of France, unlike the Treasury of the United States, when paper obligations are presented to it, exercises its choice of paying to the holder of the paper either silver or gold, as best suits the bank.

The mints of India were open to the coinage of silver, at a ratio of 15 to 1, until the 26th day of last June, and yet there was never any flood of silver going to India. The mints of Mexico are open to the free coinage of silver to-day, and yet no amount of silver has gone into their mint, except such as goes there for the purpose of being coined and sent abroad.

I know it will be said that India is not a country like the United States; but there is gold in India, and in my judgment there is as much gold in India as there is in the United States.

Mexico is not a rich country like ours, and yet there are a great many things which we could buy by taking our silver there; for the truth is that the prices in Mexico are silver prices, and they are the silver prices of thirty years ago, while ours are the gold prices of to-day, which are much less than the prices of thirty years ago.

Silver has remained stable in India and stable in Mexico and in China, while gold, which was made the standard in this country, has been appreciating and prices have been falling. Should the mints of the United States, as I have stated, receive more silver than we wanted, the price of commodities would immediately advance. That would have a tendency to check the bringing of silver to the mints. Thus the whole matter is regulated by the demands of a country for money.

We are now told that we can not maintain the free coinage of silver because the country is not big enough. The English commission, from whose proceedings I have read, said that an international agreement was necessary to do it; that to carry out such a policy it must be extended over a great area. That was the English view of it, or rather that was the view of the monometallistic branch of the commission. They admit that the parity between gold and silver could be maintained if there were people enough using the silver and people enough taking it when it came out of the mint.

The countries of the Latin Union, with a population but little more than ours, had no difficulty at all in keeping their mints open and taking care of the silver of the world, and they could have taken care of the silver of Germany if they had seen fit to do so. There is no doubt of it. If France had kept her mints open three or four years longer the surplus silver of Germany would have been absorbed by the French people, exactly as they absorbed the world's gold, which poured into them in the early history of gold-mining in California, Australia, and Russia. But France did not propose to do it. France had come out of a great war with Germany, and there was a hostile feeling in existence, and France said "we will not take your silver," which Germany was pouring in upon her to such an extent that her mints could not coin it as fast as it came in.

I have stated before on the floor of the Senate, and I will state again, that the man who took silver bullion to the French mint was entitled within ten days to receive silver coin for his bullion, subject only to a trifling charge for seigniorage or for coinage. France found her mints so full of bullion that she could not comply with that provision of the statute, and she closed her mints. But, I repeat again, that if France had kept her mints open, and silver had continued to fall, when it had fallen 3 per cent or thereabouts—a little more than 3 per cent—then silver bullion would have been brought to our mints for coinage, if our mints had been open at that time. That would have raised the price of silver again in Europe, and thus there would have been but a slight fall in the price of silver as measured by gold.

The countries composing the Latin Union have but little more population than ours and not a tithe of the business; and I will venture to say that the sixty-five or seventy millions of people in this country—there being in the countries of the Latin Union seventy-two millions—this country can absorb and needs more money than all the countries of the Latin Union. Our people have more commerce and more trade, and the demand is greater for money in the United States than it is in the entire Latin Union. We have not as much as we could use. If we had it we could maintain the stability of prices which we have not been able to maintain.

I do not believe any student of this question is afraid that we shall be overwhelmed with the world's silver, whether new or old. I will not say that such a claim is a pretense, because I know some people are afraid of it, but I do not believe they would be afraid if they would take the pains to study the history and the conditions of the world with reference to the use of the metals, gold and silver. The silver coin coined at a ratio of 15½ to 1 or 15 to 1, would not be brought to our mints to be coined at a ratio of 16 to 1. The loss would be from 3 to 7 per cent on new coins and much more on old, besides loss of interest, cost of transportation, and exchange.

But suppose we could not; suppose we opened our mints and we could not maintain the two metals at a parity, which I regard as so exceedingly desirable. I do not myself believe that there is silver enough in the world with which to do the business of the world on a metallic basis. I believe that the use of the two metals is essential to the true prosperity of this country; but suppose that gold should leave this country and go abroad, we have been told—and we were told by the Senator from New Jersey [Mr. MCPHERSON] the other day when discussing that question—that we should be on a silver basis, and then be stopped. What will happen when we get on a silver basis? What great catastrophe would take place then? We should be infinitely better off if we were on a silver basis to-day than we have been for the last fifteen years, when we have been on a gold basis.

If we were on a silver basis we should have more metallic money back of us as a basis for our system upon which to maintain our paper money; we should have more metallic money to maintain what the Senator from Nevada [Mr. JONES] calls the equity of contracts; and, what is of equal importance, we should have more to maintain the stability of prices. What we have been suffering from in this country for the past fifteen years is that we have not had stable prices. We never shall have stable prices so long as we are tied to the single standard of gold. With silver we should be in a condition to trade with more people than we can trade with to-day on a gold basis. More than twice as many people in the world are holding out their hands for silver as their chief and desirable money metal than are holding out their hands for gold. The countries to which we send our great exports are the countries which are using gold, and the countries from which we buy, and where the balance of trade is against us, are the countries which are using silver. We could trade with South America, to whom we owe every year a large debt; we could trade with the Asiatic countries, to whom we every year owe money, and we could pay it in silver if we should go to a silver basis.

What do we care as to the character of the money England pays us. If she has silver to pay us and pays us in silver at the world's value of silver, all right. We send to England three times as much every year as England sends to us. She must either pay us the money, or she must send back our securities.

The only country with which we trade in Europe—I believe I may say the only country—where we did not last year have the balance of trade in our favor, was Italy, and that was a trifling balance in favor of Italy.

Mr. ALDRICH. May I ask the Senator a question?

Mr. TELLER. Certainly.

Mr. ALDRICH. Does the Senator from Colorado think that the decline of prices in the last twenty years has been greater relatively in the United States than it has been in other countries?

Mr. TELLER. No, I do not think it has been so great.

Mr. ALDRICH. Does the Senator, then, think that we could by the currency arrangements of the United States maintain a

higher level of prices relatively than could be maintained in any other country without disjointing our currency from the currency of the world?

Mr. TELLER. We can not. We shall not do that, and that is what I am contending. The Senator asked me whether I thought the prices had been less in this country than anywhere else. I answer they have not, except, of course, we are the great producers of wheat, and wheat will be cheaper where produced than where consumed. The fall in the price of wheat in England has been as great as here; the fall of all things in Great Britain has been as great as here; and the fall in the price of labor there has been greater.

What I complain of is that the monetary condition of the world is out of order; and it is out of order because of the treatment of silver. My theory is that the United States is big enough and rich enough to control the whole currency question throughout the world. When Mr. Gibbs, the former president of the Bank of England, was before the British commission, and was asked "Can Great Britain settle this silver question alone?" he said, "Unquestionably; any great country can settle it." So I say that all we have to do is to adopt some system here which recognizes silver as money in the true and proper sense of the term, and the whole world will eventually and immediately, in my judgment, come to the same position. If that defect is removed prices all over the world will rise in proportion exactly as they have fallen because of a defect in the currency system.

Mr. ALDRICH. The Senator having answered my first proposition, I put another, which is, does he suppose that the United States would not only be able through its currency arrangements to maintain but to increase the general range of prices of commodities everywhere in the world?

Mr. TELLER. The best people of the world, including the members of the English commission, admitted that in a large degree the fall in prices was the result of a disturbed monetary condition. The doctrine of overproduction has been abandoned, except by a very few.

The Senator from Delaware, who sits on my right [Mr. HIGGINS], asserted the other day in the course of the speech of the Senator from Nebraska [Mr. ALLEN], that the great West had destroyed the price of wheat by its overproduction. I showed him from a statement which I then gave, and which I could repeat now if it were necessary, that the world's product of wheat had remained practically the same for eleven years, and yet prices had fallen immeasureably; the world's demand for wheat had increased, while its product remained the same. It ought to have increased in value per bushel, but, on the contrary, it had fallen. It had kept pace with all other commodities.

If the Senator from Rhode Island should take one hundred different commodities and start with 1873, he would find that without exception they have fallen; probably some have not fallen as much as others, but all of them have fallen. He would find further, if he would go outside of the great cities, where their growth has influenced the price of real estate, that everywhere in this country and in Europe the soil on which men toil and make their living is to-day worth very much less than it was worth thirty years ago, with an increased demand for its use by an increased and growing population.

What can make this difference between prices now and prices thirty years ago of houses and farms? The products of men's hands, nay, of such things as are not the products of men's hands, diamonds and precious stones, are worth less to-day by 40 per cent than they were thirty years ago. It has not been caused by overproduction either; it is because there has been a fall in everything or an increase in the purchasing power of money.

I shall be met by the Senator from Rhode Island and the Senator from Delaware with the statement that labor has not fallen. Mr. President, labor has fallen. The Senator from Nevada said the other day that the price of labor had reached the climax and is on the downward road. Labor has fallen in every country in the world in the last few years, unless it may be in Asia; there I believe it has not fallen; but in all the European countries it has fallen. It is falling here; it has fallen more than 20 per cent in less than six months in the United States, and, as the Senator from Nevada said, it is not altogether a question whether labor is high or not, but the question is what are the opportunities for labor.

The number of unemployed, as is suggested to me by the Senator from Kansas [Mr. PEFFER], is increasing every day to an alarming degree, not only here but throughout the world. Production has not been profitable for years to the men who produce in any part of the world. No wheat-grower in this country has made any money growing wheat for years. It used to be a saying, and I believe it to be a correct one, that unless wheat is worth a dollar a bushel at the ports of export the farmer gets practically no profit; and yet in the city of New York wheat has been selling at 66 cents a bushel within the last week, and that, too, with a crop of 200,000,000 bushels less than we had two years ago, 100,000,000 bushels less than we had last year, and with the world's crop 200,000,000 bushels less than it was the year before, and yet it is worth but 66 cents against 83 cents last year and $1 the year before. Wheat is selling in Great Britain for 78 cents a bushel, and a few years ago it sold for $1.50.

Mr. ALDRICH. Will the Senator allow me to interrupt him?

Mr. TELLER. I will.

Mr. ALDRICH. To what influence does the Senator attribute the recent fall in prices here and elsewhere compared with those of twenty years ago?

Mr. TELLER. Mr. President, I attribute the recent fall in prices throughout the world as the result of the disorganized and deranged financial condition of the world, owing to its treatment of one of the money metals. The Senator from Rhode Island should keep in view the fact that monetary disturbances are rarely followed by a fall in prices immediately. It takes time. Gradually, little by little, the prices drop. I have before me—and I am going to read it, because there has been some question about it—an article written by Prof. Foxwell, of England, in the Contemporary Review of last December, as to falling prices in Great Britain.

I wish to repeat again, that a fall in prices is nothing but another method of stating the appreciation of money. I was very much surprised the other day to hear the Senator from Delaware, whom I do not see here, say that he was uncertain as to whether there had been an appreciation of gold. Mr. President, I did not suppose that anybody in this country or anywhere on the face of the earth would deny the appreciation of gold. The British commission unanimously admitted it in 1888. Some of its members said they did not think that the fall in prices was entirely due to the appreciation of gold; they thought other considerations came in. Undoubtedly, with some other articles that may be true; but it has been admitted by everybody that since 1873 there has been an appreciation of gold anywhere from 35 to 45 per cent. Where a pound of English money would buy a hundred pounds of a given article, it will buy one hundred and fifty now. It will buy more than that, because that is only a fall of 33 per cent in prices.

I want to say before I read the statement of Prof. Foxwell that in this country we have had two things which have kept up the price of labor; one is the protective system of the United States, a system professedly adopted for the purpose of keeping up the price of labor; and it has been our boast on this side of the Chamber for many years that we had been successful in that effort. Another great agency in keeping up the price of labor here is the labor organizations of this country, in which all the laborers of the country are aggregated.

These two things have kept up the price of labor in this country beyond the price of commodities; and the man who produces and who hires his labor has seen day by day his product falling more rapidly than the price of the labor which created the product. Capital engaged in enterprises of that kind has ceased to be remunerative; and to-day there is no field for American capital in productive enterprises. To-day the use of money is to loan it, and not invest it for business purposes. Matthew Marshall, the financial writer of the Sun—and I think he is a reasonably accurate gentleman in his statements—stated not long ago that one-half of all the money loaned by the associated banks of New York was loaned to stock speculators, the men who are putting up and down the prices of American securities, railroad bonds and stocks.

What inducement has a man to borrow in this country now? None whatever. He can not buy a farm and make it pay. He can not build a factory and make it pay. He can conduct no business whatever at a profit when prices are falling all the time, steadily, year after year. If he wanted to farm where the price of wheat was high last year, and he were at all careful to look into the future, knowing the conditions, he must have foreseen that the price of wheat would have been less this year than it was last. And I say now, with the smallest crops that we have had for years, with the relative demand for wheat greater than heretofore and the relative supply less, I have not any doubt that in a year from now, if this bill shall be passed and we continue in this policy of contraction of the currency, wheat will sell for less in the American market than it is selling for to-day.

The last thing to fall in price is labor, and it is the last thing to rise.

Prof. Foxwell says:

It is easy to see the results of this unfortunate policy—

He is speaking of the silver question—

It could, indeed, only have produced the effects which we have actually seen to follow it. Since 1873 gold has greatly appreciated in value, some 35 per cent; silver, remaining steadier, has nevertheless depreciated in value some 10 per cent; and the relation between the two metals, which for two centuries has oscillated pretty closely about the ratio of 15½ to 1, or 10 rupees to

£1, has shown the most violent and serious fluctuations, standing as low as 24 to 1.

These are mere matters of fact, which can not be denied by those who understand the terms in which they are expressed. But it is the fashion with a small but active set of writers in London, who unfortunately control the access to the most important section of the daily press, to assert that these facts are not of sufficient importance to public interest to warrant us in seriously reconsidering the policy to which they are due. Let us inquire, then, what the appreciation of gold and the rupture of the par between gold and silver really mean.

The increase in the value of gold, known technically as its appreciation, is usually measured by reference to the average price of wholesale commodities; and when our object is to ascertain the retarding or stimulating effect of currency chances on trade, this method, however inadequate for other objects, is the only proper one. When we say that gold has appreciated 35 per cent, then it is only another way of saying that wholesale prices have fallen in a corresponding degree.

As business men will easily understand, such a change is, when serious and long continued, profoundly depressing to trade. It operates like a friction brake upon the wheels of industry and commerce. All property and stocks are depreciated; hence the numerous failures of building societies and ruinous foreclosures of mortgages. The burden of fixed charges is increased, and the producer finds the margin of profit disappear, and thus employment becomes restricted and wages fall. The weight of taxation increases automatically, and the burden of all debts, including the national debt, in which every taxpayer is concerned, is steadily aggravated. It will be said that some one must gain—that at all events the owners of gold debts and mortgages, and England as a creditor country, must benefit by an increase in the value of the metal in which payment is due. This view seems singularly shortsighted, and is contradicted by facts. The depression caused by the fall of prices checks investment and brings down interest. The sense of injustice felt by debtors at the unfair increase of the value of their debts leads to a natural tendency to repudiate or to cut down interest, and to a weakening of the obligation of contracts, of which we have had notable examples in the case of rents and tithes. In short, creditors, like every class, find their real interest in the long run in what promotes the national prosperity.

This is equally true in the case of wages, which is so important as to require separate notice. It is sometimes said that wages fall more slowly than prices, and therefore wage-receivers benefit by a continued fall of price. The prosperity of the working class is so incomparably the most important interest in the country, that if this were so, any other ill effects of the appreciation of gold would, in comparison, be of no moment. But it is not so. Those who say it is assume that the demand for labor is unaffected by the change. But experience and reason alike show that a fall of prices, by destroying profits, destroys enterprise, and seriously contracts employment. Thus, as in the case of every other great national loss, though the employer and the trader may serve as buffers for a time and bear the first brunt of the shock, the burden ultimately falls on the shoulders of labor. We seem to have reached the point at which the buffers have been thoroughly squeezed, and the strain is now falling on wages. It would be easy to fill pages with the reductions in wages in the present year alone.

This was written in December last.

Seven and one-half per cent reductions have been common with miners and quarrymen. The South Wales miners have been reduced 17½ per cent under the sliding scale, and a recent notice increases this to 28½ per cent. Cumberland, Durham, and Northumberland miners have accepted 10 per cent reductions. Ten per cent is a common reduction in the metal trades. Tailors in Leeds were reduced 25 per cent in June. Agricultural laborers are suffering worst of all. In October the farmers of Northwest Norfolk reduced wages to 11*s.* a week; and the general opinion seems to be that laborer's wages in the eastern counties will be generally at 10*s.* this winter. It is well known that a strike of huge proportions, already affecting 60,000 hands, has commenced in the textile trades. Everywhere, in short, the outlook for labor is gloomy. The direct mischief of this fall of wages is grave enough; but there is the indirect effect also to be taken into account. In these days of high tariffs the home market is more than ever important to us; perhaps the only one on which we can certainly reckon. What will be the effect on our trade if the wage-receivers, the great body of our home consumers, lose even 10 per cent of their purchasing power?

The injury inflicted on British agriculture by the appreciation of gold is too obvious to require much notice here. The price of wheat stands lower this year than at any time for a century before. Rents and wages are everywhere falling, and yet unprecedented distress prevails amongst farmers. There are some, indeed, who attribute these troubles to free trade. But wheat prices remained at about their old level long after the abolition of the corn laws; and neither free trade nor cheap freights (which have had infinitely greater effect) will account for similar depression in the Western States of America. The agricultural depression has, on the average, followed the downward course of general prices. If farming has suffered more than other industries, the reasons are not far to seek. Its fixed charges are larger in proportion, and more difficult to adjust to the change, especially in the case of wages, where the margin for reduction is so small; and secondly, unlike most other industries, it has a formidable rival in silver-using India, whose producers, while they have largely profited by cheaper freights, have been enjoying under a silver currency an almost perfectly steady standard of value.

I call the attention of Senators who are so much alarmed at the idea of a silver standard to this statement of Prof. Foxwell, that in India they have been enjoying a silver currency of almost perfect steadiness and value.

The root evil, in short, of the present monetary situation is the continued appreciation of gold, depressing, as it does, the enterprise of the industrial class, the great borrowers, without really improving the position of the comparatively inactive class, the lenders of capital. This is so constantly ignored, or slurred over, by the city press, that it might be desirable to say still more on the point; but we can fortunately refer the reader to an article in the Statist for November 5, 1892, in which he will find the imperfections of our appreciating gold standard exposed with great vigor.

Mr. President, there is very much more in this article of the same general character which I do not care to read.

I suppose no one will deny the statement that I have made as to the great fall in the price of labor in this country within the last few months. I believe nearly all of the New England factories have made a reduction in the price of labor. I have seen it stated all the way from 10 to 25 per cent. I know that very many of these manufacturers have closed their doors because they have felt that they could not afford, under existing conditions, and conditions in their judgment soon to follow, to continue to pay the wages that they have been paying. I know also that in a great portion of the Western country the price of labor has fallen. It is so inevitably. Why should it not? With wheat selling in some of the wheat States at 30 cents a bushel, how can it be expected that farm laborers, who are hired by farmers, will receive the pay that they were receiving when wheat sold in those sections for 70 cents a bushel.

Mr. President, I was diverted somewhat from what I was saying as to our ability to maintain silver and the benefits that we would derive if a single silver standard had been maintained in this country. I do not desire to spend a great deal of time on that particular question, except to say that money is more valuable for its stability than for anything else. When money is not stable then there is a condition in any country that is not to be desired. If gold is the stable money metal of the world, then gold is the most valuable for the standard. If, on the contrary, silver is the most stable money metal of the world, then silver is the most valuable standard.

I have heard it said here that gold was the stable money of the world; that gold never varied. I remember to have heard the Senator from Ohio once say here on this floor that gold never changes. Why, gold has been the most unstable of money metals, infinitely more unstable than silver. It has never been regarded until of very late years as a stable metal. John Locke declared that it was too unstable for a standard. As I said the other day, a committee of the House of Representatives so declared in 1829 or 1830, I forget which. All the world has so declared at different times that it was not the stable money, that it fluctuated. How do you determine whether it is the stable money?

Money is the measure of the value of commodities. If to-day an ounce of gold measures 100 bushels of wheat, and to-morrow 200 bushels, who will say that gold is stable? Of course, whether gold or silver measures the value of commodities there is some consideration to be given to the question of supply and demand, but I am speaking now of things being equal. If to-day a certain amount of gold will buy 2 bushels of wheat, and to-morrow or next year it will take more, when there is no reason why wheat should not have remained at the same price, when the demand and supply for wheat are practically the same, everybody must admit that the variation is in gold, and not in wheat.

We have practically gone to a gold standard in this country. France is bimetallic, and yet to a certain extent prices in that country are determined by gold; Germany and all other countries in Europe the same. As suggested by the Senator from Rhode Island [Mr. ALDRICH], if the price in one nation of the world will practically be the price in others, you can not maintain high prices in this country unless it is because you have depreciated money and have low prices where you propose to sell your surplus products.

In all the gold countries there has been a steady fall in prices during the last twenty years. What has been the condition in the silver-using countries? As I read from Prof. Foxwell a moment ago, in India there has been a stable currency and prices have remained and are practically in the condition to-day that they were twenty years ago. The same may be said of China.

I have before me a table prepared by a gentleman in China, contained in a letter that he wrote the North China Herald, in which he states that he has in his employ a laborer whose business it was to take care of a horse that he had. It was this laborer's business out of his wages to have the horse shod, to buy grain for the horse, to hire an assistant to take care of the horse; he had had this man for twenty years, and he said he was paying him exactly the same price that he paid him twenty years ago. While the price of this man's wages included the purchase of all these different articles, yet the man had never during that time come to him for an increase of wages, because the $20 a month that he paid him, he said, would buy just as much of these things he had to buy and would employ just as much labor as it would twenty years ago.

Mr. ALDRICH. Will the Senator allow me to ask him a question?

Mr. TELLER. Yes, sir.

Mr. ALDRICH. Does the Senator say that this state of affairs would have been true in a nation of the civilization and activity of Great Britain?

Mr. TELLER. I think it would be the same thing if there had been a silver standard. I believe if we had gone to a silver standard the prices would have remained the same in this country. I believe that for two reasons:

First, I believe that if we had a silver standard there would not have been such a diversity between gold and silver as now exists. I believe if we had gone to a silver standard in this country we would have absorbed the surplus silver, and the mints of the world would not have been closed to silver.

I believe that we could maintain now in this country the sta-

bility of prices. I am not talking about what the prices should be, but I believe we could have maintained the stability of the price of silver better than we can with gold.

I will ask leave at this point to put in a table of index numbers for twenty commodities in China, to show the stability of prices in that country, without spending time to read them.

Table of index numbers for twenty Chinese staple commodities.

[Compiled by W. S. Wetmore from the returns of trade of the imperial maritime customs of China.]

Commodities.	1873.	1874.	1875.	1876.	1877.	1878.	1879.	1880.	1881.	1882.	1883.	1884.	1885.	1886.	1887.	1888.	1889.	1890.	1891.	1892.
Alum, white	100	88	96	73	100	109	95	95	119	118	119	121	96	93	98	106	101	94	88	94
Beans	100	93	105	128	139	110	113	99	98	105	105	107	109	123	111	129	129	119	109	113
Cotton, raw	100	67	85	90	88	81	91	82	90	91	88	67	81	82	77	83	89	83	80	73
Cuttlefish, dried	100	60	94	91	163	183	112	117	108	146	118	92	81	74	88	96	149	140	80	87
Hemp	100	101	99	120	124	118	111	116	111	122	118	106	101	100	86	84	88	75	76	76
Licorice	100	40	40	40	50	60	77	41	57	73	70	94	95	81	62	64	40	72	86	86
Oil, wood	100	97	88	97	100	93	99	98	103	103	105	99	110	108	88	78	65	76	85	87
Paper, second quality	100	112	90	108	98	112	107	100	127	107	115	110	130	*130	*130	*130	70	70	63	66
Rice	100	119	88	91	91	138	119	100	100	104	119	118	105	119	129	110	91	119	119	119
Safflower	100	99	90	123	125	112	103	101	102	104	103	98	100	100	102	103	104	104	88	84
Silk, raw	100	60	57	87	67	64	62	59	68	60	62	53	52	56	61	62	64	61	57	61
Tallow, vegetable	100	85	80	87	131	116	107	87	88	80	90	81	88	82	72	60	81	79	75	75
Tea: Black	100	111	99	99	84	85	91	82	67	70	69	57	63	73	54	58	73	81	96	66
Brick	100	123	112	102	99	95	78	120	87	78	86	82	67	77	62	65	83	67	74	104
Green	100	97	76	73	64	75	74	70	60	66	53	57	61	58	60	66	59	53	51	52
Tobacco, leaf	100	84	75	79	76	83	91	83	72	77	72	63	91	79	65	65	75	62	75	74
Wax, white	100	105	104	106	102	104	112	121	127	121	110	114	93*	104	93	84	74	75	73	97
Wheat	100	93	114	143	171	171	160	144	126	114	118	161	131	113	113	113	143	157	137	143
Wool: Camels'	100	87	108	113	106	133	161	163	158	156	143	140	140	139	157	148	157	158	160	136
Sheep's	100	93	*87	80	53	60	60	47	72	82	53	63	60	67	66	57	68	63	76	68
Aggregate values of commodties in silver	2,000	1,814	1,787	1,930	2,031	2,102	2,023	1,925	1,940	1,986	1,916	1,883	1,854	1,858	1,774	1,761	1,803	1,808	1,748	1,761
Silver value of gold	2,000	2,029	2,078	2,160	2,159	2,215	2,301	2,275	2,322	2,307	2,336	2,376	2,425	2,571	2,648	2,730	2,746	2,539	2,621	2,950

*Assumed, returns of the article referred to not having been made.

SHANGHAI, *May 11, 1893.*

If that be true, if prices have been stable in silver-using countries and unstable in gold-using countries, that is a demonstration that silver is a better money metal than gold. It is barely possible that if all the world had been rushing for silver as it was for gold there might not have been that stability in prices in the silver-using countries that there has been in gold-using countries. But Europe having practically ceased to use silver as new money, the countries that were using it, like China and Japan—and I will say the same thing applies exactly to prices in Japan—were not disturbed by this everlasting scramble for gold, and have not had the difficulty in appreciating and disappearing money metals as they have had in Great Britain and the United States.

If anybody will take the financial papers of Great Britain he will never find one, whether it be the Economist, the Statist, or the Financial Review—whatever it is called—that is not talking about the disappearance of gold, a loss of gold from banks; and he may do the same thing with the French Economist, with the great German financial papers. Every one of them is talking about the danger of losing their gold. And that is the fright we have been in for the last year or two, that we are going to lose our gold.

Now, it does seem to me in making a metal the standard of measure for all our values it can not be a good measure of value if there is so much trouble to maintain it in every part of the earth. What does it mean? It means simply that there is not enough. It means simply that there is a scarcity of gold.

Mr. President, I have said we could maintain the two metals if we opened our mints alike to them, because I do not believe any more silver would come here than the business of the country would absorb. In other words, I believe the demand would be equal to the supply, and when the demand is equal to the supply of all of the money in the country there is not any difference in the money; there is not any such thing then as one money being cheaper than the other. They are all good money because they all perform the functions of money alike.

But we are told if we get silver and treat it as we treat gold and make it the cheap money of the country, the gold will leave the country. We were told here one night by one Senator that it would go in hiding, and by another that it would be exported.

Our attention is called to the Gresham law. Now, what is the Gresham law? I think most people who talk about the Gresham law have never read the law. It was not a statute. It was a declaration by Sir Thomas Gresham of a monetary principle hundreds of years older than he, that had been declared repeatedly by early writers on the subject of money. Writers before the Christian era had announced practically the same thing. It is based upon the ordinary selfish principle that a man having two things that will perform the same function exactly concludes that he will keep that which may perform more of the one function than the other at some time in the future; or, in other words, that to-day it will perform exactly the same duty, but he thinks to-morrow one of them will do more than the other, and he keeps the possibly best one until to-morrow.

Where bullion has been put into coin, when the silversmith (and there have been silversmiths in all times, I think; they preceded coinage; they were the first coiners) wanted to melt up a piece of gold or silver, he would melt the one that weighed the most. Why should he not? He takes them by tale. He does not take them by weight, and if he found a silver dollar that was four or five grains short and another silver dollar that was full weight, he would melt which one? Certainly he would not melt the light-weight one, because the light-weight one would buy just as much. He would melt the big one, or the one with most silver in it, and the same is true of gold coin.

Now, to say that when a man goes to the market ordinarily with two pieces of money, one being a gold piece fresh from the mint and another one that had been worn, he selects the light-weight one to pay out, is simply nonsense. That is not done. But if he is going to export gold and silver, then he looks over his hoard of gold and silver and picks out the full-weight ones, of course. The law of Gresham never prevails until there is a demand for money to go out of the country, or a demand for the melting pot, one or the other. So the influence of that law is absolutely infinitesimal and inconsequential in the ordinary affairs of life.

If we had gold and silver performing exactly the same functions in this country, why should a man put in his closet and lock up one more than the other, unless there was somewhere in the world a demand for the gold that did not exist for the silver? Open mints make the demand equal for the two metals everywhere. When that is accomplished there will be no inferior money nor superior money; the law that applies to abraded gold will apply to abraded silver, and *vice versa*. The Gresham law will never come into play until you have too much money or there is a demand for export and you have to send your money out of the country. Then, of course, money goes not by tale, but it goes by weight, and the heavier the money is the more likely it is to go. That is all there is in the Gresham law.

Senators talk—some of them at least—as if gold had a will of its own, and they say that gold will leave the country, or as one Senator said, it will go into hiding. When asked what are you going to give for the gold to induce it to travel to foreign countries, he says it will go into hiding. If somebody wants gold abroad and is willing to pay more for it there than they will pay for it here, or if some man here who owes a debt abroad and can not pay it in any other way he is obliged to send his gold, and that is the way gold will leave us and that is the only way, and it will go under those circumstances whether we have silver or not. A nation like ours is rich enough to have a policy of its own; and by opening its mint the silver will flow to it just as long as the business of the country requires it, and when the business will no longer absorb it, the mint classes itself, because the holder of silver no longer desires to have it put into a coin that is becoming depreciated, or, in other words, prices are rising too high and he does not want to exchange his coin for products at less prices, which he must sell here or somewhere else at a loss.

The Senator from Iowa [Mr. ALLISON], who is not here, who

addressed us sometime ago, insisted that we could not have free coinage alone; that while he thought free coinage desirable we must wait for an international conference, and when we had an international conference that allowed us to do so we could go to free coinage. In other words, the position of the Senator from Iowa [Mr. ALLISON] was that we could not do this alone, but we could do it with some other country. He did not tell us how many countries we must have to join us; and I understand from his remarks then and since and at other times that he thinks until England shall come to free coinage, or that England shall agree that we open our mints we can not open our mints.

Mr. President, we might wait forever, in my judgment, if we wait for Great Britain. Every utterance of Great Britain in the last twenty years touching this subject has been against using silver in her system of money. She stood in the way of an international agreement in 1878; she stood in the way of an international agreement in 1881; she stood in the way admittedly in the last conference, in 1892. Her delegates declared in language not to be misunderstood that has been repeated on the floor, and therefore I need not read it, that under no conditions would England go the the bimetallic system, and they wanted it understood, so that people should not be misled, that Great Britain did not intend to have in her system anything but gold, except to use silver as subsidiary money only.

Now, is there any reason to suppose that Great Britain will change her policy in reference to this question? I know, of course, that the industrial classes of Great Britain have been in arms and are insisting that there must be a change, but England has paid no attention to it and closed the mint of India against the protest of the best men who were consulted upon that subject and knew the most about Indian affairs. She closed it arbitrarily and closed it in haste; closed it, as one member of Parliament said, "by telegraph," and another member of the Parliament said the 287,000,000 Indians who were affected by it were not consulted nor their interests considered. It destroyed the Indian securities payable in silver. It reduced in value these securities (so said Mr. Chaplain in the House of Commons) more than a thousand million dollars. For the purpose of securing and establishing the gold standard throughout the world England was willing to sacrifice the holders of rupee securities to that extent, and yet the Senator from Iowa tells us that there are hopes and expectations that some day England may consent that we shall open our mints to silver.

The Senator from Iowa told us another thing, and that was that the governing classes of Great Britain were anxious that we should not cease buying silver. Mr. President, I challenged the statement then; I challenge it now. The great London press without exception are demanding that we shall cease to buy silver. The great banks of Great Britain and all her moneyed influence are demanding of us that we shall cease to buy silver and that we shall cease to use it in this country as money. I challenge the Senator from Iowa or any other Senator to show me a respectable paper that is not a bimetallic paper in England that has favored the continued purchase of silver in this country. I have before me here the latest utterance of the London Times on the subject, in which they are predicting dire disaster to the country if we do not cease the purchase of silver.

The gold monometallists of the world are in favor of the cessation by the United States of the use of silver, and they are in favor of it because they desire to put the whole world upon the gold standard. Mr. Gladstone told us why Great Britain wants the gold standard. He told us they are the creditor nation of the earth, and because of that fact they do not want to have silver used as money in Great Britain or anywhere else. He said they want low prices; they want more products to be paid to them when the balances are settled between them and their debtors. Mr. Rothschild, their representative in the Brussels conference, said in so many words that it was better to have wheat at 30s. than at 45s. I think that was the price, but anyway the lower the price of wheat the better. Other English monometallists in that conference said that low prices are what they want and not high, and they complained that bimetallism meant a rise of prices.

Well, Mr. President, a rise of prices might under some circumstances not be desirable, but under others it is. When we consider that not only in this country, but throughout the world, this is an era of debt; that the debts of the world have increased in the last twenty years to an extent never before reached in much longer periods; that we have more than doubled our debts in this country in ten years, and that low prices mean so much more to pay by the debtor, it is desirable that prices should rise.

Does anybody deny here that a dollar a bushel for wheat in Kansas, Nebraska, Colorado, the Dakotas, and Minnesota would be a blessing? Does not everyone know that every industry in the country would be benefited by having wheat in the States I have mentioned go to a dollar a bushel at the farmer's barn? It is true it would cost the laborer in the cities more to get his bread, but he will get it easier when wheat is a dollar a bushel in the Dakotas than when it is 50 cents, because then the great farming class will become consumers to a degree that they can not consume at the low price. How much does the low price of wheat and the low price of cotton decrease the consumptive power of the American people? The men who raise cotton and raise wheat are the consumers of other products; and when the prices go below a profitable production they become unable to consume of other men's products.

There is not a man working in a mill in New England who had not better pay $1.25 a bushel for wheat for his bread than to pay 50 cents, because then the farmer will be, as he has been heretofore, the great consumer of all kinds of manufactured products. It was said in Great Britain that the expendible income of the British farmer in a single year had fallen $200,000,000. What it has fallen to in this country I beg somebody to tell me, when our 400,000,000 bushels of wheat that ought to bring to the farmer at least 80 cents at his home, to be profitable, are selling at from 35 to 40 cents a bushel.

Not only is his expendible income destroyed, but his ability to pay his debts is destroyed. With a great mortgage debt upon a great majority of the farms of this country, with twenty-odd million adult laborers, men and women, boys and girls, who are producers on farms (I do not mean the men who work by the day; I mean the men who work on their farms, and produce and sell their products), to what has their expendible income depreciated or fallen? What shall we say of their ability to pay their debts, to get rid of the mortgages on their homes with such low prices? That is what we are concerned about at this time, or at least we ought to be.

Mr. PALMER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Illinois?

Mr. TELLER. I will hear the Senator.

Mr. PALMER. With the consent of the Senator from Colorado, I will ask him if he believes the free coinage of silver would change those conditions?

Mr. TELLER. If the Senator had listened to me he would have known that I had already stated that, and given the reason why.

Mr. PALMER. If so, it is quite satisfactory. I asked why. I did not hear the Senator on that point.

Mr. TELLER. I said that I believe the free coinage of silver in this country would have its effect upon the monetary systems of the whole world, and that the low prices of the world to-day are due to the present monetary condition of the world.

Mr. PALMER. Will the Senator allow me to say that that is not quite the answer I desire? Would the free coinage of silver by the United States relieve the world of the condition he describes it to be in?

Mr. TELLER. I believe it would. I have been trying to show for an hour or two hours why I believe it would. I believe that if the whole world would return to the bimetallic condition existing prior to 1873 there would be a return to the prices of that period, save and except as to those things where discoveries have lessened the cost of production, and in that case, of course, nobody desires to raise the price.

Mr PALMER. I understand the Senator to say that he believes the whole world would return to the former conditions; that the conditions now have changed; and I ask him the naked question, would the free coinage of silver by the United States alone produce the favorable condition he describes?

Mr. TELLER. I will not answer it in that way. The free coinage of silver by the United States alone, if no other followed, might not do it. The position I have been trying to argue, is that if the United States would proceed to recognize silver as money on equal terms with gold it would be followed by other countries, and then the monetary system of the world would be returned to the old system prior to the demonetization by Germany, the United States, the Latin Union, etc.

Everybody must admit that when there is a condition all over the world alike there must be the same cause for it. It will not do to say that we are raising wheat so much cheaper now than we did twenty years ago, that we can afford to sell it for 40 or 35 cents a bushel when we were then selling it for $1.50 or $1.25 a bushel. Nobody can pretend that there have been such improvements in the methods of raising wheat that the price now corresponds to the efforts to raise it compared with the effort required at that time. Everybody must admit that there is some reason why wheat is lower, independent of the fact that farmers have got better binders and better plows, because they are practically the same that they were twenty years ago, with very little improvement.

Mr. PALMER. I ask pardon of the Senator. I should be glad, if he will allow me, to say that within five years the

changes in the mere cost of wheat raising have been wonderful. When harvesters that sold five years ago for $254 are sold to-day for $125 it is very different.

Mr. TELLER. I will admit that the price of farm implements is less than it was some years ago, but not enough to make the decrease that the farmer sustains in the price of his wheat. There are a great many things that go to make up the cost of wheat raising besides the use of machinery. The machinery is good. It has been good for years. It is a little cheaper now.

But when the farmer buys a reaper or a mower he does not use it up the first year or the second year; if he is a good farmer it lasts him many years. While the farmer has had less to pay for the machinery with which he did his work he has had more to pay for taxes; he has had more to pay for a variety of what we call fixed charges than he did before; and he has had more to pay for his hired labor. Everybody knows that there has not been any money in farming for some years, except to the men who have lived by the side of a city and have followed truck farming, or something of the kind. Men in the great farming States of the Northwest have not been growing rich at farming in the last ten years. The man who put his own labor on his own farm, and that of his boys and girls, has possibly made a living, and it may be, in some instances, more; but it is his labor that has done it. If he has hired, there is not a farmer anywhere in the country who has been able to hire labor and make a living.

Mr. President, I know something about the farming business. There have been very few years in my life when I did not have something to do with farming. I was brought up in that class. I have been connected with farming all my life. I have been an observer of and sympathizer with that class of people; and it must be admitted by everybody that their condition is not satisfactory anywhere, whether it be in New England or on the great fertile prairies of the West.

Now, there are some other points that I want to speak of briefly. The Senator from Connecticut [Mr. HAWLEY] who sits on my right, and who I do not see here now, one day said that he did not think we could afford to overlook the experience of centuries and years, or words to that effect, in dealing with this question. That is what I complain of now, Mr. President, that the advocates of the single standard are endeavoring to try an experiment on the world.

Up to 1873 there was but one country in the world that had a single gold standard, and that was Great Britain. Then other countries went to the gold standard, and we have been put, so far as prices are concerned, practically on a gold standard; because, if not in law in fact, all the money we have in this country, whether it be gold, or whether it be silver, or paper, has been bottomed, to use the term, upon the gold of the country; and it does not make much difference if you have much money or little, after all you go back and measure your prices by the gold of the country. Your silver, notwithstanding it will buy as much as gold, has been treated as subordinate money, and so prices have been regulated very largely by the amount of gold in the country as they have been regulated by the amount of gold in the world, and silver, as a regulator of value throughout the world, has to a great extent lost its power. So we have been practically on a gold standard, on gold prices, and with continued falling prices every year.

Now, what is proposed here by the repeal of the law? It is that silver shall cease hereafter, not to be money in this country, but it shall cease to be a metal that will add to our money. I fear there is no prospect if this law is repealed that in my day or in yours, silver will be again recognized as a metal to be put into the money of this country. It does not make much difference to me what may be the promises of our friends who have heretofore been zealous in supporting silver; I can see obstacles that they can not overcome. So I think that if you repeal the law with no provisions attached to the repeal for the further use of silver we shall continue for a time to use the silver we have as money; but very soon, as I said the other day, it will be subordinated entirely to gold and will be redeemable in gold, and then, if not now, the gold in the country will fix the values, which will be lower then than they are now.

It is impossible to suppose that the people of the United States are going to continue to use silver as standard money if it is degraded, as it will be on the passage of this bill, by the fall in silver bullion. So we are coming to the single gold standard with all that that means; and that is what the world claims we are coming to; that is what the English newspapers declare we are coming to; that is what our own newspapers declare we are coming to. The English Statist the other day declared that if this law was repealed there would not be in the world a single new standard dollar of silver made for a generation.

Now, Mr. President, that is not an outlook that is to me at all encouraging. I know that with the destruction of silver in this country, when we shall cease to receive it at our mints and to coin it, there will come falling prices, stagnation in business. And all of this is under the pretense that the people of the United States want honest money, and that silver is dishonest.

Mr. President, for myself I resent the charge that I want dishonest money. I want honest money. I want stable money. I want money that to-day will buy to-morrow what it buys to-day. When any citizen makes a contract I want him to know how much labor, how much sacrifice it will require on his part to secure the money to pay what he agrees in that contract to pay.

I assert here that the gold standard is not a stable standard. I have here before me now an article on the appreciation of gold which I will on another occasion present to the Senate. Having spent so much time now, I will leave that and present it to-morrow or some other day, when I can get the opportunity. I shall do it to show the appreciation in gold throughout the world, and to show that silver has not depreciated, that silver has maintained in its bar form its purchasing power since 1873 up to the present time with a very slight variation. I intended to present that to-day, but I find my throat a little troublesome. I will present it at some other time. I understand the Senator from Nevada [Mr. STEWART] desires to take the floor, and I will present that feature of the case some other day, and yield to him.

Exposure of the Financial Fallacies of the President of the United States.

SPEECH

OF

HON. WILLIAM M. STEWART,

OF NEVADA.

IN THE SENATE OF THE UNITED STATES,

Wednesday and Friday, October 11 and 13, 1893.

The Senate having under consideration the bill (H. R. 1) to repeal a part of the act approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. STEWART said:

Mr. PRESIDENT: There has been some criticism of the delays in coming to a vote on this question. I think those criticisms are unjust. I have no doubt that in one year from this time, if not sooner, everybody will agree that it was fortunate that there was some power in this Government to call a halt, to secure sufficient delay for the people to be heard upon the most important question that has ever been submitted to any legislative assembly.

The Senate of the United States, during its long history, has been the only body which has reserved questions

FOR THE DETERMINATION OF THE PEOPLE,

questions upon which the people have not been called upon to pass. I know, in my short experience, several important questions have been reserved here, which, if they had been decided hastily under the previous question, would have brought misery upon the country For example, on the 3d of July, 1870, the Senate had agreed, by unanimous consent, to vote upon a bill modifying and amending the naturalization laws. The discussion, by the way, had lasted for several weeks. When the hour of voting arrived, Mr. Sumner, then a Senator from Massachusetts, offered an amendment to strike out the word "white," the effect of which would have been to extend the right of suffrage not only to alien Africans, but alien Asiatics. The Senate was not advised as to the danger of extending the right of suffrage to Asiatics. The country did not know, then, that if those people had the right of suffrage they would come here by the millions and tens of millions, and that it would probably

SUBVERT OUR INSTITUTIONS.

At all events they would have taken complete possession of the Pacific coast.

When that amendment was offered I rose in my place and said that it was not within the terms of the agreement. Senators all about me said it was the first time that an agreement to take a vote upon a question to terminate debate had been violated. It was then suggested that we take a vote in Committee of the Whole, and after it was voted on it was suggested by several Senators that we would be absolved from our agreement. The vote was taken and the amendment prevailed. A contest then commenced. The majority in favor of the amendment was immense in the start. The sentiment here was almost universal that suffrage should be extended to Asiatics. We had already passed the fifteenth amendment, and the colored people in this country were entitled to vote; and it seemed a very little matter

to extend the right of suffrage to the few who might be naturalized.

THE GREAT MAJORITY OF THE SENATE

thought it was a trifling matter. The Senate refused to adjourn over the 4th of July, and on the 4th of July, 1870, there was a very fierce struggle. It commenced on Saturday, the 3d, and on the 4th of July there was a fierce struggle. Finally, on the night of the 4th, about 11 o'clock, a compromise was reached, which extended suffrage to persons of African descent and excluded the Asiatic race.

I do not suppose that there are now five men in the United States who would be in favor of extending suffrage to the Asiatics. Still, if the previous question had been enforced we would not have been heard for a moment, for there were only two or three of us who opposed the amendment, and the majority were very indignant with us for protesting. It almost seemed as if we would be driven out of the Senate Chamber for making the suggestion.

THE INDIGNATION WAS HIGHER

than I ever saw it that such a suggestion should be made. But the power of the minority to call a halt, have a reconsideration, and have the measure understood was valuable in that instance.

Here only two years ago, when there was a bill pending which many Senators believed would change our form of government and lodge the power and control of local elections in the hands of the Executive, the minority resisted for months and months by various devices, and when it comes to be submitted to the people it is believed that the great majority of the American people are against it. By that means a continuance was secured whereby

THE VOICE OF THE PEOPLE COULD BE HEARD.

I could mention many other instances where the Senate secured a continuance until the people could be heard on great questions. If there ever was a case when a continuance ought to be had until the people can be heard this is the one. The questions I have mentioned as compared with this were trifling. This, in my judgment, involves the fate of humanity. In this question the whole destiny of the human race is bound up, because it is impossible at this age of the world to leave both gold and silver and adopt any other measure of value. They may not be scientific; they may not be the best measure of value.

I am aware that as a scientific proposition it would be better if there was no commercial value in the money we use and if the value of each unit of money should depend upon the volume. If the volume of legal-tender money can be regulated there is no necessity for using either gold or silver, if governments and men could be trusted, if there was any limit to be put upon it, but during all the ages failures have taken place in making that effort. The truth is there has been no rule whereby the volume of money can be limited except one, and that is to limit it by

THE OUTPUT OF GOLD AND SILVER,

by the aggregate of the two metals and then leave rude nature to limit the amount. She has always limited it low enough. She has doled it out savingly enough. There never has been too much money when both metals were used, but whenever the mines were productive we have had prosperity.

When the mines gave out we have had adversity and finally barbarism. History is dotted with illustrations of the rise and fall of nations with the yield of the mines and with their decline. It marks the ups and downs of humanity. On a falling market and with falling prices you have stagnation, hard times, feudalism, barbarism, and slavery.

This age was especially blessed with discoveries of gold and silver. There was a prospect of continuous prosperity. There had been

A MONEY FAMINE PREVIOUS TO 1850,

but the gold and silver from California from 1850 to 1873 had set the wheels of commerce in motion, had inspired enterprise, had created a desire to acquire property, because money was not appreciated, but property was appreciated. Money was applied to its legitimate use, to exchange property; it was not hoarded. It was more valuable to invest in property. The energies of man were at their highest. When gold commenced declining the other metal came, and there was a prospect of an indefinite period of prosperity.

But in an evil hour the owners of fixed capital, the dealers in money, determined to set back the tide of prosperity, to reverse the wheels of enterprise that were moving forward, and to turn them back. They had calls for a large amount of money. They wished to enhance their bonds. To do that they must cut off the supply of money, so that it would be worth more, because the value of money depends on the number of units. They understood it perfectly. It was a simple proposition.

I shall not, at present, go through with the history of the devices by which this end was accomplished. I have done that on a former occasion. I may allude to it further on in my remarks. But by various devices

THEY STRUCK DOWN ONE OF THE METALS

and the principal metal, the one that had been the most reliable. They struck that down in order that the supply should be reduced to the minimum. The arts are absorbing all the output of gold, so that they inaugurated a money famine. They had a call for all the money that was in existence. Their bonds called for all that could be produced; and having a mortgage upon the world they destroyed one-half the basis, and thereby made it impossible for any more prosperity.

If they can keep silver destroyed there can be no more gold money, and they have a call for all that there is. You may go a little while on credit, but you will have to break. You may have little bubbles on credit, but as the basis can not be enlarged while population and business are increasing there must be a continuous fall; and there must be a rapid fall now, because silver is still money, and while it performs some of the money functions, it sustains prices. When it is entirely destroyed misery will result.

GOLD HAS ALREADY GONE UP 50 PER CENT.

and it has only commenced its career of advancement as compared with property. Unless this can be checked, unless the money volume can be enlarged there is no hope for humanity whatever.

Senators talk about the double standard and bimetallism, and in this Chamber I hear a great deal said about it with very little apparent appreciation of what is meant. What is meant by bimetallism? I thought that expression ought to be understood, but it appears that it is not.

BIMETALLISM IS SIMPLY THIS.

that you can make standard money out of either of the two metals; that is all. You can make standard money out of either of the metals at your pleasure. That is all there is in bimetallism.

Mr. PALMER. Does the Senator mean to say that we can not make standard money of both?

Mr. STEWART. Yes, either or both.

Mr. PALMER. I beg pardon.

Mr. STEWART. Yes, either, as you please. You can have the privilege of doing it with either. You can make it out of either.

Mr. PALMER. Or both.

Mr. STEWART. You can not very well make it out of both at the same time, because they have to be coined in different pots. That is all there is in bimetallism.

Senators talk about parity as if there was something peculiar and strange about parity. They do not appear to understand what is meant by that. When one dollar is made it is of the same value as the other; it has the stamp of the Government on it if you make it out of either metal. Of course, the dollars are all of the same value.

IT DOES NOT MAKE ANY DIFFERENCE

what they are made of. There you have a parity between the dollars. That of course you will have if you can make them out of either. If the law allows you to make the standard dollar out of either, one dollar will be just as good as the other. So far as that is concerned there is no trouble about it.

Senators talk about there being a difference in the commercial value of the metals before they are coined. This is the case in bimetallism. You will always use the most convenient metal, but where one is most abundant for the time being the cheaper metal will always be used.

That is the way it has worked through all ages. If you make a large discovery of gold, gold is more easy to get and is perhaps cheaper than silver at the ratio fixed, and everybody would use gold. They take that gold to the mint because they get just as much money for it as they could get for silver, and they would use that because it is most convenient; and the demand would all fall upon that metal and then it would go up equal to the other. As long as it was the slightest shade dearer than the other the cheapest would be used, because they have a right to use either.

That is bimetallism; and that is as it has been for twenty-seven hundred years, but I need not go back as far as that. For twenty-seven hundred years

THE TWO METALS HAVE KEPT ALONG AT A SUBSTANTIAL PARITY.

Sometimes there was a large production of one and sometimes of the other. The one most convenient to be had was always used; the demand fell on that metal. The man who loaned would loan the metal most convenient to get, and the man who had to pay for it would take that metal, so that was used entirely until it kept up to the other.

During the three hundred and fifty years previous to 1850 the relative production of the two metals at a ratio of 15½ to 1 was more than 2 of silver to 1 of gold at that ratio. Almost twice

as much silver as gold was produced. Von Humboldt says that between the discovery of America and 1803 there were 44 ounces of silver produced to 1 of gold, and taking the whole time no statistician pretends that there were less than from 31 to 35 ounces of silver produced to 1 of gold. Still, the commercial ratio during all that time never rose above 15½ to 1. We put a little more silver in our coin in 1834 than the balance of the world did. Our silver dollar went to a premium immediately. So the relative production did not have anything to do with their relative coinage value or their commercial value or nothing very materially, because, as I said, the slightest difference in their commercial value would throw all the demand upon the cheaper metal.

Then, again, between 1850 and 1860 there were only 4½ ounces, I believe, of silver produced to 1 ounce of gold. Still, their relative value was 15½ to 1. But within the last twenty years the relative production of the two metals has been more nearly equal than at any time during the history of the world.

THERE HAS BEEN NO PERIOD

when the relative production of the two metals at a ratio of 15½ to 1 has been so nearly equal as in the last twenty years. Then there can be nothing except legislation to make the market value of the two metals part company.

We are told that we can not have an independent policy of our own; that we must consult England; that we must do as England says. Is that true? Is the United States so helpless now that we are entirely subject to the will of Great Britain? Are we not strong enough to have an independent financial policy of our own? How many American citizens are willing to trust Great Britain to dictate our financial policy? She is doing it. She has done it for the last twenty years. She has shaped our policy absolutely for the last twenty years on this question.

In 1867

A MONETARY CONFERENCE WAS HELD IN PARIS.

Mr. Rivers Wilson represented Great Britain and Samuel B. Ruggles represented the United States. That conference was held with a view of extending the Latin Union, which had been formed two years previous, and which provided for a common coin and a common standard of weights and measures for five nations—France, Italy, Greece, Belgium, and Switzerland. That conference was held in 1867. We sent a delegate there. The chairman of the Committee on Finance, the Senator from Ohio [Mr. SHERMAN], appeared on the scene and wrote a letter recommending the single gold standard. Mr. Rivers Wilson, who appeared for England, said that under his instructions he could not participate in discussing the principles of the Latin Union, because that recognized bimetallism; that England in 1816 had adopted the gold standard and would not depart from it, but if they were there for the purpose of recommending the single gold standard he could vote on all their propositions; and he said he was happy to say he had been able to vote on all propositions and coincide with the conference. Mr. Ruggles informed his government that

BY THE AID OF A LETTER

from the chairman of the Committee on Finance, Mr. SHERMAN, they were able to induce nineteen nations to come into line and recommend the gold standard.

Afterwards the way it got through Congress I have already described in my speech giving the true history of the demonetization of silver. If anybody feels disposed to go through that history I invite him to read the speech which I made on the 5th of September last, in which I gave the true history of the demonetization of silver. I say that international bimetallism is impossible. England and the United States made it impossible. We coöperated with England to destroy silver.

After it was ascertained that silver had been demonetized in the United States

THE PEOPLE BECAME VERY INDIGNANT,

and they tried to pass a free-coinage bill. They did pass it through the House of Representatives, but the Senate put an amendment on it, and made it the Bland-Allison bill, and that had to be passed over a Presidential veto. Then it was said that we must appeal to Europe to join us We went there, and in 1878 and in 1881 petitioned them to allow us to live. England was there each time, saying that she would not participate if the conference was going to discuss bimetallism. President Cleveland in 1885 sent Mr. Atkinson over to Europe to ascertain if they would consent to bimetallism. Mr. Atkinson came back and reported that they would not have anything to do with it, and the Executive so reported in his message in the fall of 1885.

Still we were not satisfied. The last Administration sent a commission to petition Great Britain for

THE RIGHT TO LEGISLATE FOR OUR COUNTRY.

They sent able delegates, full of American blood and energy over there, to get the right of Great Britain to legislate for America. Great Britain said, "We will not discuss the question of bimetallism; we did not come here for that purpose. We made you modify your invitation so that it would not commit us to any such policy. We are here as a polite thing; and now, what have you to say?" Then the conference had a lingering idea, some of them, that they would go back and continue the farce. I suppose our delegates felt a little badly, and the English delegates saw it and sympathized with them, and they said, "We will adjourn; we will not kill you outright; we will give you a chance by adjourning." They did adjourn.

But there are bimetallists in Great Britain whose voice can not be heard, because that country is governed the same as this by a moneyed aristocracy, by a bondholding oligarchy. The people have very little to say about it. The same environments and the same influences operate in London as in New York.

THE VOICE OF THE GOLD RING

is strong enough there to trample down the rights of man, as is the case here. There was a motion made in Parliament recommending the reconvening of the conference, whereupon Mr. Gladstone made the most sarcastic speech, the most contemptuous speech concerning the American people and all the outside world that was ever uttered by mortal man For arrogance and contempt it has no parallel.

I think I will regale the Senate by reading a short portion of that remarkable speech. It is interesting to know how that Government regards us. How any American can read that speech and have any respect for the rulers of his country who submit to such arrogant assumption I can not conceive. Mr. Gladstone said:

I suppose there is not a year which passes over our heads which does not largely add to the mass of British investments abroad. I am almost afraid to estimate the total amount of the property which the United Kingdom holds beyond the limits of the United Kingdom, but of this I am well convinced, that it is not to be counted by tens or hundreds of millions.

He is speaking of pounds.

One thousand millions ($5,000,000,000) probably would be an extremely low and inadequate estimate. Two thousand millions ($10,000,000,000), or something even more than that, is very likely to be nearer the mark. ["Hear!" "Hear!"]

Two thousand million pounds; ten thousand million dollars. I suppose that is vastly below the amount, but by saying "Hear!" "Hear!" the members present approved of the amount stated. Ten thousand million dollars the outside world owes the Kingdom of Great Britain. Outside of the Kingdom they owe to the Kingdom $10,000,000,000!

At 5 per cent per annum that is a good little income—$500,000,000. I do not suppose that is half of the income of the bondholders who congregate in London. I suppose their income is more than a thousand million dollars each year, because they have all the British obligations beside the $10,000,000,000 that they hold against the outside world, and $10,000,000,000 is undoubtedly a very low estimate.

I think under these circumstances—

Mr. Gladstone continues—

I think under these circumstances it is rather a serious matter to ask this country to consider whether we are going to perform this supreme act of self-sacrifice.

A supreme act of sacrifice to allow the Americans to coin their own money! Are we going to allow it? Are we going to allow this sacrifice? Is not that haughty? Is not that English?

I have a profound admiration for cosmopolitan principles. I can go a great length in moderation [laughter], in recommending their recognition and establishment, but if there are these two thousand millions ($10,000,000,000) or fifteen hundred millions ($7,500,000,000) of money which we have got abroad, it is a very serious matter as between this country and other countries.

If the outside world owes this vast amount of $10,000,000,000 of money to Great Britain, it is a very serious matter, as Mr. Gladstone said, between that country and other countries.

THAT IS THE SITUATION OF GREAT BRITAIN.

That is the country we must supplicate before we can have the right to legislate. Mr. Gladstone continues:

We have nothing to pay them; we are not debtors at all; we should get no comfort, no consolation out of the substitution of an inferior material, of a cheaper money, which we could obtain for less and part with for more. We should get no consolation, but the consolation throughout the world would be great.

Mr. Gladstone says the consolation of the American people would be great. Provided Great Britain would let us rehabilitate silver, no doubt the consolation would be great, the effect would be great, and yet we are denied that consolation, and our President and Cabinet join also in denying that consolation to our people.

We should get no consolation, but the consolation throughout the world would be great. [Loud laughter.]

Loud laughter! How can any American with one spark of patriotism in his heart endure the loud laughter and the sneers

of the British Parliament, when it is said in their presence that the consolation of the American people would be great if Great Britain were to allow us to coin our own money; but Great Britain does not propose to do it.

As the consolation would be too great to us if England yielded to our desires, so the despair and the misery is great to our people because they can not obtain what they desire. The trouble in this country is because we are denied the right to mine and coin our own money. There is no other trouble in America.

THE REASON FOR THE PRESENT PANIC

and for all the trouble existing and for the throwing out of employment of hundreds of thousands of American citizens is because we submit to the dictation of Great Britain, and she will not allow us to mine and coin our own money. Mr. Gladstone goes on ridiculing the idea of extending any consideration whatever to us. He says:

This splendid spirit of philanthropy, which we can not too highly praise—because I have no doubt all this is foreseen—would result in our making a present of fifty or a hundred millions ($500,000,000) to the world. It would be thankfully accepted, but I think the gratitude for your benevolence would be mixed with very grave misgivings as to your wisdom.

It is benevolence to let the American people coin and mine their own money. Who ever heard of such arrogant language as that? How would that have been received by our ancestors? How would that have been received by the patriot fathers, who were willing to sacrifice their lives to gain the independence of this country? Sneers like that would have enraged our ancestors and have aroused the American people at any period prior to the degenerate age which has come upon us. But twenty years of contraction, twenty years of hard times have taken much of the pluck and independence from the American people. Our farmers twenty years ago were the bone and sinew and the reliance of our Government; they were regarded

AS THE BULWARK OF CIVIL LIBERTY,

but most of them are now too poor to attend conventions; their farms are mortgaged, and this insidious process of enslavement has greatly weakened them. We hear of nothing now but the creditor classes, and the organs of the creditor classes. No petition has been sent here from any man or any set of men for the passage of this bill, except those who are creditors, or debtors in the grasp of the creditors, who have been forced to appeal to Congress in behalf of their masters.

Mr. Gladstone continues:

I have shown why we should pause and consider for ourselves once, twice, and thrice before departing from the solid ground on which you have within the last half century erected a commercial fabric unknown in the whole history of the world—before departing from the solid ground you should well consult and well consider and take no step except such as you can well justify to your own understanding, to your fellow-countrymen, and to those who come after us. [Cheers.]—*The Times*, London, March 1, 1893.

Yes, they have built up a commercial fabric unknown in the world's history, a fabric which threatens the world's liberty. When the Rothschilds, in 1815, got the first report from Waterloo they spread a false report, bought up a vast amount of securities then in England, which had accumulated during twenty-two years' suspension of specie payment, and which amounted during the twenty-two years of the Napoleonic wars to over $4,000,000,000. That all fell into the hands of the few. That has been the nucleus around which this grand fabric of which Mr. Gladstone speaks has grown up. He is a city man. He represents that accumulated capital. When one nation after another was crippled England has taken their obligations, and the British lion has enforced payment.

Take, for example, Egypt. An extravagant and foolish Khedive involved Egypt in a debt of $500,000,000. The bonds were bought by the Rothschilds at about 60 cents on the dollar, and the money was used by the Khedive to build twelve palaces and to decorate a few soldiers; no good was done to the country with it, and in the building of palaces foreign contractors made large sums of money. When the Egyptian Government failed to pay,

ENGLAND TOOK MILITARY POSSESSION

of that country, and holds it to this day. She exacts from those people the whole "pound of flesh," and a debt contracted at 60 cents on the dollar, payable at the time in either gold or silver, they have required to be made payable in gold alone; and in order to exact it they are to-day under the necessity of applying the lash to the backs of the laborers. It is only about two years since the philanthropists of Great Britain protested against the use of the lash in Egypt; but, on investigation, it was reported that it was necessary to use the lash to collect the interest, and, as this accumulation of interest was a holy thing, the complaints were silenced.

Just imagine the condition of that country, with only about six or seven million acres of land which are under any circumstances susceptible of cultivation, compelled to raise from fifty-two to fifty-three millions per annum—just imagine those people being compelled to pay $25,000,000 interest on a foreign debt and to pay from twenty-seven to twenty-eight millions to support the English army of occupation and to carry on their local government.

IMAGINE THEIR CONDITION

when they are compelled to raise from seven to eight dollars an acre by taxation every year by the sale of sugar, cotton, and wheat at the present low prices—imagine the starving condition of that country. That is English policy; that is one of the things England has done.

See what England has recently done to Austria. Austria owed a debt held in Great Britain of $2,400,000,000, evidenced by bonds drawing 5 per cent, payable in silver, because Austria was on the silver basis when she contracted the debt. She has been compelled by the English bondholders, who control the matter, to fund that debt in 4 per cent nontaxable gold bonds; and according to the accounts I have seen in the newspapers—I have not seen the Austrian reports—the debt is increased four hundred millions, and it is now $2,800,000,000. I know the old debt was to be taken in at par and the new debt put out at a discount, but the English papers now say that Austria owes a debt of $2,800,000,000, payable in gold 4 per cent nontaxable perpetual bonds. Imagine the condition of poor Austria!

ITALY IS IN THE SAME CONDITION.

Further on I shall show the condition of the people of Italy.

That is the character of this grasping, this consolidated power which governs England, and England is groaning under it, the same as is all the world; the English people are now subjugated and suffering the same as all other people. It is this colossal power, this fabric, of which Gladstone speaks, which is governing the world and levying tribute everywhere upon all men.

It is ridiculous to suppose that this power will yield to us an international conference. This is the power to which we must bow; this is the power whose consent we must get before we can legislate for our own people!

The bimetallists of England, still insisting that something should be done, recently appealed to the chancellor of the exchequer, and since this debate commenced, the next day after the able Senator from Iowa [Mr. ALLISON] made his speech, this reply came across the water. It is from the London Economist, and headed "Great Britain and the Brussels conference:"

ENGLAND OPPOSED TO INTERNATIONAL AGREEMENT.

Great Britain and the Brussels Conference.

[From the London Economist.]

There has been published this week a correspondence between Mr. R. C. Everett, M. P., and the chancellor of the exchequer, which is calculated to extinguish any hope the bimetallists may still entertain of a reassembling of the Brussels conference. Mr. Everett, in his letter, complains that Sir William Harcourt has "several times in the course of the present session referred to the majority of 81, which on February 28 rejected Sir R. Meysey-Thompson's motion in favor of renewing international efforts for the settlement, if possible, of the silver question, as having been a mandate from Parliament forbidding her Majesty's Government from taking any steps to forward such settlement;" and he goes on to contend that in reality the majority had small significance. Many Liberal members, he says, voted in the division against their convictions, being influenced by the representations of the whips that if they went into the lobby with the Opposition, and so put the government in a minority, that would be "an event of ill-omen, and very unfortunate for the Liberal party." To this Sir William Harcourt replies that the government used no more than their proper influence to defeat what they considered a vicious motion, and points out that "as the majority embraced a considerable number of members of the Opposition, so the minority contained not a few Liberal members; and no party pressure could have been secured for the government a majority more than double their normal strength."

And having thus dwelt with Mr. Everett's complaint, the chancellor of the exchequer proceeds to make a statement, in which the real interest of the correspondence lies. After declaring that the government are always ready to give a fair, careful, and courteous consideration to any proposals made to them on the responsibility of other states, he adds: "But it is of the highest importance, in the interest both of this country and of other governments, that we should not encourage expectations which we are not likely to fulfill. * * * Her Majesty's Government entirely adheres to the declaration made in the House of Commons, that any interference with the single monetary standard now by law established in this country is open to the gravest objections."

This should put an end to the false idea under which the conference was first convened, that "concessions" of some kind or other would be made by us to induce other nations to favor a scheme of international bimetallism. The concession, moreover, which India was willing to make—a promise that she would keep her mints open to the free coinage of silver—is no longer possible, and the United States Congress has now definitely pronounced against the free coinage of silver. In these circumstances it would obviously be futile to call the conference together again, and it may be regarded as definitely dissolved.—*New York Sun*, September 17, 1893.

Still, we are told that an international agreement is the only hope. The Senator from Iowa told us in his speech that England will do something. With all these sneers, after twenty years of supplication and of petition

FOR THE RIGHT TO LEGISLATE

for the financial independence of this country, we get these rebuffs, and we are told we are still helpless and nothing can be done.

Mr. President, it appears to me that the Administration and the Administration Senators here have totally misapprehended the question of bimetallism. They do not appear to have any conception of the way to maintain the parity. Their idea seems to be that the way to do it is to sell silver and buy gold: that the way to put up silver is to sell it, beat it down, jam it in the market, treat it as pig silver, and destroy it.

The mode adopted by this and the previous Administration to maintain the parity is peculiar. In order to raise the price of silver and depress the price of gold, they buy gold and sell silver. I am not an expert in the matter of dealing in stocks, but I always supposed that the bears sold and the bulls bought. If you wanted to put up the price of silver, you would buy it; if you wanted to put down the price of gold, you would sell it. I supposed that was the rule; but

THERE SEEMS TO BE SOME MYSTERIOUS PHILOSOPHY

about the ways of the Treasury Department, and the peculiar excuse which is given for their tortuous course is that found in the Sherman act, a declaration that it is the established policy of the United States to maintain the parity of the two metals. Of course the two coins, so far as the parity is concerned, will take care of themselves. They have upon them the stamp of the Government, and they are worth the same. But we are told the policy is to maintain the parity of the two metals; and the Department says, in order to do this, we must buy silver as low as we can and buy as little as we can, and they put up all sorts of jobs to put down the price. They say we must not use silver coin as money; we must tell the people that it is pig-silver, that it is bad money, and that it is ruining the country. That is the way that the parity is to be maintained. They claim that the use of any silver at all would bring on a panic; they declare that it is bad money, and that is the way to maintain the parity!

BY WHAT PROCESS

was the price of silver bullion put down and the price of gold bullion put up? Germany sold a large amount of silver in order to buy gold. That depressed the price of silver. Other countries have been induced to sell silver and buy gold. That caused a great demand for gold and put up its price. It was by contraction of that kind that this colossal fabric, of which Gladstone speaks, was built up—silver was sold and gold was bought. Silver is excluded from the right of coinage, and so people are compelled to use gold whether they will or not.

There was an aggregate debt of $100,000,000,000, more than fifty thousand millions of which were bonded debts of governments and public and private corporations. These were payable in either gold or silver; but by excluding silver from the mints it could not be coined into money, and then the debtors were compelled to make payment in gold, for by that process these obligations, from being obligations payable in gold or silver, were converted into obligations payable in gold alone. By that process this great colossal fabric has been built up in England in the last fifty years, and it has

DOUBLED OUR OBLIGATIONS

and doubled the obligation of $10,000,000,000, which the outside world owes to Great Britain. Consequently it will take twice as much labor, twice as much property, twice as much wheat and cotton to pay the debt as it would have taken if it had been paid according to the contract—paid in either gold or silver.

THERE CAN BE NO NEW SUPPLY OF MONEY

from the gold mines. The entire output of gold is consumed in the arts. Mr. Giffen, the greatest statistician and gold monometallist in the world, admits that the entire output of the world is used in the arts. If these debts are to be paid in gold, with gold decreasing in quantity and increasing in value every year, disaster is inevitable.

Suppose the United States were brave enough and honest enough to adopt an independent financial policy, what a glorious opportunity would be presented to us. Never in the history of the world was such an opportunity offered to any people to secure independence and prosperity as is now offered to the people of the United States.

Let us open our mints; let us join the silver standard countries; let us sell our gold when it is high; and let us buy silver. If there is in this country $600,000,000 of gold let it go to-morrow, the quicker the better, and buy silver with it. Perhaps you can get eight or nine hundred millions of silver now, if you sell the gold quickly and buy silver, for silver is better than gold and is used by more people. Germany, when she rose to power and conquered France, used silver as the only standard; so with Austria, Holland, and nearly all the enlightened nations of Europe. France was bimetallic and nearly all the balance of Europe was practically on the single silver standard. Civilization has rested on silver from the beginning.

If you have the right to use either gold or silver as money—and that is all there is in bimetallism—if silver should become scarce, and it probably would at sometime, then we could use gold. We could use the cheaper metal, and that would be dear enough.

THERE WOULD NOT BE ENOUGH TO INFLATE PRICES;

there would not be enough for our uses; but we have the silver mines of Mexico and South America and the silver mines on this continent, and much could be done to bring about great prosperity, as I shall show further on. If the silver countries would but be true to themselves and to their interests, the gold countries would be compelled to change their policy, or they could not trade with the countries on a silver basis.

We do occasionally find something American. Of course, in the higher circles it is not fashionable, for there it is "all English, you know," but there are some Americans in this country who do not claim to belong to what are called "the higher classes." Of course nobody expects that the metropolitan press could be American, because they are dependent upon the English for money, and the newspapers must have money, and, of course, they will be "English, you know," or Germans, or foreigners of some kind. But here is the Journal of the Knights of Labor of October 5, 1893, which I think represents some of the people of this country. I shall not burden the Secretary with reading very much, but as this article contains a little of the American spirit, I should like to have it read.

The VICE-PRESIDENT. The Secretary will read as requested.

The Secretary read as follows:

[Journal of the Knights of Labor, Philadelphia, October 5, 1893.]

LET US DEMONETIZE GOLD—ADOPT A PATRIOTIC AND AMERICAN POLICY—IT IS OUR SACRED DUTY TO RESENT BRITISH DICTATION, AND REBUKE THE IMPERTINENCE OF BRITISH INTERFERENCE WITH OUR DOMESTIC AFFAIRS—ADOPT SILVER AS OUR MONETARY STANDARD OF VALUE.

It is always safe to do the reverse of what your enemies desire. Our dyed-in-the-wool enemy is England. A portion of her lower and middle classes may be friendly to us, but the higher, the influential classes, those who govern, those who shape and conduct her foreign affairs are, ever have been, and always will be inimical to us. At every turn of our national policy, whether at home or abroad, they antagonize us in a more or less underhand, secret manner.

Our raw, single-minded, square-dealing statesmen, when it comes to framing an international agreement with England, are no match for her diplomats, trained as these are almost from the cradle in all the arts of trickery, chicanery, falsehood, plotting, counter plotting, double dealing, and Iscariot flattery. They cheated us in the settlement of the Maine boundary by means of false maps, knowing them to be false; they overreached us in the Clayton-Bulwer treaty, whereby the Monroe doctrine was practically scattered to the winds; they wrested from us the Vancouver Island below the forty-ninth parallel of latitude, whence England may now and henceforth constantly menace our frontier coasts and Pacific commerce, and, coming down to the most recent instance of their consummate diplomacy, they so managed the Bering-Sea controversy that England secured more than she originally demanded, for the decision of the arbitrators not only destroyed our claim to an exclusive maritime control and possession of the seal, but also of the seal fisheries beyond the 3-mile limit, which all nations, excepting England, Canada, and ourselves, may now prosecute with impunity at any season of the year.

Only the stubborn patriotism of the United States Senate prevented the adoption of an extradition treaty which would have made us aiders and abettors of English despotism in Ireland, and only the patriotism of the same Senate saved us from sacrificing our fisheries to British greed and Canadian cupidity. How England behaved toward us during our civil war, how she acted in our squabble with Chile, and how she intrigued to prevent them to ratify our reciprocity treaties with South American States; are not these already matters of infamous history as well as indelible proofs of British enmity toward our people and of undying hostility to our growth, progress, and republican institutions?

The entire record from beginning to end of our industrial history shows that whenever English interference and dictation had the shaping of it, the result to us was invariably disastrous, yet highly beneficial to British interests. But whenever we spurned English interference with our domestic affairs—that is to say, when we acted as patriots and Americans—we were never more prosperous nor more heartily cursed up hill and down dale by the envious and discomfited English.

It was English influence that prolonged our civil war; it was English influence that demonetized our silver when at a premium over gold; it was English influence that precipitated the disastrous panic of 1873; it was English influence that created our free-trade tariffs whereby all our industrial concerns were closed, besides making tramps of many thousands of hard-working industrians; it was and is English influence that prevented and prevents the remonetizing of our silver; it was and is English influence that caused and continues our present disastrous monetary condition solely for the purpose of bulldozing us into adopting gold as our single monetary standard, over which England has supreme control and through which, if we obey her behests, we will become more tributary to her than ever was pictured in the wildest dreams of her crazy King George.

We do not follow the advice of even a bosom friend when it is the offspring only of his ignorance. How much more promptly and decisively, then, should we spurn the advice of a life-long, implacable enemy; an advice prompted solely by malice and a hungry longing for aggrandizement at our ruinous expense? The British Government achingly desires us to adopt the English single gold monetary standard. To fulfill this supreme desire it has intrigued against us for years; it has left nothing undone that bribery, trickery, promises, and menaces could accomplish; and these proving too slow for her impatience, she overwhelmed us with bankruptcy through the machinations of her Rothschild and other Jew allies, through the mendacity of a corrupt press, and clinched the nail by withdrawing many millions of gold just as its treachery had succeeded in giving public confidence here a reeling blow. Then England's journalistic parasites and paid panic-mongers, here and abroad, pointed to our distressed condition as a telling proof of the direful consequences of our adhesion to silver. If with silver still to depend on,

though imperfectively, we can be brought to this frightful pass because of England's control over gold, what terrible consequences may we not anticipate should we have no monetary standard to depend upon but that which is absolutely controlled by England and her Jew allies!

Now, the truth is that but for the United States Treasury notes, issued in payment of the silver bought under the Sherman bill of 1890, our present condition would have been far more deplorable. Those Treasury notes, that United States currency, helped to offset the treason of the Eastern national banks, which, dominated by the Jew allies of the British Government steadily reduced the bank circulation from three hundred and forty millions down to one hundred and twenty-two millions, and this during a period, when the constant multiplication and expansion of our enterprises demanded a steady increase of the currency. Is it surprising, then, that the traitorous conspirators in our midst, and their master, the British Government, should be furious against the Sherman bill and abuse it unstintedly for supplying us with one hundred and fifty millions of United States currency to replace the two hundred and eighteen millions of bank currency withdrawn at a critical period by the conspirators in furtherance of their dastardly scheme to rob us of our birthright in silver?

Thanks, however, thus far to the United States Senate, at least to the American, to the patriotic portion of it, we have still a bulwark between us and that subjugation as well as limitless spoliation, which constitute the ultimate prizes of the Benedict Arnold conspiracy of 1873, a conspiracy conceived, matured, and propagated by the British Government through its Jewish emissaries and our national banks; these, by means of New York banks, are become an adjunct of the British foreign office, by reason of the Jewish influence now paramount in our domestic and international monetary affairs. When the Jew bankers of New York celebrate a week-day holy festival the stagnation in our monetary affairs is like that in London on a Bank of England holiday.

Geographical and climatic conditions oblige European nations to adopt gold as a common monetary medium for settling balances due in an exchange of products, because their restricted range of territory prevents them from producing and raising many of the essentials of modern civilization; and hence they are each forced to meet the deficiency from outside peoples, who take all they can of the fruits of their neighbors' industries in exchange for their own, but the surplus bought on either side must be settled in a material or materials equally necessary and valuable to all parties. The precious metals, gold and silver, are usually the most acceptable materials for this purpose. Consequently, modern conditions conspire to endow these metals among European nations with immense economic importance for on them ultimately depends in a large degree the tranquility and happiness of the people, by furnishing them with remunerative employment in the manufacture of goods from domestic and foreign materials to meet the demands of civilization at home and abroad.

Now, as the economic importance of these metals rests on the national conditions just stated, it follows that gold and silver, as an international factor, ought to be of little moment to a people who possess, as we do, an immense territory extending from tropical to frigid regions, as well as from ocean to ocean, with every variety of soil and climate and abounding in exhaustless natural resources; so that the owners can gather, cultivate, and manufacture every conceivable requisite for their support, and for the sensuous as well as intellectual gratification of the most complex and exacting civilizations, without looking abroad for anything. Hence it is evident that we who are thus situated can not, without lasting injury to our welfare, copy or make ourselves amenable to the financial policies of nations whose geographic and economic conditions differ wholly from our own.

But not having heeded in its broadest sense Washington's admonition to have no entangling alliances with Europeans, we find ourselves mixed up with these people in monetary and commercial relations more or less intimate, and, as a result, are now called upon, after a footpad manner, by a leading European power, our hereditary foe, to stand and deliver our silver in exchange for her gold on such ruinous, extortionate terms as her absolute control over gold and her inborn hatred of us may dictate.

There is only one reply to this bullying, dictatorial, infamous proposition which we as a great self-respecting nation can make—demonetize gold—adopt silver as our monetary standard of value.

We can then dictate our own terms to the piratical nation which sought to enslave us in our infancy, and now in our youth strives, with every disreputable means known to the unscrupulous, to enslave us in a monetary net of her own weaving, out of which we will never escape except through sacrifices too great to contemplate.

For us to adopt gold as our monetary unit of value would be equivalent to surrendering our lives, our fortunes, and our freedom to the tender mercies of an English oligarchy, who, ever since we thrashed them for striving to grind us to the dust in our babyhood, have left no stone unturned to do us an injury on the slightest pretext and at every opportunity. The British Government, envious of our progress and dreading our growing power, seeks, through the only peaceful, potent weapon at its command, to subjugate us financially and industrially as she has almost commercially, and nothing now prevents the consummation of its iniquitous purpose but the patriotic stand taken by the able minority of the United States Senate.

WILLIAM HOWARD,
Washington, D. C.

Mr. STEWART. Mr. President, there can be no doubt of the fact that it was English influence which demonetized silver, and I have absolute proof of that assertion. It will be remembered that the Senator from Ohio, who was chairman of the Committee on Finance and had charge of the bill demonetizing silver from the beginning to the end, did not play fair and did not let the remainder of the Senate

KNOW WHAT HE WAS DOING.

That, however, he denies, but I think I have proved that his ways were peculiar. But no matter as to that. One thing is established by his testimony, and it will not be questioned. His testimony on this point ought to be taken. On the 6th of March, 1876, the Senator from Ohio made an elaborate argument against a resolution of the Chamber of Commerce of New York City in favor of repealing the resumption act of 1875. In the course of his remarks on that occasion he said:

Our coinage act came into operation on the 1st of April, 1873, and constituted the gold one-dollar piece the sole unit of value, while it restricted the legal tender of the new silver trade dollar and the half dollar and subdivisions to an amount not exceeding $5 in one payment. Thus the double standard previously existing was finally abolished, and the United States as usual was influenced by Great Britain in making gold coin the only standard. This suits England, but does not suit us. I think with our large silver producing capacity we should return to the double standard, at least in part, and this will constitute one of the means by which we will be enabled to resume specie payments.

I undertake to say that I have proved that silver was demonetized through the influence and instrumentality of Great Britain. I have also shown that Great Britain has manifested no disposition to allow us to remonetize silver. They sneer at our supplications; they ridicule our desire to meet in international conference to discuss the question; they speak of bimetallism as being a gift to us which we would thankfully receive, but on account of which we would lose respect for their wisdom if they would grant. But still we propose to continue to petition them for the right to mine and coin our own money.

There is another suggestion that we shall bring England to terms

IF WE WILL DO WHAT ENGLAND WANTS;

that we shall place England in a position where we can make her come to terms if we will just pass this bill, which England demands, and utterly demonetize silver. Then we shall bring England to her knees. Is not that a pretty cool proposition to present to us? We are paying England now from one hundred and fifty to two hundred millions a year in interest; we are selling wheat and cotton for less than the cost of production to pay that interest; and now we are told that we must borrow more money of England, and sell her our wheat and cotton still lower, and by that means we shall bring England to terms. She has an income from this country of two hundred millions a year, and we propose to enlarge that income, and by that means break her and make her beg of us to let go.

I have found but one case, which I think is a case in point, to illustrate our position and the position of England. I find it in a book written by a gentleman by the name of Derby. Some of you must have seen it; it is a work of very high authority, and illustrates the position of the United States and England and how we should stand, how we would hold her down and crush her by borrowing money of her, selling our commodities for next to nothing, and by getting further into her debt and more in her power. That is illustrated by this authority.

Mr. President, there was an editor down in San Diego, Cal., away back in the early fifties, when John Bigler was governor of California. The governor had some appointments to make, and this Democratic editor, who was known as Judge Ames, was an applicant for an appointment. This was in 1854, if my memory serves me, for I met Judge Ames in Sacramento on his visit on that occasion. He went there to obtain an office from the governor, and he took with him files of his newspaper to show his fidelity to the cause of Democracy. He left behind him Lieut. Derby to edit the paper. When Judge Ames started for Sacramento, Lieut. Derby changed the politics of the paper and made it a Whig paper.

I was stopping at the same hotel with Judge Ames, and I remember now the look of horror which came across his face when the paper arrived to find that it had been transformed into a Whig paper in his absence. Judge Ames, of course, did not get his office, and he went back very indignant. I have a description of the interview between him and Lieut. Derby which occurred on his return, which I think illustrates the position the United States would occupy in this tussle with Great Britain in trying to break her by borrowing more money of her. The statement of facts are:

The Thomas Hunt—

That being the name of the steamer—

The Thomas Hunt had arrived, she lay at the wharf at New Town, and a rumor had reached our ears that "the judge" was on board. Public anxiety had been excited to the highest pitch to witness the result of the meeting between us. It had been stated publicly that "the judge" would whip us the moment he arrived; but though we thought a conflict probable, we had never been sanguine as to its terminating in this manner. Coolly we gazed from the window of the office upon the New Town road; we decried a cloud of dust in the distance; high above it waved a whiplash, and we said, "the judge" cometh, and "his driving is like that of Jehu, the son of Nimshi, for he driveth furiously."

Calmly we seated ourselves in the "armchair," and continued our labors upon our magnificent capital pictorial. Anon, a step, a heavy step, was heard upon the stairs, and "the judge" stood before us.

In shape and gesture proudly eminent, he stood like a tower, * * * but his face deep scars of thunder had intrenched and care sat on his fated cheek; but under brows of dauntless courage and considerate pride, waiting revenge.

We rose, and with an unfaltering voice said:

"Well, judge, how do you do?"

He made no reply, but commenced taking off his coat.

We removed ours, also our cravat.

* * * * * * *

The sixth and last round is described by the pressmen and compositors as having been fearfully scientific. We held "the judge" down over the press by our nose (which we had inserted between his teeth for that purpose), and while our hair, was employed in holding one of his hands, we held the other in our left, and with the "sheep's foot" brandished above our head, shouted to him, "Say, Waldo," "Never!" he gasped—

"Oh my Bigler he would have muttered,
But that he 'dried up,' ere the word was uttered."

At this moment we understood that we had been laboring under a "misunderstanding," and through the amicable intervention of the pressmen, who thrust a roller between our faces (which gave the whole affair a very different complexion), the matter was finally settled on the most friendly terms, "and without prejudice to the honor of either party." (Phœnixiana, by G. H. Derby, page 112.)

I think we should be in about that position; we should insert our nose between the lion's teeth and hold him down if we attempted to borrow more money

IN ORDER TO CRUSH GREAT BRITAIN.

That is about all there is to it.

It may be interesting to review some of the learned writings of the Administration and the mode proposed by the President to crush the British lion and to ascertain the idea of the President in doing it. I hold in my hand his first letter on the silver question. It is as full of wisdom as any of his later productions, and is in the same line, inspired by the same sentiment of crushing the British lion by borrowing more money and having the same kind of money as has Great Britain. The contempt the President has for using our own money is shown in his various written communications. The one I now hold in my hand is his letter to Hon. A. J. Warner and other members of the Forty-eighth Congress.

To the Hon. A. J. WARNER
and others, Members of the Forty-eighth Congress:

GENTLEMEN: The letter which I have had the honor to receive from you invites, and, indeed, obliges me to give expression to some grave public necessities, although in advance of the moment when they would become the objects of my official care and partial responsibility. Your solicitude that my judgment shall have been carefully and deliberately formed is entirely just, and I accept the suggestion in the same friendly spirit in which it is made. It is also fully justified by the nature of the financial crisis which under the operation of the act of Congress of February 28, 1878, is now close at hand.

That act of February 28, 1878, was known as the Bland act. It was against the English policy. Under it we would use a little silver and it was a partial remonetization of silver; but anything which looks toward any independence on our part in rebelling against Great Britain, always produces a crisis, and the only way we could avoid a crisis would be by absolute submission to Great Britain. Then there would be always good times. The only crisis which really existed was produced

BY THE INFAMOUS ACT OF 1873,

to which the President does not allude. The crisis came when we surrendered our constitutional right to mine and coin money.

The letter of Mr. Cleveland continues:

By a compliance with the requirements of that law all the vaults of the Federal Treasury have been and are heaped full of silver coins, which are now worth less than 85 per cent of the gold dollar prescribed as "the unit of value" in section 14 of the act of February 12, 1873, and which, with the silver certificates representing such coin, are receivable for all public dues.

The President speaks of the gold dollar prescribed in the act of 1873—that darling act of 1873. He did not look at the act of 1878, which restored the standard dollar, which had been surreptitiously stricken down by the act of 1873. The President could not see that. He speaks of the standard gold dollar, although the title of the act of 1878 is "An act to restore the standard silver dollar."

That was the dollar of Jefferson and of Hamilton; that had been the dollar all along, until it was surreptitiously stricken down by the act of 1873, which the President did not recommend any legislation to restore; no legislation was available, no legislation could be expected but that obtained and established by English influence! That was the darling dollar, but no American dollar was good. That was the first starting off of the President. The President says that the gold dollar prescribed by the act of 1873, with silver certificates, representing it, are receivable for all public dues, as if the United States had not the right to coin the silver dollar and make it receivable for public dues.

Being thus receivable, while also constantly increasing in quantity at the rate of $28,000,000 a year, it has followed, of necessity, that the flow of gold into the Treasury has been steadily diminished.

I do not see that the surplus in the Treasury increased from that time on, but the gold in the next four years increased more than double, until it had become a matter of complaint that there was too much money in the Treasury.

In March, 1869, at the instance of the bondholders, the contract was changed in this Chamber and in the other House by making the principal of the bonds payable in coin. Gold and silver were coin. Then, on the 14th of July, 1870, Congress passed a law to refund these bonds, and in that law expressly provided that they should be

REDEEMED IN COIN OF THE THEN STANDARD VALUE,

that is, in a dollar consisting of 25.8 grains of standard gold or 412½ grains of standard silver. Thus the contract was absolutely made, and that is printed on all your bonds; but still the President says that they are gold obligations.

The President, in his letter to Mr. Warner, continues:

These are facts which, as they do not admit of differences of opinion, call for no argument.

Gold obligations! Who told the President that our obligations were payable in gold? Who misled the President before he had taken the oath of office? Certainly he could not have read the statute, or he would not have written that letter. The fountain-head of all our woes is that the executive department will not read the statutes; and if they do, they do not follow them. The statutes made no gold obligations. If the Government would pay its obligations according to the contract, its credit would be good enough. The only thing which injures the credit of the Government is the attempt and the custom of the Government

TO CHANGE THE CONTRACT,

and give the bondholder more than the law gives him. In all conscience, the law gives him enough; the law has been changed often enough in his interest. He has doubled up the value of his bonds until he has accumulated nearly all the property of the civilized world, until his power is almost omnipotent everywhere, until he can command the press, until he can make politicians bow, until he can elect Presidents, and can do almost all that he desires. He has power enough. It seems to me that the Executive ought to look to the people and see to it that they do not pay any more than the contract requires. The bondholder has made both sides of the contract. He has always had influence enough to control legislation, and when he has fixed it to suit himself, it seems to me the Executive ought to be satisfied to pay him according to the contract.

The President started out in his career saying to these bondholders, "the Treasury notes are payable in gold; they are gold obligations." That is not true. How was that? The principal of the original bonds issued by the United States was payable in lawful money, greenbacks. The act of 1869 made them payable in coin.

Mark this language:

Silver and silver certificates have displaced and are now displacing gold, and the sum of gold in the Federal Treasury now available for the payment of the gold obligations of the United States and for the redemption of the United States notes called "greenbacks," if not already encroached upon, is perilously near such encroachment.

If the President had read the statutes and been familiar with them, he would have known that there were no gold obligations of the United States; that by statute every obligation was payable in either gold or silver.

These are facts which do not admit of a difference of opinion! The President should have known better when the statute was before him. When he was speaking from his high place, with his great authority, which carries weight with the country, the country was honestly deceived by his statement. If the bonds are payable in gold, let them be paid in gold. The President says that is a fact not admitting of a difference of opinion. If he were not President of the United States, I should say that was not true; but of course you can not say that of the President.

They have been forewarned to us in the official reports of every Secretary of the Treasury from 1878 till now.

I should like to see the official report which says we have any gold obligations.

They are plainly affirmed in the last December report of the present Secretary of the Treasury to the Speaker of the present House of Representatives.

There is nothing of the kind in the reports.

They appear in the official documents of this Congress, and in the records of the New York Clearing House, of which the Treasury is a member, and through which the bulk of the receipts and payments to the Federal Government and of the country pass. These being the facts of our present condition, our danger, and our duty to avert that danger would seem to be plain.

The danger that we shall not have gold enough to pay silver obligations! That was a great danger—the danger that we should not have gold enough to satisfy the creditor, to satisfy the bondholder and rob the producer.

Mr. President, the extract I was reading continues:

I hope that you concur with me, and with the great majority of our fellow-citizens, in deeming it most desirable at the present juncture to maintain and continue in use the mass of our gold coin, as well as the mass of silver already coined.

"The mass of our gold coin" and the "silver already coined!" There was comparatively very little coined at that time. He was willing that that should remain in circulation for subsidiary coinage.

This is possible by a present suspension of the purchase and coinage of silver. I am not aware that by any other method it is possible.

It is possible to keep the silver that we have by the present suspension of coinage, and he is not aware of any other method possible. That was February 27, 1885. The coinage continued under the Bland act until 1890, and did no harm. It was possible to keep more afloat, and more was kept afloat.

The President was mistaken. He did not see any other method but the immediate suspension of the Bland act in 1885, in order to keep the silver that we then had afloat. That was a very limited view of bimetallism, when bimetallism allows you to use

either metal, to use the cheaper metal, and to throw the demand upon that, and thus bring the two metals to a parity.

It seems to me that that was pretty radical monometallism. It seems to me that that sentence was in accord with the desire of Great Britain, through whose influence silver was demonetized, and through whose influence the act of 1873 was passed. It seems that the President at a very early day had fallen into the rut and had fallen in the wake of the Senator from Ohio.

Let us go on further with this celebrated letter:

It is of momentous importance to prevent the two metals from parting company.

"Of momentous importance to prevent the two metals from parting company!" How could he prevent the two metals from parting company if he coined one and would not coin the other? If the mints were open to an unlimited market for one and were closed as to the other, how could he prevent them from parting company? You have an unlimited money demand for one and no demand for the other; and yet it is of "momentous importance!" How did they keep from parting company through all the ages? By treating them exactly alike, by allowing the owner of silver bullion or the owner of gold bullion to take his bullion to the mint and have it coined into money. As long as he could do that, a given amount of silver and a given amount of gold were equal in value, provided they would produce an equal number of dollars. The only way that you can prevent them from parting company will be to treat them alike.

Now, the President said before he was sworn in the first time—

It is of momentous importance to prevent the two metals from parting company.

If he was going to use only one for money what difference did it make what became of the other?

"MOMENTOUS IMPORTANCE!"

If it was going to be "pig silver," as one member of the Cabinet expressed it, what difference did it make about them parting company? "Momentous importance!" How momenteus? The two metals were parting company, and who was going to prevent them? No one. It could not be done by opening the mints to one and closing them to the other.

Parity had been maintained during all the ages because both metals had access to all the mints in the world. That is the way they have kept together. Now the President suggests the suspension of coinage of silver because it is of "momentous importance" to prevent them (the metals) from "parting company." Had the President at that time read the history of bimetallism? Did he know the history of the two metals? Did he know that during all the ages previous to 1873 the two metals had been kept together because both fully possessed the same royal prerogative of access to the mints?

To prevent the increasing displacement of gold by the increasing coinage of silver.

That is of "momentous importance." The "displacement of gold" by the coinage of silver is of "momentous importance." Of course, now, that is true. If you have any other money besides gold it supplements gold. During all the ages the two metals were kept together, and each did the duty of the other. Consequently, when the mines were producing and we had plenty of money we had exceedingly good times. But gold must not be supplemented, must not be displaced by silver at all! If it is not displaced by silver, if silver is not to be money after all, what difference does it make whether they part company or not? They will not part company as long as they are treated just alike.

To prevent the disuse of gold in the custom-houses of the United States in the daily business of the people; to prevent the ultimate expulsion of gold by silver.

Oh! what a calamity we should have by the "expulsion of gold by silver!" The two kinds of money kept together for three thousand years and more. One did not drive out the other. Sometimes one would get scarce and dear, and then the other would take its place and do its duty. The people in those times had money. When they could not get gold to coin they could get silver to coin, and when they could not get silver to coin they could get gold to coin, except sometimes when both the gold and silver mines failed. But it was a great relief to have the two metals so that they could keep company, because the people want money all the time. At times when both the gold and silver mines failed, then the world relapsed into barbarism. During the fourteen hundred years when the $1,800,000,000 of gold and silver in existence at the time of Augustus was being reduced to $150,000,000, the darkness of the dark ages increased, and the proud Romans were becoming slaves.

I tell you there is nothing like contraction to enslave men. There is nothing like contracting their money to make them cowards. How often I have seen in the mining camps such a case as this: A young man would come from the Atlantic States,

FULL OF HOPE AND VIGOR;

he would go out prospecting for mines of gold and silver, and find none; he would come in hungry; he would get credit for a little while; by and by, his boarding-house keeper would tell him he must pay or leave; in despair he would go out on the streets and would try to get a "grub stake," as they call it, to prospect with; he would fail; then he might, with all his high hopes, go into the saloons, which were the only places where he could stop; they were all open, as the saloons are always in the mining camps: he could get no money; he would sometimes be driven out from there into the streets and kicked. Then, by some chance, he would crawl back into the mountains and find a mine. Then he would come into town, himself again. He would stand erect.

NO MAN DARED INSULT HIM.

He would lay down his life for his honor. He was a man again; no longer a poor, cringing mortal, without a dollar. He was the bravest of the brave. How often have I seen such a case as that! Why, you can take any tramp, and you may kick him from your door. But you put $500 in his pocket, and you dare not do it.

The mode of creating slavery by contraction and taking money away from the people is the most insidious method imaginable. However brave a man may be, however independent he may be of others, however much he may be willing to defend his honor, you mortgage his farm and leave his family dependent upon him and his little children crying for bread, and he will submit, he will become a slave. Nations have been enslaved by loss of money. Brave men become slaves for their suffering families. They will submit to any condition that the money loaner may prescribe. They will bow down and submit to anything. That is the danger of this system of contraction going on to sap the courage of Americans and their manhood.

It will make this people submissive, as it made the brave Romans submissive. Who would have thought in the time of Augustus, with the Roman legions, before whom the world trembled, and before whom none could stand, that within a few generations they would be

REDUCED TO SERFS,

to be sold with the land? It did not come at once. It came by degrees.

I see now the greatest difference in our people. Go out now among the farmers, and you see them meek and submissive, trembling before the landlords. We see the tenant farmers increasing at the rate of 20 per cent in some States in ten years. We see the men, who have had the spirit of this country, being destroyed by this insidious enemy contraction. By the destruction of one-half of the money of the world the obligations are doubled. Men have their families to support and their obligations to society to perform, and they grow weaker and weaker. Contraction is the only way by which brave people can be enslaved. After fourteen hundred years of contraction it made the Romans slaves, and they were sold with the land.

One thousand four hundred years of contraction, and then light broke in the West. The New World was discovered. The gold and silver from the New World revived civilization in the Old. When men got money they again asserted their rights, and their dormant energies that had been crushed out by contraction in Europe were revived. They could go to conventions, they could go to conferences. Within fifty years

THEY PRODUCED A LUTHER

to shake the foundations of society by proclaiming the abuses of the times. Without money they could not have done that. They could go to conventions. Often at our silver gatherings we have received letters from farmers who say that it will take more than they can make from their crops to bring them to Washington this year. They can not come. They can not move. They are in that condition. While, on the other hand, there is this colossal fortune, this colossal fabric of wealth in London, of which Gladstone speaks, with its branch in New York and with its tentacles in every commercial city. Their influence is everywhere in politics, and makes the debtors crawl in the dust.

What do you propose? You propose to rivet the chains. How? How do you propose to rivet the chains so that they can not be broken? You propose to rivet them by discarding silver.

THERE IS PRACTICALLY NO FREE GOLD IN THE WORLD.

Gold is able to buy politicians, able to make debtors crawl in the dust, able to bring on a panic. What do you propose? How do you propose to rivet these chains so that they can not be broken? By the gold standard. There is practically no free gold in the world. It is held for war or extortion. It is not allowed to perform money duty. Between $500,000,000 and $600,000,000 are in the Russian war chest; paid out for nothing; held for war. Her circulating medium is flat money.

France has $800,000,000 or $900,000,000 which no man can take

away, because her obligations are the same as ours, payable in silver, and if you ask for gold for export she will pay you in silver. Her officers act for France, and not for the gold ring. They protect the people of France by paying with silver. Our officers prefer

TO SERVE GOLD EXPORTERS,

and pay in gold. You can see that they have no sympathy for the American people, nor have they had for twenty-five years. They have all been paying in gold, and have refused to pay in silver. They have given to the money-lenders, the bondholders, the option that the law gave to the United States. They have given it without consideration in every Administration since our delegation was at Paris in 1867 and joined with England to get nineteen nations to consent to monometallism.

Every official act since then has been in harmony with what Mr. Ruggles and the chairman of the Senate Committee on Finance did in 1867 in Paris. No matter what laws Congress passed there has been union and harmony between the gold ring and our officials. You can not show me any case where option has been given to the people that the officers of this Government have not taken it away and given it to the ring, not one instance in all that time, and it is getting monotonous. I am inclined to complain of it, and will complain of it early and late, if I have an opportunity.

I read further from the President's letter:

Such a financial crisis as these events would certainly precipitate, were it now to follow upon so long a period of commercial depression, would involve the people of every city and every State in the Union in a prolonged and disastrous trouble.

That is, if we should have any silver to supplement gold, if we go back to the teachings of the fathers, it is going to make everybody trouble. How that trouble would come I do not know, I can not imagine. No trouble came through all the ages when both metals were used. No trouble came to the people of this country, when we had both gold and silver, until that act of 1873 was passed. When that act was passed the same result was produced as if we had abandoned mining silver.

If we had been allowed to mine and coin them for ourselves we would have been independent of England. All along from the frozen North to the frozen South on these ranges of mountains there are the gold and silver mines of the world practically. They are all on this continent. If we had continued to open our mines on this continent we would have been the center of the commerce of this hemisphere and of the world. There would have been no limit to our wealth, if, through English influence, we had not struck down one of these metals and made ourselves dependent upon England and made ourselves an English colony.

Such a financial crisis as these events would certainly precipitate, were it now to follow upon so long a period of commercial depression, would involve the people of every city and every State in the Union in a prolonged and disastrous trouble.

That is, if we restore the money of the Constitution, if we have a little more silver, there is going to be a prolonged and lasting trouble. Where the trouble is to come from I can not imagine. Why did the President talk that way? Who told him? Where did he get that information that he gives to the country?

The revival of business enterprise and prosperity, so ardently desired and apparently so near, would be hopelessly postponed.

Why, Mr. President, every permanent revival of business is disturbed, as every student of history knows full well, while these processes of contraction go on. Every one familiar with the subject must know that there is nothing in the future but continued contraction with the single gold standard. Contraction means hard times, growing mortgages, misery, depression, and the final subjugation of the people.

I do not believe that our school system can be maintained twenty years longer with a gold standard. You abandon silver and you reduce the people to the single gold standard, and they will be in the same condition that they are in other countries where they are under the iron heel of this colossal fabric of concentrated wealth of which Gladstone boasted.

Gold would be withdrawn to its hoarding places, an unprecedented contraction in the actual volume of our currency would speedily take place.

If we should restore the money of the Constitution and supplement gold with silver, it would produce "unprecedented contraction of the currency!" That is, if you use both metals you would have an unprecedentedly less quantity than you would if you used gold alone. I do not know where such mathematics have been taught, but it seems that is not the kind that is taught or should be taught in our common schools.

This is a picture to which I desire to call your attention, Mr. President:

Saddest of all, in every workshop, mill, factory, store, and on every railroad and farm the wages of labor, already depressed, would suffer still further depression by a scaling down of the purchasing power of every so-called dollar paid into the hand of toil.

The gold standard would "scale down" the dollar "paid into the hand of toil!" Where are the gold dollars? Are they in the hands of toil? Are they not hoarded in Europe? As I said before, between $500,000,000 and $600,000,000 in Russia; about $150,000,000 in Austria hoarded; $350,000,000 in Germany hoarded; about $800,000,000 to $900,000,000 in France hoarded.

England is the only country that pretends to have an international gold coin which she will let go out. But she can afford to do it, though she stops its going out when she desires. She has an income from other countries of $500,000,000 a year. She has this colossal fabric of wealth, and when it goes away she can draw it right back. When she is paid $500,000,000 a year she can stand a little draw. That is the situation.

Who mourns constantly over being robbed by poor money? I want to know if you would complain of being robbed of gold if you were furnished silver or paper of any kind. Is that the way robberies take place? No, Mr. President, that is not the way. Robbery takes place by contraction

THAT DESTROYS PRODUCTION,

that depresses enterprises. A man goes long on property and short on money. But whether he borrows money or not, this enterprise is discouraged. This demonetization of silver means death to enterprise; it goes into the shop and drives labor out of employment; it gives nothing to the laborer in the shape of employment unless business is prosecuted.

Just look at the wages of labor after fourteen hundred years of contraction. There was no piece of gold or silver money sufficiently small for a man to earn by a day's labor on the continent of Europe at the commencement of the sixteenth century. Before the discovery of America the wages were so small that the laborers were serfs and were sold with the land. When the money famine occurred in this country between 1810 and 1850, by reason of the Spanish-American war, which cut off the supply,

WAGES FELL TO A MISERABLY LOW PRICE.

Eight dollars a month on a farm was first-class wages. We are getting back to that again. But when the gold mines of California and Australia were opened it raised the price of wages to fifty or sixty dollars a month. We are going back again by contraction.

The trouble is that the laboring man does not get the dollar. It does not shrink in his pocket; it does not get there. It is lamentable that any President of the United States should ever groan over the misfortunes of the laboring man on account of the depreciation of money. It has come to that again. It was the habit of Mr. Cleveland's predecessor. They have both been groaning over it. What they want is to have money appreciated. For whose benefit is it to appreciate money? Is it for the benefit of the poor who have no money or for those who own money and obligations payable in money, and who are absorbing the wealth of the world and grinding mankind to poverty? Every intelligent man knows for whose benefit it is. It is the Rothschilds, the bondholders who have money and calls for money, that President Cleveland and ex-President Harrison were groaning over so much for fear that the money the Rothschilds had would be depreciated

IN THE HANDS OF THE LABORER.

The laborer is not going to get enough to do him much good. The President himself is receiving the snug little sum of $50,000 a year. He does not want that depreciated. We would be satisfied if he would let it stay at the same value. I was here in this Chamber when his salary was put up from $25,000 to $50,000. I took the responsibility to vote for it. I am sorry for it. The President's salary was increased from $25,000 to $50,000; and it is more than $100,000 in its purchasing power compared with what it was at the time it was increased. Had it remained at $25,000 it would have been ample now. It is now too much. Fifty thousand dollars at that time was all right, and it would be all right now if money had remained at the same value. In 1873, if both gold and silver had been coined and the people had had money to do business on, and gold had not been appreciated 50 per cent, $50,000 would be all right for the President. It is now too much. It is exorbitant. I hope it does not have any influence on the President in making him desire

TO INCREASE THE VALUE OF MONEY.

But the $50,000 that goes into his pocket every year may have something to do with it. He has a deep interest in it; and if you pass this bill it will double up his salary again, and his $50,000 will be equal to $100,000 in a year or two in purchasing power. A man with $50,000 per annum for a year or two, if you can pass this bill, has to be paid in gold and he has a dead cinch.

Look at the farmers. The price of farm products have fallen 50 per cent. See the suffering there and the suffering of the laborers, and watch the millions out of employment starving for bread. Oh, Mr. President, if the President would have a little

more anxiety that the laboring man should get a dollar with which to buy bread, if he would have a little more anxiety that the laboring man should not be thrown out of employment, if he would have a little more anxiety that the farmer should not be sold out of his home, if he would only have a little more anxiety for the masses who are suffering, he would be a better man as well as a better President.

Mr. President, the President proceeds in his letter to Mr. Warner:

From these impending calamities it is surely a most patriotic and grateful duty of the Representatives of the people to deliver them.

I submit the entire letter:

ALBANY, *February 24, 1885.*

GENTLEMEN: The letter which I have had the honor to receive from you invites and indeed obliges me to give expression to some grave public necessities, although in advance of the moment when they would become the objects of my official care and partial responsibility. Your solicitude that my judgment shall have been carefully and deliberately formed is entirely just, and I accept the suggestion in the same friendly spirit in which it is made. It is also fully justified by the nature of the financial crisis which, under the operation of the act of Congress of February 28, 1878, is now close at hand. By a compliance with the requirements of that law all the vaults of the Federal Treasury have been and are heaped full of silver coins, which are now worth less than 85 per cent of the gold dollar prescribed as "the unit of value" in section 14 of the act of February 12, 1873, and which, with the silver certificates representing such coin, are receivable for all public dues.

Being thus receivable, while also constantly increasing in quantity at the rate of $28,000,000 a year, it has followed, of necessity, that the flow of gold into the Treasury has been steadily diminished. Silver and silver certificates have displaced and are now displacing gold, and the sum of gold in the Federal Treasury now available for the payment of the gold obligations of the United States and for the redemption of the United States notes called "greenbacks," if not already encroached upon, is perilously near such encroachment. These are facts, which, as they do not admit of differences of opinion, call for no argument. They have been forewarned to us in the official reports of every Secretary of the Treasury from 1878 till now. They are plainly affirmed in the last December report of the present Secretary of the Treasury to the Speaker of the present House of Representatives. They appear in the official documents of this Congress, and in the records of the New York clearing house, of which the Treasury is a member, and through which the bulk of the receipts and payments of the Federal Government and of the country pass.

These being the facts of our present condition, our danger and our duty to avert that danger would seem to be plain. I hope that you concur with me, and with the great majority of our fellow-citizens, in deeming it most desirable at the present juncture to maintain and continue in use the mass of our gold coin, as well as the mass of silver already coined. This is possible by a present suspension of the purchase and coinage of silver. I am not aware that by any other method it is possible. It is of momentous importance to prevent the two metals from parting company; to prevent the increasing displacement of gold by the increasing coinage of silver; to prevent the disuse of gold in the custom-houses of the United States in the daily business of the people; to prevent the ultimate expulsion of gold by silver. Such a financial crisis as these events would certainly precipitate were it now to follow upon so long a period of commercial depression, would involve the people of every city and every State in the Union in a prolonged and disastrous trouble.

The revival of business enterprise and prosperity, so ardently desired and, apparently, so near, would be hopelessly postponed. Gold would be withdrawn to its hoarding places, an unprecedented contraction in the actual volume of our currency would speedily take place. Saddest of all, in every workshop, mill, factory, store, and on every railroad and farm, the wages of labor, already depressed, would suffer still further depression by a scaling down of the purchasing power of every so-called dollar paid into the hand of toil. From these impending calamities it is surely a most patriotic and grateful duty of the representatives of the people to deliver them.

I am, gentlemen, with sincere respect, your fellow-citizen,

GROVER CLEVELAND.

Hon. A. J. WARNER
and others, members of the Forty-eighth Congress.

It seems to me that the deliverance he suggests would be the deliverance that the lion gives to the lamb. He suggests such legislation as would deliver the people over into the hands of the money lenders. It would deliver them over by closing their factories and deliver them by converting independent farmers into poor laboring men. That is the deliverance the President asked the representatives of the people to give before he took the oath of office in 1885. He would deliver them into the hands of Shylocks, take away from them

THE RIGHT TO MINE AND COIN THEIR OWN MONEY,

deprive them of their heritage that made the country great, deliver them, I say, to the miser, deliver them to the three-ball shop. That is the kind of deliverance that was asked of the American Congress by the President-elect in February, 1885.

He pursued the same policy in his message to Congress. During the summer of 1885, after he was sworn in, there was another monetary conference held in Paris. The Latin Union met there for the purpose of discussing monetary questions. The President directed Mr. George Walker, who was consul general at Paris, to appear at that conference and inform the delegates assembled there that the United States was about to repeal the Bland act and abandon silver.

When that information was imparted to the conference in Paris, the conference passed a resolution providing for the dissolution of the Latin Union at the end of five years; but it provided further that the resolution should not take effect unless some one of the five nations belonging to the union gave a year's notice. That notice has not been given, and the union has not been dissolved.

It was provided at that same meeting that in case of the dissolution of the union each one of the five nations belonging to it should redeem all its silver coin in gold coin. France held and holds now about $200,000,000 of the silver coins of other nations, of Italy, Greece, and Belgium, and I believe some in Switzerland. It is part of her silver reserve. By giving notice she could require the redemption of that silver in gold, and

MONOMETALLISTS HAVE BEEN URGING FRANCE

to give the notice. They have been urging her that these nations have joined Germany, and to get even by given notice and making them pay in gold; but the Government of France has said that inasmuch as there is $700,000,000 of silver in circulation among the people of France, such a movement as that would disparage silver and be prejudicial to the people, and France would neither give the notice nor demand payment in gold. She could get now $1.33 for all the foreign silver coin that she holds, but she does not do it.

But what is very peculiar is that when France was notified that the United States was going to abandon silver they passed a resolution dissolving the union and silver fell in the market about 10 cents an ounce on that proceeding. The President then in his message to Congress, December 8, 1885, communicated this fact and also further elaborated his views on the silver question. From that message I now read:

The very limited amount of circulating notes issued by our national banks compared with the amount the law permits them to issue, upon a deposit of bonds for their redemption, indicates that the volume of our circulating medium may be largely increased through this instrumentality.

Hostility to silver and leaning to the national banks. A very common union. That is a leaning which is very common in this country among those who have national bank stock. Of course the President is not thus affected, but I find that almost everybody with national bank stock leans to the national banks. It has even been rumored that it has had some effect in the Senate to destroy silver and create bonds

FOR THE BENEFIT OF NATIONAL BANKS.

That leaning is natural. A man will not realize it; but an interest in the national banks is a dangerous thing to legislation affecting national banks—I mean to produce impartial legislation. I hope it will be true that there is no member of the Senate who has any national bank stock. I proposed to investigate the matter. The investigation has not progressed: but I hope it is true that no member of the Senate is interested, because this bill involves that question.

This bill involves putting money in their pockets. This bill involves the issuance of bonds. This bill involves the issuance of bonds to buy gold to strengthen the credit, and issuing bonds and buying gold will make more national bonds for national bank stock, and it would be very beneficial to national banks. They are very anxious for it.

Nothing more important than the present condition of our currency and coinage can claim your attention.

Since February, 1878, the Government has, under the compulsory provisions of law, purchased silver bullion and coined the same at the rate of more than $2,000,000 every month. By this process up to the present date 215,759,431 silver dollars have been coined.

A reasonable appreciation of a delegation of power to the General Government would limit its exercise, without express restrictive words, to the people's needs and the requirements of the public welfare.

I wonder if the President intended by that to imply that the people had too much silver coin. He says a reasonable delegation of the power would restrict it to the needs of the people. I wonder if he ever reflected upon the fact that when the Constitution was formed it authorized the Government

TO COIN GOLD AND SILVER.

When the Constitution was formed it authorized Congress to provide for the coinage of gold and silver. Previous to 1873 it was left to the people to coin their own money, to take it to the mints and have it coined, and the only limitation that was placed upon the amount of money they might have was what they could get from the mines.

A reasonable appreciation of a delegation of power to the General Government would limit its exercise, without express restrictive words, to the people's needs and the requirements of the public welfare.

When in all this world did the people have more gold and silver than they needed? Will any man name the time? Let him name the time when it occurred.

Mr. HOAR. The Senator is not heard on this side of the Chamber.

The PRESIDING OFFICER (Mr. GALLINGER in the chair). Complaint is made that the Senator from Nevada is not heard. The Senate will be in order.

Mr. STEWART. I am glad the senior Senator from Massachusetts called attention to it, for I know of no one who needs instruction more than he does and I am anxious he should hear every word. I ask him to take a seat nearer to me; he is so susceptible of information and so much in need of it, particularly

on this question. He has gone far enough to know that gold and silver are a good thing. He held it up to us in a long speech, and then he told us, although it is good you can not have it; you must suffer on; we in New England can endure your suffering; we can endure the closing of the mines; we can endure the closing of the workshops; we can endure the falling of prices; we can endure hard times in the country; we live in the East; we are manufacturers; we are money lenders; and although it is right and proper and may be very unfortunate

WE CAN ENDURE A GREAT DEAL OF MISERY

on the part of our neighbors. That was about the way my kind Senator put his argument. It was a magnificent argument, but the outcome of it was rather gloomy. It was gloomy in the mountains where the mining camps are and the people are starving for bread. It was gloomy in the towns that are desolated, gloomy in the plains of Kansas, where mortgages are growing and the farms are being absorbed. It was gloomy in the factories that are closed, gloomy in the streets where the unemployed congregate. His conclusion was a terrible disappointment to me.

When I listened to his demonstration that gold and silver were necessary, and the employment of both in unlimited quantities was necessary for the use of man, when he told me that, although it was necessary, the people of the United States must do without it, that England would not agree to it, I was amazed.

He did not directly say that, but my friend from Iowa filled out the measure of our discomfort by saying we must drift until we can have another international conference, and get another international kick, and get

A LITTLE MORE ENGLISH CONTEMPT

for our imbecility, and a little more English arrogance and pride and a little more American humiliation.

The President proceeds:

Upon this theory--

That is, the theory that we must be restricted in our metallic money—

Upon this theory, the authority to "coin money" given to Congress by the Constitution, if it permits the purchase by the Government of bullion for coinage in any event, does not justify such purchase and coinage to an extent beyond the amount needed for a sufficient circulating medium.

He did have a glimmering of the situation in that expression. I think he must have read the Constitution, which did not contemplate purchasing at all. The plan of purchasing was an absurdity. Passing upon it in this Chamber was an absurdity. The whole theory of it is that nature alone shall limit the quantity. That is the only reason why we use gold and silver and why we submit to nature's limitation. The purchase, of course, is necessary under existing law, but if he had understood the full scope and meaning of the Constitution and the needs of the people he would say, "Stop your purchasing; give us back the laws as they existed; open your mints; coin your own money; stop borrowing from England, and have an American policy." He did not come up to that, although he had a glimmering that there was something wrong about purchasing.

The desire to utilize the silver product of the country should not lead to a misuse or the perversion of this power.

"The desire to utilize the silver product!" The President mistakes the desire of the silver men. They do not desire to utilize silver, but they do desire more money, or more money than gold can furnish. The want of knowledge of the money question or the want of a desire to furnish the people money puts the President in a very unfortunate position. He ought to know, if he does not, that it is the gold men and the national banks whom he serves who desire to destroy silver, to deprive the people of money, and reduce them to poverty. It ill-becomes the agent of the gold ring, who is betraying the people by a violation of the pledges upon which he was elected, to call hard names or to attribute unworthy motives. The platform of the President before election was

A LIBERAL SUPPLY OF MONEY,

and the coinage of both metals without discrimination against either. His platform now is to strike down silver, destroy property, and beggar those who are pioneers in the West. But what is the suffering and destruction of a million or two people compared with the subjugation of a nation, compared with the thousands of millions of loss to the farmers and planters of this country? What would be the destruction, I say, of all the intermountain States compared with the ruin, the paralysis that exists through this country, compared with the power delegated to a few to produce a panic, compared with the humiliating position this country now occupies, compared with the loss of our financial independence, compared with the degradation of being a financial colony of Great Britain? The people of the mountain States may be destroyed, they may be driven from their homes, they may starve to death, as many will; but that is nothing compared with

THE LOSS OF MANHOOD AND LIBERTY,

which the iron grasp of contraction is bringing upon this country. In fact, if we are chained to the gold standard, this civilization must go backward from this day.

Oh, how petty for a President of the United States to speak of the desire of the miners to sell their bullion in connection with this great question in which the hopes of humanity are garnered! Money is the life blood of civilization, and when we have so many repeated examples in the history of one nation after another lapsing into barbarism, poverty, squalor, and misery by the loss of its money, with all these examples before us, and when we see this great civilization faded, when we see the manhood destroyed from our country, when we see the power of concentrated capital, when we see the power in this capital, when we see the consolidated press of New York speaking of dissolving the Senate, riding rough shod over it, abusing honored men

FOR VINDICATING HUMAN RIGHTS,

how insignificant to talk about selling a few ounces of bullion! If silver was not the life blood of civilization, if it was not necessary for every man, if it was not necessary in order that we might have a circulating medium when we could have progress and prosperity if that was not the case we would not mention silver. Show me any advance in civilization when the mines have been closed.

Every nation when it lost its mines went into barbarism. We have it all explained to us in history. When explorations show that the Egyptians obtained their money at the time they built the pyramids from the land of Nubia, whose productive mines then existed, and from western Asia, where vast excavations were made by mining, we see the connection between ancient civilization and the precious metals. When the Phœnicians and Babylonians prospered they accumulated gold and silver from all the discovered mines of the world. When Greece was the cradle of learning and the university of the world, the luster of whose achievements in oratory, in science, and in art have not been surpassed, she accumulated gold and silver from western Asia and the mountains of Thrace.

Xenophon records their success in the mountains of Thrace. When we come to the grand Roman development we find that Rome robbed the nations she conquered of their accumulations of gold and silver. She then enslaved the armies she conquered and tore down the mountains of Spain and Italy to an extent without a parallel except perhaps in the hydraulic mining of California. Her gold and silver accumulated and she grew in strength, and by her conquering armies overran all Europe, northern Africa, and western Asia Her legions were supplied with gold and silver coins from the mines of Spain and Italy and from the accumulations she acquired from other nations, and as she increased in metallic money her enterprises advanced and her power and progress were irresistible.

BUT WHEN THE MINES GAVE OUT

then poverty came. When contraction came then came the strides toward barbarism and the Dark Ages, to the ages of poverty and slavery. There was no new money and all was darkness. Every home without money is dark. Every father who has not money to supply his family has a dark home, his children starve and all is despair. He must have this medium of exchange. This brings us to the present time.

Mr. President, I suppose the Senator from Tennessee [Mr. HARRIS], whose proposed amendment has just been read, has overlooked the fact that the market price has been abolished by the Secretary of the Treasury. It was necessary to abolish market price to violate the law and degrade silver. The plan of the Senator from Tennessee to purchase silver at the market price amounts to nothing while the Secretary of the Treasury holds that there is no market price. Mr. Preston, the Acting Director of the Mint, has invented a plan of making counter offers below the price at which any body will sell silver bullion and avoid buying any at any price.

By means of that plan the law is abolished, because he can always offer a lower price than anybody will take, and the law is annulled. The market price has been abolished and it is idle to introduce a bill to buy at the market price. The framers of the act of 1890 did not know at the time that it was possible the Secretary of the Treasury would dare abolish the market price to evade the law. But so it is. The letter from the Secretary of the Treasury is to the effect that he had abolished the market price; so I do not think we had better put market price in any more laws. The President continues:

The necessity for such an addition to the silver currency of the nation as is compelled by the silver-coinage act, is negatived by the fact that up to the present time only about fifty millions of the silver dollars so coined have actually found their way into circulation, leaving more than one hundred and sixty-five millions in the possession of the Government, the custody of

which has entailed a considerable expense for the construction of vaults for its deposit.

How childlike and bland the expression that there is a large amount of silver dollars in the Treasury! The President says that is conclusive proof that there has been too much coined. Did he ever reflect that it was some proof that he would not pay out those silver dollars?

THE LAW REQUIRES HIM TO PAY

them out to our Government creditors, but he has kept them in the Treasury. Does not that suggest that they have been violating the law? Why should these dollars be in the Treasury? It is because the Treasury Department will not pay them out; because that Department defies the law, and the President says because he has kept them there and will not pay them out we have got too much silver in the Treasury. Is that not childlike and bland? Is it not nice? I like such coolness, let it come from high or low places.

Why does he not pay silver out as the law requires? "Oh, because silver coin is not good enough for the bondholders. No matter how plainly it is written in the contract, he will not use silver; he will not pay it out; but he will build vaults for it; it is such a burden on our hands;" and the gold press howl about these standard silver dollars as an encumbrance. Every obligation of the Government is payable in gold and silver equally, but the London syndicate do not want us to use silver under any circumstances. They want to destroy silver and make the policy of our administrations the same as the policy of the English gold King. Both of them

PREY UPON THE PEOPLE

of the United States and both of them give the English creditor more than the contract calls for. Gladstone wants dear money because England is a creditor nation, and Cleveland wants dear money because the United States is a debtor nation, and they are in accord to rob the American people.

Against this latter amount there are outstanding silver certificates amounting to about $93,000,000.

Every month two millions of gold in the public Treasury are paid out for two millions or more of silver dollars, to be added to the idle mass already accumulated.

Why does he pay out the $2,000,000 in gold for silver? The law does not require it. Every line he writes show a contempt for the law or a misapprehension of law. What is the use of staying here to pass laws? Why are we sitting up nights here to repeal a law which has already been repealed by the abolition of the market price by the Secretary of the Treasury? He has nothing to do but to make counter bids and we get no silver. Why all this night work? Why talk about the Senate being destroyed if we can not repeal this void law when the Department has already repealed it?

WHY THIS GREAT EMERGENCY?

Why is the Secretary of the Treasury so anxious that the law shall be repealed when he has already destroyed it?

I have no respect for this clamoring for the repeal of a law the Secretary of the Treasury has already repealed. I do not know why Mr. Pulitzer in his European home should be worried over this law, which is now a dead letter. I do not know why Mr. Bennett should be disturbed in his sports in Paris or London over a thing that is as dead as this law is in the hands of the Secretary of the Treasury. I do not know why the young men in the galleries should sit up at night to speculate what is going to happen to this dead law. I do not understand it, but here we are, and we will work along and do the best we can.

Every month two millions of gold in the public Treasury are paid out for two millions or more of silver dollars, to be added to the idle mass already accumulated.

"Idle mass." Although the law has provided silver for the payment of debts, although it is the standard silver dollar and the dollar of the fathers, although it is a full legal tender, although it is the money of the contract, although we need money, the President calls it idle. Who made it idle? The legislative or the executive department? Who commanded the executive department to make it idle? Who was interested in making it idle? Great Britain; that colossal fabric,

THAT GREAT ABSORBENT OF THE WEALTH

of the world wanted to make it idle so as to make money dear. Who obeys the mandates of that colossal power? Congress has not fully obeyed. It is true that Congress was deceived in 1873 and through English influence, as we are informed by the Senator from Ohio, silver was demonetized; but Congress has been fighting to restore silver for twenty years against that English influence. It did in 1878 restore the standard silver dollar, but the executive department would not use the standard silver dollar and the President complains that it is lying idle in the Treasury.

If continued long enough, this operation will result in the substitution of silver for all the gold the Government owns applicable to the general purposes.

"If continued long enough." Why do you continue to hoard it? Why do you not pay it out and relieve the gold? Of course if you continue to disobey the law it will accumulate. Why does the President do that? He was not asked by Congress to do it. Congress provided that it should be paid out. Who made him continue that illegal process, Congress or the gold ring?

It will not do to rely upon the customs receipts of the Government to make good this drain of gold, because the silver thus coined having been made legal tender for all debts and dues, public and private, at times during the last six months 58 per cent of the receipts for duties has been in silver or silver certificates, while the average within that period has been 20 per cent.

Fifty-eight per cent of the duties has been paid in silver. Congress made it a legal tender for all debts, public and private, for that purpose, but still the President will not use it for that purpose; he will not pay public or private debts with it; he will hoard it and make it idle. For what purpose? Because he does not like silver. Why does he not like silver? Because England does not. Why does not England like silver? Because England is a creditor nation and wants to absorb the wealth of the rest of the world. That is all there is of it.

The proportion of silver and its certificates received by the Government will probably increase as time goes on, for the reason that the nearer the period approaches when it will be obliged to offer silver in payment of its obligations, the greater inducement there will be to hoard gold against depreciation in the value of silver, or for the purpose of speculating.

The nearer the time comes when he will have to pay out silver! If the laws had been fairly and honestly administered and silver had been paid out indiscriminately, there would have been no trouble with gold. France is not coining, but she pays out silver and that makes them respect it. Her officials obey the law. So do the German officials.

THERE WOULD HAVE BEEN NO TROUBLE

about this if it had been treated fairly in the Treasury Department. It would have been good money; but you hoard it and refuse to pay it out, and then you complain because it is there. You would not pay it out but kept it there and then complain.

This hoarding of gold has already begun.

Because for fear you will sometimes pay out silver, for fear that some Administration would come in and obey the law and pay out silver. That is the whole of it.

When the time comes that gold has been withdrawn from circulation, then will be apparent the difference between the real value of the silver dollar and a dollar in gold, and the two coins will part company.

I think he might try and see whether they would part company. If he would give the creditors some of it I think all the creditors would be interested in keeping the two metals together.

Gold, still the standard of value, and necessary in our dealings with other countries—

"Gold, still the standard of value!" How dare he say that if he had ever read the act of 1878 which restored the standard dollar? He pays no attention to the act of Congress. The act of 1878 restored the standard dollar, the old standard dollar, and still the President tells us that gold is the standard. He is very much in love with the act of 1873 all the while. He has stuck to that because that was procured through English influence. There is no doubt about that, because we prove by the Senator from Ohio that it was English influence. He is in love with that act.

Gold still the standard of value, and necessary in our dealings with other countries, will be at a premium over silver; banks which have substituted gold for the deposits of their customers may pay them with silver bought with such gold, thus making a handsome profit; rich speculators will sell their hoarded gold to their neighbors who need it to liquidate their foreign debts at a ruinous premium over silver, and the laboring men and women of the land, most defenseless of all, will find that the dollar received for the wage of their toil has sadly shrunk in its purchasing power.

It does not appear that either the President or ex-President can talk about silver, without lamenting the shrinkage of value of silver and the vast hoards of bad money. May they not be thinking of the money in the hands of the rich who are their friends, and not of the money which is not in the hands of the poor?

Ah, that is using the livery of Heaven to serve the devil in. They could very well agree to let the laboring man have gold money if he could get it. The rich have it, and the President wants to appreciate it in the hands of the rich. Why not stop such nonsense, such transparent humbug as that.

It may be said that the latter result will be but temporary, and that ultimately the price of labor will be adjusted to the change; but even if this takes place the wage-worker can not possibly gain, but must inevitably lose, since the price he is compelled to pay for his living will not only be measured in a coin heavily depreciated, and fluctuating and uncertain in its value, but this uncertainty in the value of the purchasing medium will be made the pretext for an advance in prices beyond that justified by actual depreciation.

Is it not melancholy that the President should pretend to favor the laboring man when he throws him out of employment and starves his family? Contraction, however much it may be resisted, degrades labor. Falling prices of property and falling prices of labor, which follow contraction to the gold standard, mean misery in the home of the laborer as certainly as night follows the day.

NO INSTANCE IN HISTORY

can be given to the contrary. Show me when there was a money famine and I will show you when labor was degraded. Show me when the mines were productive and we had plenty of money and I will show you prosperity and well-paid labor. In my own time I have seen labor degraded by a money famine that resulted from the failure of the mines in consequence of the Spanish-American wars, in the early part of the century. I have seen labor elevated, schoolhouses and churches, prosperity and happiness everywhere in consequence of more money. I have seen prices stimulate industries, because the people desired to acquire property; but if property is falling nobody wants to acquire property.

Nobody wants anything that is depreciating. When property is going up everybody wants it, and then everything is active. We know that is the case everywhere; and to pretend that the laborer is going to be benefited by contraction to the gold standard, and such an argument to come from a President of the United States of America, is insulting to the people.

The words uttered in 1834 by Daniel Webster in the Senate of the United States are true to-day: "The very man of all others who has the deepest interest in a sound currency, and who suffers most by mischievous legislation in money matters, is the man who earns his daily bread by his daily toil."

That is true. No man has suffered so much for the crime of 1873, no man has suffered so much by breaking down the money of the Constitution as

THE LABORING MAN IN THIS COUNTRY.

No man has suffered so much by the gold standard as the laboring man. Look at the condition wherever the gold standard prevails. Look at the condition of the Egyptian laboring man, look at the condition of the Italian, of the Austrian, and of the Englishman; look at the condition of the laboring man everywhere whose hard condition the President would make worse. A shrinking volume of money means falling prices, want of employment, gloom, and despair.

No man suffers as much as the laboring man from the result of contraction. No man suffers as much as the producer. How was $20,000,000,000 accumulated by the bankers of London? It was accumulated by just such legislation as the act of 1873, by making money scarce and dear. Who produced that $20,000,000,000? Labor. Who robbed labor? The conspirators who struck down silver. Who doubled the value of the property of the rich, who doubled the value of money, who doubled the obligations of contracts, who depressed labor, who doubled mortgages, who converted independent farmers into dependent farmers? The gold ring.

The act of 1873 destroyed half of the metallic money of the world and the President is advocating a confirmation of that act. He quoted the remarks of Daniel Webster to justify the crime of 1873, to justify the destruction of half the world's money, to justify a revolution which, if finally consummated, will relegate man back to barbarism.

Mr. President, I continue my quotation from the President's message of 1885:

The most distinguished advocate of bimetallism, discussing our silver coinage, has lately written:

"No American citizen's hand has yet felt the sensation of cheapness, either in receiving or expending the silver-act dollars."

No American citizen has felt the cheapness of the dollar. That is true; he has not felt the cheapness of the dollar; but he has felt most sorely the cheapness of his wheat and corn. He has felt most sorely the cheapness of farm products. He has felt most sorely the cheapness of his farm. He has felt the dearness of the dollar and the increase of its purchasing power. He has felt his obligations growing by reason of the increasing value of the dollar. He never felt the cheap dollar and our British rulers do not intend that he shall. We shall always have a dear dollar, but we will have cheap land, cheap wheat, cheap men, cheap trade. That is what the English syndicate wants. There never will be any cheap dollars as long as we are a financial colony of Great Britain, that is certain, and we certainly shall be a financial colony of Great Britain so long as the policy of the Treasury Department is managed as it has been for the last twenty years. There is no doubt that the position of Great Britain in our Treasury Department is stronger, if possible, than it is in the Bank of England.

IT IS ABSOLUTELY INTRENCHED THERE.

It is strong enough there to abolish market prices. It is strong enough there to use the Treasury Department for the benefit of speculators in Lombard and Wall streets, and always will be so long as we are a financial colony of Great Britain. I wish the American people would declare their independence of Great Britain. I hope they will; and let me tell them if they do not do it soon it will be too late.

I am glad this discussion has come about. I am glad that the sham pretense which pretends that the Sherman act has done harm has fallen through. I am glad that we are at liberty here to meet the apologists for the gold standard face to face. I am glad that the people will be brought to understand that this proposed repeal means a gold standard, contraction, poverty, hard times, and misery, and its defeat means more money, prosperity, independence, and liberty. It is one or the other. The issue is broad, and all the money of the colossal power that Gladstone describes can not hire enough newspapers to convince the people that times are good, that they get good prices for their farm products, and that there is prosperity.

Ah, they feel and know it. They are beginning to know that these newspapers and their agents and abettors told them falsely when they told them that $150,000,000 of Treasury notes had robbed them of their property. They begin to know that the gold men

HAVE RAISED A FALSE ALARM.

The President continues:

And those who live by labor or legitimate trade never will feel that sensation of cheapness. However plenty silver dollars may become, they will not be distributed as gifts among the people; and if the laboring man should receive four depreciated dollars where he now receives but two, he will pay in the depreciated coin more than double the price he now pays for all the necessaries and comforts of life.

How melancholy it is that the poor laboring man should always be brought in. Now, is not the laboring man better off with some money than with none at all? How is he going to get any money? The gold dollar for the laboring man? What laboring man has ever got a dollar? What mockery it is to talk about the laboring man being paid in gold! He is not such a big fool as to expect that. The President knows the laboring man does not get gold. The laboring man never gets gold in this country. He is glad to get paper; he is glad to get silver; he is glad to get money with which to buy a loaf of bread. This sporting with the misery of the laboring man it seems to me has gone about far enough.

Those who do not fear any disastrous consequences arising from the continued compulsory coinage of silver as now directed by law, and who suppose that the addition to the currency of the country intended as its result, will be a public benefit, are reminded that history demonstrates that the point is easily reached in the attempt to float at the same time two sorts of money of different excellence, when the better will cease to be in general circulation.

History demonstrates it! Where did history ever demonstrate that there was any calamity from floating silver or gold coin? Of course, when we had a right to use either, and make money out of either, and to use the one most convenient, times were good. That is what history demonstrates; and if one of the metals gives out, the other can be used. This appeal to history to demonstrate that you can not use both gold and silver is absurd.

WHAT HISTORY HAS THE PRESIDENT READ?

In history for three thousand years both metals were circulating, the coin of one equal to the coin of the other, and if there was any fluctuation in the bullion, the cheapest was used and the two were brought together. History demonstrates that both are necessary. History demonstrates that the destruction of one has produced calamity, and everybody in the country ought to know it.

The hoarding of gold, which has already taken place, indicates that we shall not escape the usual experience in such cases. So if this silver coinage be continued we may reasonably expect that gold and its equivalent will abandon the field of circulation to silver alone.

That is philosophical! Gold abandoning the field of circulation to silver alone, with the little amount that we have, when all the while gold is coming here! Gold can not leave until prices in this country are higher than they are elsewhere. Gold will go where it will buy the most, and it ought to go there; and this preaching that the movement of gold has any materiality in it is nonsense. All we want is money, and the money most convenient to get, whether it be silver or gold, is good money; we will use silver or gold. By telling the people that gold will go, you are attempting to degrade silver by this threat, this humbug. By scaring the people you hope to degrade and destroy three or four hundred million of dollars of silver belonging to the Government. You would destroy that for the purpose of repealing the act of 1890 which is already nullified by the Secretary of the Treasury.

So if this silver coinage be continued we may reasonably expect that gold and its equivalent will abandon the field of circulation to silver alone. This, of course, must produce a severe contraction of our circulating medium, instead of adding to it.

If gold goes out so as to produce contraction it will come back quickly, because it will go where it will buy the most. All this nonsense is

TO DECEIVE THE PEOPLE.

The President ought to know that gold could not go out and produce contraction, for if by contraction gold becomes dear and scarce, it will come here, as any other kind of money will come here, if there is contraction enough to make lower prices here than in Europe. It will go to the country where it will

buy the most, unless it is hoarded, and we do not propose to hoard it.

It will not be disputed that any attempt on the part of the Government to cause the circulation of silver dollars worth 80 cents, side by side with gold dollars worth 100 cents, even within the limit that legislation does not run counter to the laws of trade, to be successful must be seconded by the confidence of the people that both coins will retain the same purchasing power and be interchangeable at will.

Now, that is very important. He says that silver is worth only 80 cents, that a dollar is worth only 80 cents. I will give him 80 cents for all he coins. I will give him 90 cents for them. Everybody knows that the silver dollar with the stamp of the Government on it is worth 100 cents, and floats side by side with gold. Three or 4 per cent premium was paid for the silver dollar in New York a few days ago,

What is the President talking about? Is he falling into the common humdrum cant of the press? The silver dollar is worth 100 cents, and silver bullion would be worth as much as gold bullion if it were not for the infamous act of 1873 which the President is constantly indorsing.

A special effort has been made by the Secretary of the Treasury to increase the amount of our silver coin in circulation—

That I deny. There never has been any effort of the kind made. On the contrary, the effort has been right the other way. He has been trying to scare men so that they would not take it. The Secretary and the President, too, have been trying to keep it out of circulation, and they do not want you to get any silver coined. They will not give you subsidiary coin. They have power to buy and coin subsidiary coin, but they will not give enough for a circulating medium. I went over to Chicago, and on the way traveling on the cars I could not get $10 changed. I had to wait until I got near the city before it could be done. The people need the coin for change everywhere. The national banks, who are the organs of the Treasury Department, apologize to you as if they would commit a crime by paying you silver, and they try

TO PREJUDICE PEOPLE AGAINST IT.

I deny that the Secretary of the Treasury has attempted to put silver in circulation. I deny that any national banks, the agents of the Government, have encouraged silver. On the contrary, they have done all they could to depreciate and destroy it and keep it out of circulation.

I do not suppose the President knew all about this matter. I do not suppose he knew the Secretary had not made that effort or he would not have stated it. I do not mean to say that the President stated a falsehood, but I say the fact is not as he states it. I say the Secretary of the Treasury has made every effort he could to disparage silver and keep it out of circulation—

but the fact that a large share of the limited amount thus put out has soon returned to the public Treasury in payment of duties, leads to the belief that the people do not now desire to keep it in hand—

Of course it is paid in there when they get it. That is what they keep it for, to pay taxes with, and when it comes in it should be paid out again; but the Secretary would not pay it out on the obligations of the Government. He never has paid it out. So that is not true—

and this, with the evident disposition to hoard gold, gives rise to the suspicion that there already exists a lack of confidence among the people touching our financial processes.

As to lack of confidence among the people, he is sapping the confidence by saying that it is an 80-cent dollar, and talking about the want of confidence.

IT IS BUSINESS CONFIDENCE THAT WE WANT.

The Treasury Department is to administer laws, and with confidence enough that the Government will pay its debts according to the contract. He talks about confidence in money. The people have confidence in all the money. There is plenty of confidence in money; but the people have not confidence in the manipulations of banks. There is no doubt about confidence. He talks about the confidence of people in financial processes. I have no confidence in the financial processes in the Treasury Department. I have no confidence in a Department that abrogates laws by abolishing the market price, and the like of that. I have no confidence in it; the people have no confidence in it. There is a want of confidence in the Administration and not in the law.

There is certainly not enough silver now in circulation to cause uneasiness;—

I should not think there was. The only uneasiness they have is that they have not enough—

and the whole amount coined and now on hand might, after a time, be absorbed by the people without apprehension; but it is the ceaseless stream that threatens to overflow the land which causes fear and uncertainty.

"Ceaseless stream." Oh, if it could be only a ceaseless stream of the precious metals, uninterrupted by rascality, uninterrupted by intrigue, uninterrupted by clandestine legislation, falling prices would stop. If we could have that ceaseless stream

WE WOULD HAVE CEASELESS PROSPERITY;

but it is cutting off that stream, drying up that stream that has produced disaster in the country. Oh, give us the ceaseless stream of money! Oh, give us the bounties of nature, the development of the mines we have! Let it come from our own country. Do not compel us to get on our knees to Great Britain. That is what we are praying for—a ceaseless stream of good, honest gold and silver money as a basis for circulation and credit. The want of that stream and the pollution of that stream by rascality and fraud is what has brought paralysis upon the whole body politic. That is the trouble and nothing else.

What has been thus far submitted upon this subject relates almost entirely to considerations of a home nature, unconnected with the bearing which the policies of other nations have upon the question. But it is perferfectly apparent that a line of action in regard to our currency can not wisely be settled upon or persisted in, without considering the attitude on the subject of other countries with whom we maintain intercourse through commerce, trade, and travel.

Of course it can, because we allow other nations to make our laws for us. But why should we consider those who do not consider us? They pass their own financial laws; they have their own money, no matter what kind of money. What we have would not be money in their country—it would be a commodity. Why must we consider them? Our home commerce is 95 per cent of our entire commerce. Is it not important that we should have money that would settle contracts honestly between ourselves? Is it not important that we should have money with which to develop our own resources? Is it important that we should have money for export? If you export your money

YOU DEPRIVE THE PEOPLE

of the tool with which they do business. I have often said that international money is a national curse. Just see what condition a nation is in with international money. If we get on a gold standard with the little money we have, they have a string to it in London, and if they want to get us in any trouble, they will jerk it and bring on another panic. What could we do if we got into any trouble with international money? We would have to abandon it. We must have money at home. We must consider our own condition and have money at home. Point to me a nation that ever prosecuted a great war with international money. Gold is the meanest coward, for it always disappears in time of war. It comes back after the war is over to rob. It is the meanest of all money because it is international; because it goes from one country to pick up the wreck.

IT PRODUCES A WRECK

when it leaves the country, and it goes back to devour the carcass. Suppose that England during the Napoleonic struggle had had an international money, could she have maintained her rights? For twenty-two years she suspended specie payment and made the notes of the Bank of England the only legal tender in the country. She prospered then as no country ever did. Her foreign trade increased as it had never increased before. She traded with foreign countries, her power extended all over the world, with her national money. She had prosperity at home and a large foreign trade during those twenty-two years. Every Englishman who writes on the subject points to that period as the halcyon days of British prosperity. They had national money and nobody could take it away. They had it there as their tools with which to do business.

After the war was over she confiscated the property of the masses by resuming gold payments. She adopted international money, and confiscation and ruin followed. It is international money that destroys home industries. The balances are not settled in money; they are settled in commodities. It is the business of exchange

TO ASCERTAIN THE VALUE

of the money of one country and compare it with the value of the money of other countries. We had no difficulty in trading with other countries when we were in suspension. During the war our foreign trade was more prosperous, considering the circumstances, than it has been since. We built more railroads and developed the country more rapidly during the suspension of specie payments than at any other period. It is only when we used international money that our trouble commenced.

Mr. President, continuing the quotation from the message of the President in 1885, he says:

An acknowledgment of this fact is found in the act by virtue of which our silver is compulsorily coined. It provides that "the President shall invite the governments of the countries composing the Latin Union, so called, and of such other European nations as he may deem advisable, to join the United States in a conference to adopt a common ratio between gold and silver for the purpose of establishing internationally the use of bimetallic money and securing fixity of relative value between these metals."
This conference absolutely failed.

That is true. I agree with the President there.

This conference absolutely failed, and a similar fate has awaited all subsequent efforts in the same direction.

That is true. Now, the President is coming right square up to the facts, where there is no chance for controversy with him, and I am glad to agree with him that it failed. We may be thankful that we were not kicked any harder by Great Britain.

And still we continue our coinage of silver at a ratio different from that of any other nation.

Why would we not? We have been doing it for a great many years, and no harm has come from it. If they would not consult with us, why should we consult them? I do not see any trouble about that.

The most vital part of the silver-coinage act remains inoperative and unexecuted, and without an ally or friend we battle upon the silver field in an illogical and losing contest.

The most vital part of it remains inoperative! That is true, because he will not execute it, because he will not pay out silver. That is the reason.

Of course we are engaged, as the President says, in an illogical and losing contest in discarding silver. Suppose we had a little manly independence; suppose we should open our mints and have plenty of good silver coins and their paper representatives, and suppose we had a little prosperity in this country, would it hurt us? It is an illogical, a losing, and a humiliating game to allow Great Britain to demonetize our silver, and then to go there and beg of her to let us coin our own money. Of course that is an illogical and a losing contest. Sometimes the President is right.

To give full effect to the design of Congress on this subject, I have made careful and earnest endeavor since the adjournment of the last Congress.

To this end I delegated a gentleman well instructed in fiscal science to proceed to the financial centers of Europe, and, in conjunction with our ministers to England, France, and Germany, to obtain a full knowledge of the attitude and intent of those governments in respect of the establishment of such an international ratio as would procure free coinage of both metals at the mints of those countries and our own.

I made some comments upon this gentleman before. He is a peculiar gentleman; he has some peculiar ideas. This man, Edward Atkinson, believes the smaller the base the larger the superstructure may be with safety. He does not believe that it is necessary to have more than $5 in coin in the world, and that all the balance may be credit. He is a great man for wind, without base; he is one of the people who says the whole business of the world is done on credit, and never has discovered the fact that if you

MULTIPLY PROMISES TO PAY,

without anything to pay them with, sensible people become scared. The difficulty with all this bullion business is that you must pay without anything to pay with. The Government of the United States may promise to do impossible things. Suppose it should promise to make Lake Ontario discharge its waters into Lake Erie, would anybody believe in that promise? Suppose it should contract to deliver one thousand buffaloes, to be raised in this country within six months, would that promise be good for anything? Suppose it should promise to issue a lot of paper depending upon gold held in Europe and to be imported from there, which we can not get; if we should make a promise of that kind it is only a promise to be broken.

There is no use of this Government attempting to perform impossible things. You may inflate for a little while, you may have State banks and national banks for a little while; but if you promise to pay, pay day is bound to come some time, and that is what ailed the national banks. They got in a great deal of wind and loaned out money to such an extent that there was nothing to pay with. Then the people got scared and made a run on the banks, and many of the banks were broken. They were doing business on wind, on promises. That was the difficulty with the old State banks in 1857; and I recollect it very well. They were banks promising to pay in coin. Everybody was to be paid in coin if it was desired, if anybody wanted to be paid in coin. A Chicago bank was broken by a demand for a small amount of coin, and all the banks west of the Alleghenies collapsed at once.

It is an absurd idea to speak of having money in this country based upon gold, when the gold is hoarded and there is not a sufficient quantity of it in any event. The fact of it is that the whole of this business is

TO SATISFY THE GREED

of this colossal fabric of which Mr. Gladstone speaks.

They keep a string on all the gold they receive for interest, which amounts to five hundred millions a year. When they want to break you, they can call it in and smash you. If we submit to being a financial colony of England, we may be very thankful if they will permit us to live at all.

The President says he sent this distinguished gentleman to ascertain the views of Europe in regard to the international conference, as to the international coinage business, in which my friend from Iowa [Mr. ALLISON] has so much faith, and he is willing to drift along until we can strike the bedrock of international agreement.

The President in his message continues:

By my direction our consul-general at Paris has given close attention to the proceedings of the congress of the Latin Union, in order to indicate our interest in its objects and report its action.

The consul-general at Paris, as I remarked, represented our interest by stating in advance that we intended to repeal the Bland act. He made that kind of report.

It may be said, in brief, as the result of these efforts, that the attitude of the leading powers remains substantially unchanged since the monetary conference of 1881, nor is it to be questioned that the views of these governments are in each instance supported by the weight of public opinion.

"Unchanged." He says there is no chance for it; still we are waiting for it.

The President says in his letter to Governor Northen—which I shall come to later—that all the show we have is this impossibility, something which can not be done, of obtaining an international agreement, and here he tells us that he investigated it and there is no prospect of obtaining such an agreement. We have tried it since then, and got kicked each time, and got sneered at by Great Britain, and still we are willing to continue to expose our imbecility and our debasement to foreigners.

The President says:

The views of these governments are in each instance supported by the weight of public opinion.

I do not believe that; in fact, I know it is not true. The views of the Government of England are not supported by the weight of public opinion in England. Nine-tenths of the people of England are bimetallists: every writer on political economy of any importance at all in England is a bimetallist, except Giffen, the statistician. All the landed aristocracy of England to-day are bimetallists; also the manufacturing interests, the boards of trade; but those interests amount to nothing against the gold ring. This colossal power, which Gladstone admires so much, owns twenty or thirty thousand millions of bonds, which are controlled in that center, and ten thousand millions of indebtedness of foreign nations owing to the Kingdom of Great Britain. This great power controls the London press and stifles discussion, as I shall show before I am through.

Mr. HOAR. Does the Senator think it stifles discussion.

Mr. STEWART. It smothers it with the great mantle of darkness, leads my friend into the darkest regions, and makes him follow the most devious ways of any man of his immense learning. It is all on account of the mists, the haze of the gold atmosphere which surrounds him; otherwise he would be a good man; but these gold principles have overshadowed even his bright intellect, so that he can see no light through it, and his voice can not be heard at all.

The Senator says, although we have gone far enough to know that it is

NECESSARY TO USE BOTH METALS,

yet under the present condition of things, inasmuch as the commercial press, inasmuch as the Administration, inasmuch as his London friends, inasmuch as the powers that be are against us, we have to wait.

We can not have a good thing, we can not even have a view of the promised land, because so many of our friends are hungering after the flesh pots of Egypt. The President in his message continues:

The steps thus taken have therefore only more fully demonstrated the uselessness of further attempts at present to arrive at any agreement on the subject with other nations.

Well, we have had further attempts, and we have been left out again, but still, our friend from Iowa [Mr. ALLISON] says: "There is nothing to do but to wait, wait." I shall call attention, when I get to the speech of the Senator, about these beautiful things, this drifting into poverty. I tell him that I do not believe that the farmers of his State are entirely satisfied with the way we are drifting, and I think at some time his people will be heard from. I do not believe they are willing to drift into poverty. It is a strange idea that statesmen should say this great Government must drift along powerless and helpless.

The President continues:

In the meantime we are accumulating silver coin, based upon our own peculiar ratio, to such an extent, and assuming so heavy a burden to be provided for in any international negotiations, as will render us an undesirable party to any future monetary conference of nations.

We are told that the accumulation of too much silver will be undesirable. I tell you, Mr. President, the accumulations we have made thus far have saved us from bankruptcy. The $600,000,000 of silver in this country is all that stands between us and collapse.

But what is proposed? It is proposed

TO DISCARD ALL SILVER

and make all obligations redeemable in gold. You would have

a thousand millions of credit money and only one hundred millions of gold with which to redeem it, when you have repudiated the standard silver money, as the Treasury Department does. The Department will not regard it as standard money, and the President says that gold is the only standard money. If the silver in the vaults of the Treasury rests upon gold, it is no better than so much paper, and really paper would be better when you take from silver its standard character, which the President says it does not now possess.

I tell you, Mr. President, that what ails this country is that we are about to go to the single gold standard and discard six hundred millions of standard money. It is the fear of further contraction and falling prices that is causing the present distress.

EVERY BUSINESS MAN KNOWS

that when the standard silver dollars are discarded, that is, if the ultimate payment is to rest upon the gold alone, there must be a financial panic. Consequently there is distrust and a threatened revolution hanging over us. Every man who has any sense at all knows there must be a crash if this avowed purpose is accomplished.

"But, ah," you say, "we will strengthen the reserves." We hear that all around. How do you propose to strengthen the reserves? The answer is, "We will increase our obligations to Great Britain, we will issue bonds, we will give the banks more circulation, we will bid for gold, although we know we could not keep it if we got it, and we can get out bonds, we can get more credit stuff out." If you get two hundred millions of gold it will not stay, it will go right out again. Everybody knows

THAT BANKRUPTCY WILL BE THE RESULT

if such a course is persisted in. The repeal of the Sherman act means bankruptcy; it means the destruction of credit; it means the repudiation of silver as a basis of credit. Then, why struggle for gold when we know it is impossible to get it or to keep it? The only way you can keep gold when you get it is to hoard it; you can not use it as money. The only country in the world which can afford to talk about gold as international money is Great Britain. She has an income from other nations of at least five hundred millions, and consequently she can loan it out, and that is coming in to her all the while; besides the advantage she has in having the carrying trade and her other advantages, having dominion over all of Asia, and having 250,000,000 slaves in those countries, for they have in fact been reduced to slavery—with all these advantages and with an income from us of two hundred millions England can stand it, but even she finds trouble sometimes. A great many of her own people are discontented with her policy.

If the course proposed is adopted we shall have

THE BALANCE OF TRADE AGAINST US

more and more, for our products will sell for less and less, and we shall have less to buy with. This is the feast to which we are invited. This is why we were called in extra session, and this is why we are here to-night—the purpose of destroying the foundation of what credit we have. We are called here to act upon the repeal of the Sherman law. We are told that if the Senate resists the imperial will of our master that the Senate is disgraced as a legislative body. All these things we hear, and we hear homilies about them. There ought to be someone to resist this revolution. There ought to be some power somewhere to do it.

The President continues in his message:

It is a significant fact that four of the five countries composing the Latin Union mentioned in our coinage act, embarrassed with their silver currency, have just completed an arrangement among themselves that no more silver shall be coined by their respective governments, and that such as has been already coined and in circulation shall be redeemed in gold by the country of its coinage.

That is what I alluded to some time ago. After Mr. Cleveland sent Mr. Walker, the consul-general at Paris, to tell the French Government that we were going to abandon silver, they passed a resolution to dissolve the Latin Union; but in order to accomplish that, the nation desiring it had to give a year's notice, and in case the Latin Union was dissolved each nation had to redeem in gold its outstanding silver coin.

Mr. WHITE of Louisiana. Has the Senator the text of that resolution providing for redeeming in gold?

Mr. STEWART. I have not the text of it, but I am familiar with it.

Mr. WHITE of Louisiana. That is all right.

Mr. STEWART. The substance of the resolution was that at the end of five years the Latin Union should be dissolved, provided any one of the nations concerned gave a year's previous notice, and in the event of the dissolution each nation should redeem the silver that was held by the other in gold at the rate of $1.33 an ounce. France held, I think, about two hundred millions, and might have demanded $1.33 an ounce for it, but she declined to give the notice for reasons satisfactory to herself, and so the Latin Union, notwithstanding the report that the United States was going to abandon silver, has not been dissolved, although they passed a resolution whereby it may be dissolved by any of the nations concerned in it.

The resort to this expedient by these countries may well arrest the attention of those who suppose that we can succeed, without shock or injury, in the attempt to circulate upon its merits all the silver we may coin under the provisions of our silver coinage act.

Under free coinage we could get silver enough so that we should have an abundance of money, but not too much. Suppose we should let our gold go and get silver, it would take a thousand millions of silver before we should have a supply that would put up the price of silver to that of gold. Silver would be better than gold if we had any desire to be independent, if we had any desire to be American, if we had any desire to have a policy of our own, if we were not an appendage of Great Britain, and should open our mints at once.

What is the consequence of not doing it? Let any man travel through this country and see the poverty and distress which exists, see the poverty of the farmers of the West and the planters of the South, who have worked for twenty years for less than nothing, for there is no farmer who has made expenses in the last twenty years; if they have supported their families and kept out of debt they have done remarkably well. During that time the value of their farms has shrunk 50 per cent. Who has received the results of their labor? Where has the money gone which they earned? It has gone to build up the colossal fabric in London with its branch in New York, of which Mr. Gladstone boasts, this monster which is

ABSORBING THE SUBSTANCE OF LABOR

throughout the world. There is where it is; there is where the profit has gone.

I exhibited a table here showing that by the fall in the price of cotton alone, as compared to what it was previous to 1870, before silver dropped, the loss on cotton exported by the fall of prices was over $1,500,000,000 in five years—$300,000,000 a year. That comes out of labor. Where is gold? It goes into the money centers; it builds up colossal fortunes at the expense of the country. This is done by the cunning of the bondholder. This is the new civilization which is to grow up. We have had various devices to enslave mankind; the human race have struggled against the devices of cunning through all the ages, but the most cunning and most wicked is the device of manipulating the currency, the changing of contracts, and enslaving the masses.

Mr. President, again the President says:

The condition in which our Treasury may be placed by a persistence in our present course is a matter of concern to every patriotic citizen who does not desire his Government to pay in silver alone all the obligations as they should be paid in gold.

I would have been glad if the President had discriminated and told us what obligations should have been paid in gold. None of them are contracted to be paid in gold. All by the contract and by the law are payable in silver equally with gold.

What particular creditor should receive money in gold, I should like to know? Is he an American or is he a foreigner? I believe it has been the practice of the Treasury Department

TO DISCRIMINATE AGAINST THE AMERICAN PEOPLE

and in favor of foreigners who have driven hard bargains with the Government. I repeat, I should like to know what obligation should be paid in gold that have been contracted to be paid in coin? Certainly not the bonded indebtedness, because the bonded indebtedness was originally payable in greenbacks or lawful money. At the suggestion and solicitation of the bondholders, by act of Congress it was changed into coin, and then it was made definite coin of the standard value of July 14, 1870. That is as far as the bonds were concerned, and that is printed on the bonds. The greenbacks and Treasury notes are expressly payable in either gold or silver at the option of the Government. However, at the time it was written there were no Treasury notes. Greenbacks were payable in coin.

It would have been much more gratifying if the President had suggested what particular obligations should be paid in gold. I undertake to say that

EVERY OBLIGATION OF THE GOVERNMENT

ought to be paid in that money which is most convenient for the Government to pay it in. I undertake to say that the position which the Administration for twenty-five years has taken to give to the creditor the option which the law reserves to the Government has been in violation of law, and has brought great public trouble, holding out expectations that we had no right to satisfy, and degrading our own currency, robbing the people to enrich the bondholders beyond the contract.

Does anybody doubt that the gold interest on bonds has been sweeping the entire earnings of the whole country into the great fabric of credit, which has become so colossal that there will be

no civil liberty in this country if that fabric is allowed to increase by legislation beyond the contract? Here we have a President who advocates the increase of it by departmental construction. Why should the people of the United States be taxed to give the bondholders more than the contract calls for? Is that honest? Very well, we will leave that and see what the next sentence is.

Nor should our condition be such as to oblige us, in a prudent management of our affairs, to discontinue the calling in and payment of interest-bearing obligations, which we have the right now to discharge and thus avoid the payment of further interest thereon.

I do not know why the coinage of silver, which is good money to pay those obligations, will interfere. Those obligations are payable in silver, and why coining more silver will prevent the payment of them is a mystery to me.

THERE ARE SOME WONDERFUL THINGS

in this message and that is one of the most wonderful.

Will the coining of silver with which the Department has the duty and the right to pay these bonds prevent the payment of them and embarrass the Government in paying them? How does that come to be the case? But the fact is, as it always is, that when a great man gets on the wrong side of a question every step he takes he gets deeper in the mire.

The President started out all wrong when he undertook to destroy silver and put us on the gold standard. Consequently his reasoning is always wrong. That is why the gold men in this debate have been unable to do themselves justice. Is it not remarkable that we are called here to repeal the purchasing clause of the Sherman act to restore confidence, and neither the President nor one of his admirers, I say no Administration Senator, whether he be Republican or Democrat, has been able to even suggest what financial policy they would adopt? We have not had a word from them. The people inquire,

WHEN YOU REPEAL THE LAW OF 1890

What are you going to do? This will diminish your money. We have not enough now; we are on the verge of bankruptcy for want of money; we have great stringency; prices are falling; people are out of employment; the banks are taking out no more currency; there is a bounty on currency. The banks in New York are issuing spurious currency. They have put out thirty or forty million dollars of stuff as currency, but it is not currency. Everybody knows there is a currency famine, and here you propose to repeal the only law which gives us new money. No Administration Senator, whether he be Republican or Democrat, or whatever standing he may have in the gold party which absorbs the leaders of both, has the courage to tell us how he is going to get out more money to relieve the stringency. He has not deigned to tell us that.

They tell us to take this step and have faith in them. I have no faith in the Treasury Department. It has shaken my confidence in it

BY ITS CONSTANT DISOBEDIENCE OF LAW.

The Treasury Department has always found it necessary to sacrifice the rights of the people to the greed of the bondholder and give the option to the bondholder which Congress secured to the Government. It has always done that. I have not much confidence in anything the Treasury Department will do in the way of executing the laws. Its facility in nullifying laws is marvelous. The Treasury Department in one breath blew away the law that the President told us was mandatory and which he called us here in hot haste to repeal. We have all been talking about the law as mandatory, and with just one brush he blots it out and says it amounts to nothing. All he has to do is to bid less than anybody will sell silver for, and that is the end of the law. He abolishes the market price with facility. I should like to know, when there is so much legerdemain going on, if it is strange that we should inquire what is your plan.

Do they expect to inspire confidence in us with a plan they dare not disclose? We have some curiosity to know what the plan is. The Senator from Ohio, who is the great leader of the gold monometallists of this country, in 1867

MADE THE FIRST ARRANGEMENT WITH ENGLAND,

and joined them in a recommendation in Paris in favor of demonetizing silver. In 1876 he was the first man to discover and inform the people of the United that silver was demonetized through English influence. He is the great leader of the monometallists. He tells us that we must come up to the mark and show our strength; that we must go forward and issue bonds and buy gold. His theory is, if you will only have courage to load the people still heavier he will be satisfied. He can stand a great load for the people but not for himself. The greatest any person ever imposed upon them he stands with ease. He says issue bonds. My friend from Indiana intimated that he did not like to take that kind of a jump; he did not want to put more debt and taxes on the people. If you knock out this $600,000,000 or $700,000,000 of silver coin and provide it shall all be redeemed in gold

HOW ARE YOU GOING TO GET GOLD BY IT?

Where are you going to get it? Of England? It is locked up elsewhere. You can not get any from Russia: you can not get any from Austria. Austria has bought a lot of gold and can not let any of it go. Like the man who had hold of the bear's tail, she can not let it go. The exchange between her and Paris and London is from 1 to 25 per cent, and if she lets this $150,000,000 go, which is to redeem her circulation, it would leave her in a day. She must lock it up or lose it. The bondholders in London do not want us to get out of market for gold, because it will make gold cheaper. They want it all locked up, and when we buy we shall have to pay a good price for it.

We can not get any from Austria. We can not get any from France, because there all the obligations are payable in silver, and the French have some regard for the option. Germany is in the same fix. She has from $100,000,000 to $150,000,000 of silver still on hand. All her obligations are payable in silver, and she will not let any of her gold go. So we have to look to dear old England for gold, and we owe her enough, so that if we borrow $200,000,000 a year of her she can forego the interest a little to load us a little heavier. But she will not let us have any of the gold; she will keep it there and simply reinvest the interest in our bonds.

Mr. SQUIRE. How did we get the gold we have acquired now?

Mr. STEWART. We paid $1.50 for every dollar we got. We levied a contribution upon the producers of this country. We made them discount their wheat and cotton, and we have

CONSIGNED THEM TO POVERTY

to get it. We got it by robbing our own people. What we have we got by robbery. Go to the West and see how we got it. It is very nice for the bondholders to ask how we got it. We got it by advancing the price of gold, and compelling our own people to sacrifice their property. They have stood it manfully, until you have drawn pretty nearly the last drop of blood, and now you propose to continue the process and bid for gold and put up gold and put down wheat and cotton and labor. Oh, you can stand it! All can endure the burdens of others with a great deal of complacency. That is the way you got the gold. The people have suffered, as I have said, a loss of $1,500,000,000 in five years on cotton and a like proportion on wheat. That is the way you got the gold.

IT COST THE BLOOD AND SWEAT OF THE PEOPLE.

You sacrificed them to this gold king, and you propose to continue the sacrifice. You are not satisfied yet. How will you get it? I want no gold that enslaves my people. I will not sacrifice them on that altar. You have got to pay over $200,000,000 a year interest for the gold you have already borrowed, and all you can do is to pay the interest; and if England will take a few more bonds for interest and compound the interest and pile it up on us you will be pleased. That suits you because it makes gold dear and property cheap.

Friday, October 13, 1893.

Mr. STEWART. Mr. President, before proceeding in the line of argument I was pursuing last night, I will state that I am gratified to be able to call the attention of the Senate to the fact that the silver Senators have not pleased our masters in Great Britain, and therefore I think we may safely say we are right. I find that every movement for the demonetization of silver has been heartily approved by Great Britain, but I find a dispatch from London, October 13, as follows:

The Times, commenting on the action of the opposition in the United States Senate to prevent the repeal of the silver bill by a resort to continuous sessions, says:

"The determining of an economic question by an appeal to physical endurance is little removed from the mediæval ordeal of battle. Yet this Old World remedy is being applied in the center of the most essentially modern form of government."

I am informed that Great Britain is applying to us a very ancient method. She is applying to us all the most odious methods of usury that were so condemned in ancient times. I am glad the Times does not like this, because it is satisfied it is an American article. The Standard says:

The silver party's tactics are not very Democratic. They would have very hard names applied to them here.

Of course they would, and so will their associates here. I presume when we get the London Times of New York this morning we will find other things about us. I have no doubt all the gold ring will apply hard names. I like this:

The Daily Telegraph characterizes the proceedings as reducing legislation to an absurd stalemate.

The Daily Chronicle says:

"The spectacle is ludicrous and contemptible. If physical endurance is to be the legislative court of appeal, communities must hasten to get themselves represented by athletes."

I do not remember that comments of that kind were made by the London press when we were

RESISTING THE FORCE BILL.

They do not get angry at our proceedings except when we are resisting their schemes of aggrandizement and plunder. I call attention to this. It is particularly gratifying to me that there are some people in the United States who are not in harmony with the British scheme of plunder, and who are not entirely satisfied with the United States being reduced to a financial colony of Great Britain.

But before I proceed further with my remarks, I notice several amendments being offered to the pending bill looking to a further degradation of silver that are a good deal worse than the "makeshift" which was so much condemned by the Democratic party. I do not propose to vote for any scheme further to degrade silver. If silver must be killed, do not let it be strangled or poisoned; let it be killed squarely. A bill that limits the quantity to a certain amount and that has a termination of the purchases will be regarded the world over as a final settlement, as a compromise, and as the end of the silver question, and that silver is not to be used as money. I will not discuss those propositions now, but I merely say that I would prefer the center shot of the gold bugs and meet death to strangulation by any scheme further to degrade silver.

Mr. CAREY. I should like to ask the Senator from Nevada a question.

Mr. STEWART. Certainly.

Mr. CAREY. Does he want to be understood as saying that he will accept no compromise measure except the free and unlimited coinage of silver?

Mr. STEWART. Does the Senator from Wyoming wish to catechise me?

Mr. CAREY. No; I merely want to understand the Senator's position.

Mr. STEWART. I mean to say that I do not propose to vote for any bill that fixes the life of silver, that fixes the span upon its existence, because if it is to have only a lingering existence for a few years, it had better die now. If it is not money we do not want it. I have said all I care to state on that point. I will discuss the amendments when they come up.

Mr. CAREY. I thought the Senator was informing the Senate that the side which he represents would not accept any compromise in place of the pending measure except that which, of course, would not be a compromise, the free and unlimited coinage of silver.

Mr. STEWART. I said I would not accept a compromise that would degrade silver further and be another "makeshift," that would put us further down. I would not accept a compromise of that kind; I would rather have immediate death.

When the Senate adjourned last evening I was discussing the President's message of 1885 and had nearly concluded. I will resume, and read from the message. The President says:

The so-called debtor class, for whose benefit the continued compulsory coinage of silver is insisted upon, are not dishonest because they are in debt; and they should not be suspected of a desire to jeopardize the financial safety of the country in order that they may cancel their present debts by paying the same in depreciated dollars.

That is a remarkable statement, that they are not dishonest because they are in debt.

THE IRONY OF THIS SENTENCE IS SEVERE.

"They should not be suspected of a desire to jeopardize the financial safety of the country in order that they may cancel their present debts by paying the same in depreciated dollars." The President is very unjust to the debtor class. It is a very cruel expression. They never have asked such a thing. They have simply asked that the creditors might be paid in the money of the contract. It is the gold associates of the President who changed the contract. It is the legislation of Congress that struck down silver that changed the contract.

By all the authorities the money available for the payment of debts has been appreciated 50 per cent, and the debtor is not asking to pay in a depreciated currency; he is asking the privilege to pay in the currency of the same value he borrowed, which the President denies to him when he advocates the gold standard. This slur upon the debtor is unjust and cruel. When we look at the mortgaged farms, when we see the mortgages being foreclosed and the farms selling for 50 cents on the dollar compared with what they would have brought twenty years ago, when we see families being driven from their homes on account of the change in the contract wrought by legislation, we do not think it generous on the part of the President to make such a suggestion.

Nor should it be forgotten that it is not the rich nor the money-lender alone that must submit to such a readjustment, enforced by the Government and their debtors. The pittance of the widow and the orphan and the incomes of helpless beneficiaries of all kinds would be disastrously reduced.

If what? If the money of the contract was restored? What a plea. If this is to be made when money is appreciating at least 2 per cent per annum; when the burdens of the debtors are being increased; when widows and orphans are being driven from their homes by the usury wrought by legislation, it seems to me entirely heartless for the President to talk like this. Oh, Mr. President, it is a mockery to ask that debts be increased in the name of the poor. It is a mockery to ask that the burdens of debts be increased in the name of the widows and orphans who are being driven from their homes.

The depositors in savings banks and in other institutions which hold in trust the savings of the poor, when their little accumulations are scaled down to meet the new order of things, would, in their distress, painfully realize the delusion of the promise made to them that plentiful money would improve their condition.

What poor man, what depositor in a savings bank has asked that such legislation be passed to enhance the value of money.

THIS PLEA IS NOT FOR THE POOR MAN;

it is not for the depositor in the savings bank; it is for the gigantic fabric of wealth that Mr. Gladstone pictured, the like of which has never been seen in the world. It is the desire to augment that and to oppress the poor. Do not do it in the name of the poor nor in the name of the savings banks; for let me say with regard to the savings banks, as I said two years ago in the Senate, if this process goes on nine-tenths of the savings banks in this country will go into bankruptcy. Those who have security on real estate can not collect it.

I will not mention details, but I have information covering savings banks in many of the cities. Their securities will be worthless; and in order to pay any interest on the deposits they must make use of the money, and no safe use can be made of money by the savings banks that would save them from bankruptcy. It is only the great operators who take the railroads in and wreck them who can take care of themselves. The savings banks had to close their doors when our English friends produced the last panic. I hope it may be so arranged that it will be all right; but of course they must fail if this process of appreciating money is continued. They can not realize on their securities and they must close their doors. They are not interested in dishonest money.

We have now on hand all the silver dollars necessary to supply the present needs of the people and to satisfy those who from sentiment wish to see them in circulation; and if their coinage is suspended they can be readily obtained by all who desire them. If the need of more is at any time apparent their coinage may be renewed.

Why does he not say that we have all the gold that is necessary? Why does he not cut off the entire supply? Have all that is necessary! Did they have all that was necessary in the last three months? If so, why were they paying a premium on it? Why are prices shrinking? Why are thousands, yes, millions, of men out of employment because there is no money to conduct enterprise if we have all the money that is necessary?

That disaster has not already overtaken us furnishes no proof that danger does not wait upon a continuation of the present silver coinage.

Danger! What danger have we passed through? Was it too much money or too little? Was there any future danger of the wages from silver coinage? How does the President figure out danger? Who told him there was danger?

This went on for some years afterward. It has gone on up to the present time; and even in his recent message, which I shall review before I sit down, he in effect admits that there has been no harm yet, but it is a calamity howl for the future all the time; and this is done for the purpose of

DESTROYING ONE OF THE PRECIOUS METALS.

Senators talk about calamity howling. I should like to see some paper from some party of the calamity howlers that would furnish a parallel to these state papers.

Every utterance is of danger in the future. The charge against the Sherman law is that it is going to produce disaster in the future. That is what produced this panic, because it is liable in the future to produce disaster. We must repeal the law to quiet it. It says no matter whether the apprehensions are unfounded or not, to quiet the apprehensions, whether well founded or not, the law must be repealed. Of course no sensible man has any apprehensions that we will get too much silver. The world has never been thus blessed.

We have been saved by the most careful management and unusual expedients, by a combination of fortunate conditions, and by a confident expectation that the course of the Government in regard to silver coinage would be speedily changed by the action of Congress.

We have been saved by wonderful management! They managed to keep it all in the Treasury and would not use it as money. That is the way they have been saved. They have kept it in the Treasury and defied the law. A glorious commentary on giving the laws of Congress a chance to see how they would operate.

Prosperity hesitates upon our threshold because of the dangers and uncertainties surrounding this question.

That is, true prosperity hesitates and refuses to come because you have deprived the people of money, and because it is still uncertain whether the combination and conspiracy will be sufficiently powerful to continue to shrink the volume of money to continue to rob the people. That is why it hesitates.

Capital timidly shrinks from trade, and investors are unwilling to take chance of the questionable shape in which their money will be returned to them, while enterprise halts at a risk against which care and sagacious management do not protect.

Ah, capital hesitates to put money in property when it is falling, and you are contracting it. If you had more money, and property was going up, capital would take the risk. Capital always invests in property when it is going up. Then you have prosperity. From 1850 to 1873 property was rising, and

CAPITAL SOUGHT INVESTMENT IN PROPERTY.

It exerted every effort to create new property. The people did not hoard money. Since that time, since the crime of 1873, property has been going down and money has been hid. The miser can hide his gold or his silver in a vault and its purchasing power would increase enough to make him rich. It has increased more than 50 per cent in twenty years—2½ per cent a year—without any risk. Nobody wants property now because it is going down.

That is the rule. That is why it hesitates. It is idle for the President to tell us that capital hesitates to invest in property or to create property because it will not get good money for the property. Capital hesitates to go into property because property is falling. It is a rule of human nature to go short on falling property and long on property that is rising. Money is rising in value, and the miser goes long on it and puts it in his safe and keeps it there. That is the way it operates. Then the President goes on:

As a necessary consequence, labor lacks employment, and suffering and distress are visited upon a portion of our fellow-citizens especially entitled to the careful consideration of those charged with the duties of legislation.

Now, see how tender he is of our fellow-citizens who are entitled to labor. What has produced the millions of tramps in this country? Contraction. What makes it impossible to employ labor? Contraction.

WHAT MAKES CONTRACTION?

The destruction of one of the precious metals. What the President advocates has made the tramps. His theory has made millions of tramps in this country and it will make millions more. He is denying to enterprising men money with which to carry on enterprises. He it making property undesirable. He is making the creation of property unprofitable. He is shrinking the volume of money. He is inflicting upon the country all the evils of contraction.

All that is disastrous to prosperity, all that is cruel to human effort, all that breeds misery on earth is contained in the terrible word "contraction." When the President says, "I will destroy one of the precious metals and have contraction," let him not say that he wants to have the people employed. Why are not the people now employed all over the country? The President ought to have studied the first elements of political economy before he wrote this document. If he had he would not have written it. Of course he wrote it in good faith.

No interest appeals to us so strongly for a safe and stable currency as the vast army of the unemployed.

No interest appeals to us so strong for an ample, sufficient currency so that there will be money to give employment as the great army of the unemployed.

THERE IS NO ARMY OF THE UNEMPLOYED

when there is plenty of money. There never was in history at any time. That army is organized by contraction and it is kept in existence by contraction. When there was plenty of money there never was at any period in the history of the world an army of unemployed. But the President is organizing an army of that kind in this country more numerous than ever existed before, and it is multiplying daily.

I recommend the suspension of the compulsory coinage of silver dollars directed by the law passed in February, 1878.

He recommends the suspension of coinage for the purpose of giving employment to the people, for the purpose of relieving the army of the unemployed. A compliance with that recommendation relegates seven States and Territories to poverty and to starvation, throws their inhabitants out of employment, and deprives 2,000,000 people of the means of livelihood. The suspension of the coinage of the silver dollar at that time would have depreciated the price of products 25 per cent, the contraction of the currency resulting from it would have closed many workshops and have multiplied the army of the unemployed. So the President evidently wrote that message from a total misapprehension of the fundamental principles of political economy.

There is no writer upon political economy who could not have told him that contraction was not the way to encourage enterprise, not the way to give employment, not the road to prosperity, but was the dark and dismal pathway down which generation after generation had traveled to barbarism.

I have broken this message up in reading it and commenting upon it so much that I desire that it may all be printed so as to appear together in the RECORD.

The portion of the message of the President referred to is as follows:

[From the President's first annual message, December 8, 1885.]

The very limited amount of circulating notes issued by our national banks compared with the amount the law permits them to issue, upon a deposit of bonds for their redemption, indicates that the volume of our circulating medium may be largely increased through this instrumentality.

Nothing more important than the present condition of our currency and coinage can claim your attention.

Since February, 1878, the Government has, under the compulsory provisions of law, purchased silver bullion and coined the same at the rate of more than $2,000,000 every month. By this process up to the present date 215,759,431 silver dollars have been coined.

A reasonable appreciation of a delegation of power to the General Government would limit its exercise, without express restrictive words, to the people's needs and the requirements of the public welfare.

Upon this theory, the authority to "coin money" given to Congress by the Constitution, if it permits the purchase by the Government of bullion for coinage in any event, does not justify such purchase and coinage to an extent beyond the amount needed for a sufficient circulating medium.

The desire to utilize the silver product of the country should not lead to a misuse or the perversion of this power.

The necessity for such an addition to the silver currency of the nation as is compelled by the silver-coinage act, is negatived by the fact that up to the present time only about fifty millions of the silver dollars so coined have actually found their way into circulation, leaving more than one hundred and sixty-five millions in the possession of the Government, the custody of which has entailed a considerable expense for the construction of vaults for its deposits. Against this latter amount there are outstanding silver certificates amounting to about ninety-three millions of dollars.

Every month two millions of gold in the public Treasury are paid out for two millions or more of silver dollars, to be added to the idle mass already accumulated.

If continued long enough, this operation will result in the substitution of silver for all the gold the Government owns applicable to its general purposes. It will not do to rely upon the customs receipts of the Government to make good this drain of gold, because the silver thus coined having been made legal tender for all debts and dues, public and private, at times during the last six months 58 per cent of the receipts for duties has been in silver or silver certificates, while the average within that period has been 20 per cent. The proportion of silver and its certificates received by the Government will probably increase as time goes on, for the reason that the nearer the period approaches when it will be obliged to offer silver in payment of its obligations, the greater inducement there will be to hoard gold against depreciation in the value of silver or for the purpose of speculating.

This hoarding of gold has already begun.

When the time comes that gold has been withdrawn from circulation, then will be apparent the difference between the real value of the silver dollar and a dollar in gold, and the two coins will part company. Gold, still the standard of value, and necessary in our dealings with other countries, will be at a premium over silver; banks which have substituted gold for the deposits of their customers may pay them with silver bought with such gold, thus making a handsome profit; rich speculators will sell their hoarded gold to their neighbors who need it to liquidate their foreign debts, at a ruinous premium over silver, and the laboring men and women of the land, most defenseless of all, will find that the dollar received for the wage of their toil has sadly shrunk in its purchasing power. It may be said that the latter result will be but temporary, and that ultimately the price of labor will be adjusted to the change; but even if this takes place the wage-worker can not possibly gain, but must inevitably lose, since the price he is compelled to pay for his living will not only be measured in a coin heavily depreciated, and fluctuating and uncertain in its value, but this uncertainty in the value of the purchasing medium will be made the pretext for an advance in prices beyond that justified by actual depreciation.

The words uttered in 1834 by Daniel Webster in the Senate of the United States are true to-day: "The very man of all others who has the deepest interest in a sound currency, and who suffers most by mischievous legislation in money matters, is the man who earns his daily bread by his daily toil."

The most distinguished advocate of bimetallism, discussing our silver coinage, has lately written:

"No American citizen's hand has yet felt the sensation of cheapness, either in receiving or expending the silver-act dollars."

And those who live by labor or legitimate trade never will feel that sensation of cheapness. However plenty silver dollars may become, they will not be distributed as gifts among the people; and if the laboring man should receive four depreciated dollars where he now receives but two, he will pay in the depreciated coin more than double the price he now pays for all the necessaries and comforts of life.

Those who do not fear any disastrous consequences arising from the continued compulsory coinage of silver as now directed by law, and who suppose that the addition to the currency of the country intended as its result, will be a public benefit, are reminded that history demonstrates that the point is easily reached in the attempt to float at the same time two sorts of money of different excellence, when the better will cease to be in general circulation. The hoarding of gold, which has already taken place, indicates that we shall not escape the usual experience in such cases. So if this silver coinage be continued we may reasonably expect that gold and its equivalent will abandon the field of circulation to silver alone. This, of course, must produce a severe contraction of our circulating medium, instead of adding to it.

It will not be disputed that any attempt on the part of the Government to cause the circulation of silver dollars worth 80 cents, side by side with gold dollars worth 100 cents, even within the limit that legislation does not run counter to the laws of trade, to be successful must be seconded by the confidence of the people that both coins will retain the same purchasing power and be interchangeable at will. A special effort has been made by the Secretary of the Treasury to increase the amount of our silver coin in circulation; but the fact that a large share of the limited amount thus put out has soon returned to the public Treasury in payment of duties, leads to the belief that the people do not now desire to keep it in hand; and this, with the evident disposition to hoard gold, gives rise to the suspicion that there al-

ready exists a lack of confidence among the people touching our financial processes. There is certainly not enough silver now in circulation to cause uneasiness; and the whole amount coined and now on hand might, after a time, be absorbed by the people without apprehension; but it is the ceaseless stream that threatens to overflow the land which causes fear and uncertainty.

What has been thus far submitted upon this subject relates almost entirely to considerations of a home nature, unconnected with the bearing which the policies of other nations have upon the question. But it is perfectly apparent that a line of action in regard to our currency can not wisely be settled upon or persisted in, without considering the attitude on the subject of other countries with whom we maintain intercourse through commerce, trade, and travel. An acknowledgment of this fact is found in the act by virtue of which our silver is compulsorily coined. It provides that "the President shall invite the governments of the countries composing the Latin Union, so called, and of such other European nations as he may deem advisable, to join the United States in a conference to adopt a common ratio between gold and silver for the purpose of establishing internationally the use of bimetallic money and securing fixity of relative value between these metals."

This conference absolutely failed, and a similar fate has awaited all subsequent efforts in the same direction. And still we continue our coinage of silver at a ratio different from that of any other nation. The most vital part of the silver-coinage act remains inoperative and unexecuted, and without an ally or friend we battle upon the silver field in an illogical and losing contest.

To give full effect to the design of Congress on this subject I have made careful and earnest endeavor since the adjournment of the last Congress.

To this end I delegated a gentleman well instructed in fiscal science to proceed to the financial centers of Europe, and, in conjunction with our ministers to England, France, and Germany, to obtain a full knowledge of the attitude and intent of those governments in respect of the establishment of such an international ratio as would procure free coinage of both metals at the mints of those countries and our own.

By my direction our consul-general at Paris has given close attention to the proceedings of the congress of the Latin Union, in order to indicate our interest in its objects and report its action.

It may be said, in brief, as the result of these efforts, that the attitude of the leading powers remains substantially unchanged since the monetary conference of 1881, nor is it to be questioned that the views of these governments are in each instance supported by the weight of public opinion.

The steps thus taken have therefore only more fully demonstrated the uselessness of further attempts at present to arrive at any agreement on the subject with other nations.

In the meantime we the accumulating silver coin, based upon our own peculiar ratio, to such an extent, and assuming so heavy a burden to be provided for in any international negotiations, as will render us an undesirable party to any future monetary conference of nations.

It is a significant fact that four of the five countries composing the Latin Union mentioned in our coinage act, embarrassed with their silver currency, have just completed an agreement among themselves that no more silver shall be coined by their respective governments, and that such as has been already coined and in circulation shall be redeemed in gold by the country of its coinage. The resort to this expedient by these countries may well arrest the attention of those who suppose that we can succeed without shock or injury in the attempt to circulate upon its merits all the silver we may coin under the provisions of our silver-coinage act.

The condition in which our Treasury may be placed by a persistence in our present course is a matter of concern to every patriotic citizen who does not desire his Government to pay in silver such of its obligations as should be paid in gold. Nor should our condition be such as to oblige us, in a prudent management of our affairs, to discontinue the calling in and payment of interest-bearing obligations, wh ch we have the right now to discharge and thus avoid the payment of further interest thereon.

The so-called debtor class, for whose benefit the continued compulsory coinage of silver is insisted upon, are not dishonest because they are in debt; and they should not be suspected of a desire to jeopardize the financial safety of the country, in order that they may cancel their present debts by paying the same in depreciated dollars. Nor should it be forgotten that it is not the rich nor the money-lender alone that must submit to such a readjustment, enforced by the Government and their debtors. The pittance of the widow and the orphan and the incomes of helpless beneficiaries of all kinds would be disastrously reduced. The depositors in savings banks and in other institutions which hold in trust the savings of the poor, when their little accumulations are scaled down to meet the new order of things, would, in their distress, painfully realize the delusion of the promise made to them that plentiful money would improve their condition.

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Prosperity hesitates upon our threshold because of the dangers and uncertainties surrounding this question. Capital timidly shrinks from trade, and investors are unwilling to take chance of the questionable shape in which their money will be returned to them, while enterprise halts at a risk against which care and sagacious management do not protect.

As a necessary consequence, labor lacks employment, and suffering and distress are visited upon a portion of our fellow-citizens especially entitled to the careful consideration of those charged with the duties of legislation. No interest appeals to us so strongly for a safe and stable currency as the vast army of the unemployed.

I recommend the suspension of the compulsory coinage of silver dollars, directed by the law passed in February, 1878.

Mr. STEWART. I now take the message of 1886, because it is interesting to observe the workings of great minds, and how constantly they dwell upon a particular point. The President's message of 1886 contains nothing new. It simply reiterates the statements of the message of 1885.

[From his second annual message, December 6, 1886.]

During the fiscal year ended June 30, 1886, there were coined, under the compulsory silver-coinage act of 1878, 29,838,905 silver dollars, and the cost of the silver used in such coinage was $23,448,900.01. There had been coined up to the close of the previous fiscal year, under the provisions of the law, 203,882,554 silver dollars, and on the 1st day of December, 1886, the total amount of such coinage was $247,131,549.

The Director of the Mint reports that at the time of the passage of the law of 1878, directing this coinage, the intrinsic value of the dollars thus coined was 94½ cents each, that on the 31st day of July, 1886, the price of silver reached the lowest stage ever known, so that the intrinsic or bullion price of our standard silver dollar at that date was less than 72 cents. The price of silver on the 30th day of November last was such as to make these dollars intrinsically worth 78 cents extra.

These differences in value of the coins represent the fluctuations in the price of silver, and they certainly do not indicate that compulsory coinage by the Government enhances the price of that commodity or secures uniformity in its value.

Every fair and legal effort has been made by the Treasury Department to distribute this currency among the people. The withdrawal of the United States Treasury notes of small denominations and the issuing of small silver certificates have been resorted to in the endeavor to accomplish this result, in obedience to the will and sentiments of the representatives of the people in the Congress. On the 27th day of November, 1886, the people held of these coins, or certificates representing them, the nominal sum of $166,873,041, and we still had $79,464,345 in the Treasury, as against about $142,894,055 in the hands of the people, and $72,865,376 remaining in the Treasury one year ago. The Director of the Mint again urges the necessity of more vault room for the purpose of storing these silver dollars which are not needed for circulation by the people.

I have seen no reason to change the views expressed in my last annual message on the subject of this compulsory coinage; and I again urge its suspension on all the grounds contained in my former recommendation, reenforced by the significant increase of our gold exportations during the last year, as appears by the comparative statement herewith presented, and for the further reasons that the more this currency is distributed among the people the greater becomes our duty to protect it from disaster; that we now have abundance for all our needs; and that there seems but little propriety in building vaults to store such currency when the only pretense for its coinage is the necessity of its use by the people as a circulating medium.

Why have vaults been built for storing silver instead of putting it in circulation, as I said before? All the objections which I have urged against the President's former message apply to this. It is all on the idea that contraction makes prosperity and that the destruction of one of the precious metals is a good thing.

I now come to a more remarkable document, issued under very peculiar circumstances. It will be recollected that in the year 1891, during the month of January, there was a lively controversy here with regard to what was known as the force bill. The President at that time was a private citizen, practicing law in New York, with his office in the Mills Building. He was not mixing in public affairs, but he was in the manipulating center of the United States. His attention does not appear to have been called to the so-called force bill, but it so happened that pending the force bill, and for the purpose of side-tracking it, one of the means adopted was to pass through the Senate

A BILL FOR THE FREE COINAGE OF SILVER.

That bill went to the House of Representative, and was there pending. It was well known that President Harrison would veto it if it went to him, but a fellow-feeling makes all mankind wondrous kind. The Republicans were anxious that President Harrison should not be embarrassed by having presented to him a free coinage bill, and after the force bill had been gotten safely out of the way the Reform Club emerged forth in all its Orient splendor and called upon the ex-President of the United States for his profoundest views as to whether the free coinage bill ought to pass the House of Representatives and be presented to the President for his signature or veto. Everybody knew the President would veto the bill. The Reform Club was always ready to listen to the voice of Wall street, to the voice of Lombard street, whence cometh many good things at election times. They called a meeting and addressed a letter to Mr. Cleveland. Mr. Cleveland came forth with the following reply:

[Letter to the Reform Club meeting, February 10, 1891.]

DEAR SIR: I have this afternoon received your note inviting me to attend to-morrow evening the meeting called for the purpose of voicing the position of the business men of our city to "the free coinage of silver in the United States."

I shall not be able to attend and address the meeting as you request, but I am glad that the business interests of New York are at last to be heard on this subject. It surely can not be necessary for me to make a formal expression of my agreement with those who believe that the greatest peril would be invited by the adoption of the scheme embraced in the measure now pending in Congress for the unlimited coinage of silver at our mints.

If we have developed an unexpected capacity for the assimilation of a largely increased volume of this currency, and even if we have demonstrated the usefulness of such an increase, other conditions fall far short of insuring us against disaster if, in the present situation, we enter upon the dangerous and reckless experiment of free, unlimited, and independent silver coinage.

Yours, very truly,

GROVER CLEVELAND.

E. ELLERY ANDERSON, *Chairman.*

"The business interests of New York are at last to be heard!" They had not been heard I suppose in one continuous din ever since the crime of 1873 was committed; they had not praised and glorified and deified the single gold standard because it

ROBBED THE MASSES

and gave them a chance to corner gold. At last! Everybody knew that, because it was the principal thing during his Administration. He had been constantly predicting evil, which did not come. He had been very anxious during all this time that the people should have only gold, and to have a string on it, to take it away from them at pleasure.

All those people made those predictions, and they make them with the same earnestness to-day, and insist that if that legislation has not destroyed us yet, it is going to very soon. The fact that it has not done any harm in the past does not enter into consideration, but the fact that the people fear that it may is sufficient for the President to destroy it. If this is not real calamity howling, I should like to know whence it comes.

Mr. DOLPH. May I ask the Senator what is the date of the letter from which he reads?

Mr. STEWART. It is the President's letter of the 10th day of February, 1891.

Mr. DOLPH. Before the nomination of Mr. Cleveland the second time for the Presidency.

Mr. STEWART. Certainly.

Mr. DOLPH. Then that was indorsed by the Democratic national convention which nominated Mr. Cleveland and indorsed by the people in his election.

Mr. STEWART. Oh, no.

Mr. DOLPH. I can not see it otherwise.

Mr. STEWART. No. Let me tell the Senator what it was. Do not put the Democratic party in a false position. Because you are a young convert now and an enthusiastic supporter of the Administration, you should not want to put it in a false position. Let some of the older members of the Administration party speak for it.

Mr. PALMER. Will the Senator allow me to say a word?

Mr. STEWART. I had rather not yield unless the Senator wishes to ask me a question.

Mr. PALMER. I can not, with candor, say that I desire to ask the senator to yield for that purpose, but I shall be glad, with his permission, even to ask him a question.

Mr. STEWART. I decline to give way for a speech in this connection.

Mr. PALMER. I wish to express my obligation to the Senator from Oregon for his statement in reference to the Democratic platform and in defense of the President.

Mr. STEWART. The Democratic party did not go to the country on this letter of the President or what preceded it. The Democratic party and the Republican party made their platforms, and they voted for Mr. Cleveland and Mr. Harrison on their letters of acceptance. They did not go on the previous records of either of those gentlemen.

THEY BOTH HAD GOOD, CLEAN, GOLD-BUG RECORDS.

They were both gold-standard men, so far as their public acts were concerned, when nominated. The Republican platform I shall not now discuss, because Mr. Harrison was not elected; but the provision of the Democratic platform relating to the money question is a pretty good thing, and we can not have too many good things, even in this debate. We have a great many bad things, and when we get a good thing we ought to cherish it. The last national Democratic convention adopted as one of its planks the following:

GOLD AND SILVER.

SEC. 7. We denounce the Republican legislation known as the Sherman act of 1890 as a cowardly makeshift, fraught with possibilities of danger in the future which should make all of its supporters, as well as its author, anxious for its speedy repeal. We hold to the use of both gold and silver as the standard money of the country, and to the coinage of both gold and silver, without discriminating against either metal or charge for mintage, but the dollar unit of coinage of both metals must be of equal intrinsic and exchangeable value, or be adjusted through international agreement, or by such safeguards of legislation as shall insure the maintenance of the parity of the two metals and the equal power of every dollar at all times in the markets, and in the payment of debts; and we demand that all paper currency shall be kept at par with and redeemable in such coin. We insist upon this policy as especially necessary for the protection of the farmers and laboring classes, the first and most defenseless victims of unstable money and a fluctuating currency.

They demand, then, the use of both these metals and their coinage without discrimination. That is old-fashioned Democracy, the Democracy of Jefferson and Jackson, and the Democracy of the Constitution. When they made this declaration it was in direct opposition to all President Cleveland ever said on the subject—entirely irreconcilable. He was nominated by the convention and given an opportunity to accept the nomination on its platform. When he accepted the nomination he pledged himself as an honorable man irrevocably to carry out the essential provisions of that platform, and not to destroy either metal. He was pledged to abandon his scheme of monometallism. I read from his letter of acceptance:

The people are entitled to sound and honest money, abundantly sufficient in volume to supply their business needs.

Does anybody believe that there is enough gold for that purpose? It is admitted by all political economists that there is not gold enough, and that there must be a continued fall in prices; it is admitted that the volume of gold is so small that prices must continue to fall. Of course the President is of the school which believes

IN DEPRESSING THE PRICE OF PROPERTY

and raising the price of bonds and credit.

If we only knew the untold millions of money collected in this country in the shape of interest in New York and Chicago we should discover that there are a great many men engaged in cutting coupons. I have heard it said that the amount of interest collected in those two cities reaches the enormous sum of $700,000,000 per annum.

Mr. President, the President in his letter of acceptance continues:

But whatever may be the form of the people's currency, national or State—whether gold, silver, or paper—it should be so regulated and guarded by governmental action, or by wise and careful laws, that no one can be deluded as to the certainty and stability of its value.

Everybody agrees to that. Those metals have always been stable through all the ages.

Every dollar put into the hands of the people should be of the same intrinsic value or purchasing power.

"Intrinsic value" is rather an indeterminate quality; still, I suppose the President used it as the equivalent of "purchasing power." It is the old way of using the term, but it is inaccurate. It is misleading, because there can be no such thing as intrinsic value. But the President, not having examined any economic question, may be excused for such absurdities.

With this condition absolutely guaranteed, both gold and silver can be safely utilized upon equal terms in the adjustment of our currency.

The Democratic platform said the two metals should have equal mint privileges, to which Mr. Cleveland assented, and his assent made him President.

In dealing with this subject no selfish scheme should be allowed to intervene, and no doubtful experiments should be attempted.

The language excludes taking into consideration schemes to destroy silver and substitute national-bank currency therefor, excludes the enhancing of the value of money to enrich the few, for those are the selfish schemes spoken of, the schemes which have robbed the people of their money. The President in his letter of acceptance repudiates that.

The wants of our people, arising from the deficiency or imperfect distribution of money circulation, ought to be fully and honestly recognized and efficiently remedied.

The President there recognizes what all people know, that there is a deficiency of circulation which ought to be remedied, but the Administration Senators on the Republican side of the Chamber and the Administration Senators on the Democratic side of the Chamber have not suggested any remedy by which they would furnish an abundant currency, or by which they would make up the deficiency to which the President alludes. Oh, no. They simply tell us how they would make more contraction by stopping the issuance of any more Treasury notes. All the President's followers are silent as to a remedy. When asked as to what they will do, some of them intimate that we

MUST ISSUE BONDS AND BUY GOLD.

They are a little cautious about saying what they are going to do with the bonds when they are issued. We know what they want. Others on this side say we will not permit the issue of bonds. So the thing is as much unsettled as to what is going to be done as possible. The people are getting somewhat curious as to how this deficiency to which the President refers is going to be supplied. The President continues:

It should, however, be constantly remembered that the inconvenience or loss that might arise from such a situation can be much easier borne than the universal distress which must follow a discredited currency.

I do not know to what "discredited currency" the President refers, unless it be the "discredited currency" of the banks, which have failed to redeem their paper. I know of none of the Government currency which is discredited. The President probably alluded to the wind in these national banks after their collapse, when the depositors attempted to withdraw their deposits and were unable to do so.

For convenience of reference I here insert entire the portion of the President's letter of acceptance which I have been commenting upon:

The people are entitled to sound and honest money, abundantly sufficient in volume to supply their business needs. But whatever may be the form of the people's currency, national or State—whether gold, silver, or paper—it should be so regulated and guarded by governmental action, or by wise and careful laws, that no one can be deluded as to the certainty and stability of its value. Every dollar put into the hands of the people should be of the same intrinsic value or purchasing power. With this condition absolutely guaranteed, both gold and silver can be safely utilized upon equal terms in the adjustment of our currency.

In dealing with this subject no selfish scheme should be allowed to intervene, and no doubtful experiments should be attempted. The wants of our people, arising from the deficiency or imperfect distribution of money circulation, ought to be fully and honestly recognized and efficiently remedied. It should, however, be constantly remembered that the inconvenience or loss that might arise from such a situation can be much easier borne than the universal distress which must follow a discredited currency.

Taking this letter of acceptance of the President, together with the Democratic platform and the declarations of some of

the orators throughout the country, the Democratic party was placed before the people squarely for bimetallism. I do not think anybody will question that. After the election the whole situation changed, and they say, "Now that we have got the votes of the people we will use them as we choose; we are of the same opinion we were before this letter was written and before the people voted for us." Then some of those who claimed to be friends of the Administration came to Washington. The leader of that gallant band of patriots was a gentleman by the name of Villard.

Mr. GEORGE. Is that the same gentleman who was president of the Northern Pacific Railroad Company?

Mr. STEWART. The same gentleman. He said if the Senate did not yield immediately that a mob of gold bugs would be brought here to demand action, and he threatened several Senators in the Marble Room to that effect. The demand was that the Sherman act should be repealed at once, and nothing put in its place but a provision for the issue of bonds. An attempt was made to repeal the Sherman law last session by a bill being offered for that purpose. The attempt to call the bill up and have it considered was unsuccessful. Nearly all those who favored the repeal of the act were Republicans, and I will read the names of those voting yea and nay:

YEAS—23.

Brice,	Frye,	Hill,	Proctor,
Caffery,	Gallinger,	Hoar,	Sherman,
Davis,	Gibson,	McPherson,	Vest,
Dawes,	Gorman,	Mills,	Vilas,
Dixon,	Hale,	Morrill,	White.
Faulkner,	Hawley,	Palmer,	

NAYS—42.

Bate,	Dubois,	Manderson,	Shoup,
Berry,	Felton,	Mitchell,	Squire,
Blackburn,	George,	Morgan,	Stewart,
Blodgett,	Gordon,	Pasco,	Stockbridge,
Call,	Hansbrough,	Peffer,	Teller,
Carey,	Harris,	Perkins,	Turpie,
Cockrell,	Hunton,	Pettigrew,	Vance,
Coke,	Irby,	Platt,	Voorhees,
Cullom,	Jones, Nev.	Power,	Wolcott.
Daniel,	Kyle,	Pugh,	
Dolph,	McMillan,	Ransom,	

[RECORD, February 6, 1893, Fifty-second Congress, second session, volume 24, part 6, page 1242.]

So far as the Democrats are concerned, I think that only five of the Senators who voted against the consideration of the bill have been converted to the support of the pending measure by the reasoning of the President and by the calamity howlers and the bank panic. The only men amongst those who were opposed to it last February and now in favor of it I shall name. I do not want to do them injustice, and if I make a mistake in the names I wish to be corrected.

It is now supposed, but I think it is doubtful, that the Senator from Georgia [Mr. GORDON] will vote for unconditional repeal. I think from his speech that I shall show him that he has pledged himself to the support of silver, but I put him amoug them. The Senator from Virginia [Mr. HUNTON] I put among them, and the Senator from North Carolina [Mr. RANSOM], and the Senators from Indiana [Mr. VOORHEES and Mr. TURPIE].

Those five have changed. I think no others have been stampeded by the demands of Wall street. There has not been such a general conversion after all. With all the power of patronage and the power of the newspaper press brought to bear upon them, only five have gone down. I think that a pretty good record for the Democracy. I was a little astonished at my friend from Indiana [Mr. VOORHEES], for I know he is a brave man, and I have always admired him very much on account of his devotion to the people and their devotion to him. He expresses my views so well with regard to the question of repealing the Sherman law, I do not reflect upon him, but he expresses my views so well, and I like to have my views well expressed—that I shall read what he says. I find this in the RECORD of February 18, 1893:

Mr. VOORHEES. I should have voted the other day to take up what is known as the Sherman act and for its repeal, but for the fact that its passage would absolutely demonetize silver and leave it supported by not one word of legislation. I thought the measure was audacious; I thought it an outrage to ask men like myself and others to absolutely sweep from under the silver currency every vestige of law. That is not what we meant at Chicago; that is not what the people mean.

I should vote for the repeal of the Sherman act simply because it is vicious in principle, but it must be in connection with something better. You might as well authorize a circulating medium based upon tobacco by the hogshead or cotton by the bale as upon silver in its bullion shape. It must be coined into money, and such is the position of the Democratic party as declared in national convention.

How truthfully the Senator from Indiana states his position then and my position now; and I have faith to believe that it will be his position before this debate is over, that he will return to the principles of the Democratic party as indorsed by the President in his letter of acceptance. I do not believe he will keep the people in suspense

BY STRIKING DOWN SILVER

without a substitute.

The Senator from Indiana has often inspired me. I have looked upon him for the last twenty years as a sort of pillar of cloud by day and a pillar of fire by night on this subject. He always hits the nail squarely on the head. I shall read some of his remarks made in 1892, which are so pertinent to the present occasion that I reproduce them, not to place him in a false position, but to show how clearly and forcibly he states the principle of bimetallism, how clearly his heart is with the great heart of the American people, and how entirely he represents the people of his great State. In presenting a petition on the 29th of February, 1892, he said:

Mr. VOORHEES. I send to the desk a petition.

The CHIEF CLERK. A petition of 27 members of Stillwell Post No. 375, Grand Army of the Republic, of Colfax, Ind., praying for the defeat of the free coinage of silver.

Mr. VOORHEES. Mr. President, in presenting this petition I desire to say that it is the first communication of the kind ever received by me from citizens of Indiana. My respect for those who send it induces me to submit by way of reply and explanation some observations of my own, and of a somewhat personal character to myself.

It is now nearly fifteen years since I became a member of this body. At the very beginning of my service I was assigned to a position on the Committee on Finance, which position I have ever since been allowed to retain. A few weeks after I took my seat I addressed the Senate, fully and in detail, on the condition of the finances of the country, advocating the free coinage of silver, and denouncing its demonetization in 1873. This was in January, 1878. In the approaching State election of that year in Indiana I was made the candidate of my party for return to the Senate, as distinctly and explicitly as if I had been nominated by every Democratic convention held in the State.

The most prominent issue by far at that time before the people of Indiana was the restoration of silver money to the lawful condition in which it had stood from the foundation of the Government to the year 1873. A popular majority of more than 30,000 votes was cast at that election for the members of the Legislature who honored me with their support, Gen. Benjamin Harrison being the opposing Republican candidate. Since then I have been twice reëlected, each time by an increased majority, each time without opposition in my own party, and each time over the most prominent Republican leader in the State for the time being. On all occasions, whether a candidate myself or laboring for the election of others, I have advocated the free coinage of silver, and have always been known as its open supporter.

My position, whether at home in Indiana or here, has never been a moment in doubt. I have not obtruded the issue upon the public mind needlessly, nor, I trust, in an unbecoming manner, but neither have I relegated it to the rear or flinched from its support to accommodate the interests or the aspirations of those who are opposed to it. Sir, I make this brief personal reference and this citation of my own record for the purpose of again saying that no class of citizens, and indeed no one citizen of Indiana has ever heretofore placed a petition hostile to silver money in my hands or remonstrated with me in regard to my own position on that subject. Indiana is a very full and populous State. There are two millions and a quarter of inhabitants within her borders. She will cast next fall, at the Presidential election, nearly 600,000 votes. Those who live in that State are also a very intelligent people, and especially on political affairs.

For more than the third of a century parties have been very evenly divided in Indiana. Elections have been closely, vigilantly, and stubbornly contested. Able and careful discussion has pervaded every neighborhood. Thoroughly trained and highly educated party leaders, such as Thomas A. Hendricks and Joseph E. McDonald on one side, with Oliver P. Morton and Benjamin Harrison on the other, besides many more that might be named, have left no political issue in obscurity or of doubtful meaning in the great State to which they belonged.

No Democratic platform has been adopted in Indiana since the demonetization of silver in 1873 which did not favor its restoration, and no Republican platform in that State has dared to avow distinct opposition to it. In fact, if the question could be divested of its political bearings and disassociated from the interested ambition of individuals, I sincerely believe, from repeated canvasses of the State, embracing every county in it, that there is not 5 per cent of the adult population of Indiana, irrespective of party, opposed to the coinage and use of silver currency as it was authorized by the framers of the Constitution a hundred years ago.

I believe that is true, and that is why I so bitterly oppose snap judgment; that is why I oppose this proposed legislation, without giving the people a hearing; that is why we ought to resist it; and that is why our resistance will be commended by the American people. I can recall no instance where the Senate has resisted legislation stubbornly, where eventually the country did not sustain such resistance. The Senator from Indiana continued:

Such a petition, therefore, as I have here presented to-day at once caused me to look for some new and presumably illegitimate and unnatural element at work amongst the people. But slight investigation has been necessary to discover a remarkable attempt at imposition and fraud on the most worthy class of our citizens. I hold in my hand a circular letter bearing the name of one MICHAEL D. HARTER, and addressed to the Grand Army posts of the country. This man seeks to alarm the soldiers of the war for the Union on the subject of their pensions. He warns them that a movement is on foot to put silver money in circulation, depreciated to such an extent and in such a debased condition as to be worth only 70 cents on the dollar, or even less, and that with such a dishonest currency their pensions are to be paid.

The soldiers of Indiana know whether I have been faithful to their wants and interests, and they will believe me when I assure them that this circular is not true; that no measure is contemplated, or can ever by the remotest possibility become a law, by which they will be paid their pensions, now or hereafter, in money less valuable, dollar for dollar, than the very best money, whatever that may be, in circulation anywhere in the world. It is well worthy the soldiers' attention that the silver dollar of the fathers, of 412½ grains, was devised by Thomas Jefferson, sanctioned by Washington, authorized by the Constitution, and put into circulation by Alexander Hamilton, the first Secretary of the Treasury of the United States.

It is also worthy their attention that this dollar has never, from that day to this, stood for a single moment below gold in its purchasing power or in the financial centers and money markets of the world; indeed, its purchasing power at the time it was secretly stabbed nigh unto death in 1873 was 3 per cent higher than that of gold. And even now, crippled and maimed as it is at the hands of its treacherous enemies, and falsely proclaimed to be a depreciated and debased currency, 30 per cent below par, it still supplies every want of man, and goes as far in doing so, dollar for dollar, as the best gold ever coined into money. The horse that can be bought for a hundred dollars in gold can be bought for a hundred in silver; the suit of clothes that can be bought for $25 in gold can be bought for $25 in silver; and if a man prefers to have gold rather than silver in his pocket, he can to-day buy the gold itself with silver, dollar for dollar.

No one need be misled on this point. There are at this time more than four hundred millions of silver money in daily and hourly circulation in this country. The coined currency itself, and the silver certificates based on silver coin held in the Treasury, are to be found doing a large and honorable business in every neigborhood beneath the flag. By the legislation of 1878, supplemented by subsequent enactments, silver money has been restored to its legal-tender powers and to its full dignity and honor, with the single exception of the resriction on the mints as to the amount of its coinage. Not a dollar of it can now be found, from the north end of Maine to the south end of Texas, in a depreciated condition, passing at a discount, or holding its head in any market, whether of produce or of money, lower by the breadth of a hair than the proudest gold ever gambled for in the dens of Wall street.

Silver money is this day so sound and acceptable amongst us and passes so smoothly and evenly at par with gold that it is in constant use even by its enemies without a knowledge or suspicion on their part that it is in their hands. There is hardly a Senator on this floor at this moment who has not in his possession and who is not in the daily habit of carrying silver money, in the form of silver certificates, with which he can, and sometimes does, buy gold at even rates across the counter of the banks, and with which he pays his board or his rent if he is poor, or the expenses of his palatial residence and splendid entertainments if he is rich.

Mr. President, let us all therefore be thankful for silver money, the money of the Bible, the money of the patriarchs, the money of the ages, the money of the fathers, the money of the Constitution, and the money of the people, the same yesterday, to-day, and forever. We behold the $400,000,000 and over which we have, and know it to be good. Free coinage simply means more of the same sort. It means good money and more of it, and there is not a laboring man in all the land, I care not where or what his politics, who does not pray for such a measure. It would come at this time to the toiling millions like soft rains to the parched and burning desert.

Sir, there is no friction or want of harmony between the two great money metals of the world. The cry so often now heard that the coinage of silver and its use will drive gold out of this country is a notoriously false cry. The facts of history not only refute such a statement, but place it beyond discussion and reduce it to contempt. The dismal prediction of gold exportation from our shores was repeated a thousand times on the floors of both branches of Congress when silver was restored to coinage in 1878, and the raven croak of coming disaster was taken up all over the land by the agents of the money power, the monometallists, the plutocracy.

To meet, expose, and crush this false prediction it is only necessary to point out the fact that while there were $230,000,000 of gold money in this country in 1878 there are more than $700,000 000 now. Why, sir, the present able and accomplished Secretary of the Treasury, Mr. Foster, in his report of December last, boasts of the return of gold to the Udited States and cites that great fact as the leading reason for the enlargement which he claims has taken place in the volume of our currency. This very important official statement is to be found on page 28 of the Secretary's report, and it leaves the false prophets, the loud-mouthed enemies of silver, without a rag to cover their nakedness and their shame.

Sir, not only gold and silver money in this country are on terms of absolute equality, but the same is true of all other branches of our currency. The greenback and the bank note have exactly the same purchasing and practical legal-tender power as gold and silver. There is no unevenness anywhere, and it is the same thing now to the Government whether it pays its debts in one kind or another of our diversified currency. So far as value is concerned the Government can pay in gold just as well as in any other kind of money.

The gold dollar is worth no more than the dollar of silver, or the greenback, or the bank-note dollar, and will purchase no more of the necessaries of life and is far less convenient for use. The bondholder who staid at home and speculated during the war received gold when the soldier was compelled to receive depreciated paper. This policy of injustice and outrage I denounced at the time, and I continue to denounce it now. The soldier should at all times be paid in the best money—in gold—or in that which is as good as gold, and I am in favor of so paying him now.

I notice, however, that I am asked in the petition I have presented not only to vote against the free coinage of silver, but also against the reduction from 412½ grains to 371¼ grains of silver in the dollar. This request is based on the statement of MICHAEL D. HARTER in his circular that it is proposed to give 371¼ grains of silver a legal-tender value of 100 cents. The soldiers of Indiana will know how to estimate this statement when they are assured that nothing now is, or ever was, intended by free coinage except to give back to the people the old dollar of 412½ grains, nine-tenths fine, and therefore standard silver, that well-known dollar which received the sanction of the greatest minds ever known in American history.

We seek simply to restore the silver dollar as it existed when the soldiers of the Revolution received their pensions, and when the veterans of the war of 1812 were placed upon the pension rolls. No complaint was made then. Silver money then proved itself, as it has ever since, as good as the best. The Government commits a great wrong in paying those who offer their lives in its behalf in depreciated currency, whether in payment of their wages in the field, their bounties, or their pensions. I held during the war for the Union that the contract for their wages ought to be kept good with the soldiers in the field, and that the difference between the greenback and gold at that time ought to be made up to them by the payment of a gold equivalent in greenbacks. Nor would I now for any consideration known to the human mind aid in depriving the soldier of a single farthing due to him from his Government.

At the same time, I am not willing to stand idly and silently by and allow him to be imposed upon by those who are seeking their own interests and ulterior designs through his sensitive fears of personal loss. The movement of the money power to dwarf and contract the circulation of the world more than one-half by destroying silver currency, thus promoting the aristocracy of wealth and a government of the plutocracy, shall not muster into its service the soldiers of Indiana if I can help it. The soldier lives not for himself alone, but likewise for his wife and his children, and when he is gone, and his children become a part of the great laboring, moving, struggling mass of the community, he desires that there shall be enough money in ciculation to pay them fair wages for their labor and to give them a fair chance in the battle of life. He does not wish to see a contracted currency hoarded away in the hands of the few, owned and controlled by great corporations and syndicates, with only here and there a meager amount for the laboring people.

But great stress is laid by the enemies of silver on the fact that when bullion is taken to the mint and coined the coin as money is worth more than the bullion. This is equally true as to gold and silver both, and if it should stop the coinage of one metal it should also stop the coinage of the other. But inasmuch as the great body of the people—farmers, mechanics, wage-workers, pensioners, and other worthy classes—have to do only with the money itself, with the dollars after they are coined, with the currency after it has received the authority of the Government, I do not see how they can suffer any loss, certainly no more in silver than in gold at the mints. If the act of coinage puts silver at par with gold, it goes with that value into the hands of the people. The question for the people is honest, lawful money, and every dollar which has the authority of the Government upon it is honest and is lawful.

Sir, I speak not for others upon this question; I speak for myself, and recognize the responsibility I owe alone to those who have sent me here. It is said there is trouble in the silver question at this time. It is said it is dividing and distracting political parties, that there are divisions in both great parties in regard to the proper course to pursue. This all may be true, but the friends of silver have not made the trouble. Gladly would we have seen the silver dollar let alone in its sphere of usefulness and honor. Deeply do we regret the continued and venomous assaults upon it. We are simply defending one of the institutions of the founders of the Government from the greed and avarice of the great money-changers of the world.

We look back in history and find ourselves in company with Washington, Jefferson, Hamilton, Madison, John Marshall, Monroe, Jackson, Clay, Calhoun, Webster, Van Buren, Silas Wright, Marcy, Seymour, Benton, Cass, Douglas, Hendricks, Morton, Allen G. Thurman, Salmon P. Chase, and Abraham Lincoln. No fault was ever found in silver by these illustrious men, nor danger feared by them on account of its existence and use as money. The statement that the silver dollar ever cheated or defrauded any human being out of his just dues or the reward of his labor is shown to be false on every page of American history. For nearly twenty years past we have listened to dismal prophecies as to the injurious effects of silver currency. No one of them has come true; no one of them has been found to have been true at any time in the annals of the Republic.

I seek to proscribe no man on this question. I do not present it as a party test, nor shall I submit to having it so presented to me. I shall pursue for myself the line of duty which lays so plainly before me, and I shall do so without let or hindrance from any source. I shall vote my own convictions and answer to my constituents for my action. Nor will the silver issue ever obstruct my vision nor my course as to other and perhaps greater issues. It is in full harmony with the overpowering and masterful issue of tariff reform, and it has proved itself a powerful help and handmaiden to free government in the defeat of the bill intended for the forcible subversion of free elections throughout the United States.

It is lately claimed, however, as a last resort by its enemies, that nothing should be attempted at this time on the subject of silver because nothing can be accomplished; that, owing to the fact that the two Houses of Congress and the executive department of the Government are not in agreement, no measure on the subject can become a law. If this is a reason for nonaction on the subject of silver, it is a still more powerful reason, and pleads with still higher force against any action on the still greater subject of tariff reform. The free coinage of silver can pass both branches of Congress, but will, doubtless, be vetoed by the President; while any measure of tariff reform, free wool, or anything else, can pass only one House, with the absolute certainty of being vetoed if by any possibility it should pass both. Such a reason for nonaction on any subject is worthless and untenable. Let us, therefore, do our duty as each one sees it for himself.

But let there be action—bold, constant, and aggressive action—against every evil in sight, leaving the consequences to that high Providence which rules in the councils of nations, as well as in the affairs of men. The spirit of the people at this time expects no one to shrink back from the conflict at any point in the line of battle simply because he is not assured of immediate success. The Bruce of Scotland was taught the ultimate point of courage, duty and endurance, by the climbing spider's repeated failures, but constant action and final success. The just ends in view by the laboring people of the United States in the present crisis of their affairs are few and simple but as far-reaching and as powerful as the mighty principles which uphold life, liberty, and the pursuit of happiness. They may be stated in brief space as follows:

First. Absolute equality in the burdens and blessings of government founded on a tariff reform which will place, as nearly as possible, all the necessaries of life on the free list, causing wealth, and the graduated incomes of wealth, rather than the wants and necessities of working people, to pay taxes and furnish Government revenues.

Second. A full and sufficient volume of money in circulation, consisting of gold, silver, and legal-tender paper currency, at par with each other and interconvertible.

Third. Free elections in all the States, untrammeled by "force bills," or any other Federal machinery implying a want of faith in the intelligence, the honor, or the patriotism of any portion of the American people.

Fourth. Rigid economy in public expenditures so that no more billion-dollar Congresses may come to curse the country.

Is it strange that bimetallists love and respect the Senator from Indiana? With a continued record for twenty years in one straight honest direction, with continued efforts for all that period of years to restore the money of the Constitution, to stop contraction and hard times, is he not entitled to great consideration, and may we not expect that he will here and now

HELP US RESCUE SILVER.

from the death which the gold bugs have decreed for it? I think he will, when I go on further and show the difficulties in his path. If he secures the passage of this law and sanctions the crime of 1873, I think I shall show him that silver can not recover from that blow and that there will be no hope for silver in the next four years. Since the Senator from Indiana made his speech things have changed. The President has written a letter which I commented upon as I went along.

It is now generally conceded that the $150,000,000 of Treasury notes issued under the Sherman act did not make the panic, did not do any harm. It is now generally conceded that the panic was created for the purpose of stampeding Congress, for the purpose of giving the people an "object lesson," and in order to start the panic it was necessary for the Secretary of the Treasury to

ABOLISH THE MARKET PRICE OF SILVER.

He abolished it in July, and the result was there was no market price for silver. The market price having been abolished by the Secretary, no silver could be bought, the banks of Denver could get no currency, and so they broke. That is the condition of affairs we find. There may be a difference of opinion as to whether the Secretary was right in abolishing the market price of silver; but he absolutely did it. So there was no market left in the country for silver, and just before the Secretary abolished its market price, the English Government suspended the coinage of silver in India.

We have an agent at the Court of St. James, who might have been instrumental in bringing about that result. Ex-Senator Bayard is an eminent monometallist. He has the high distinction, whether enviable or unenviable, of having been on the Committee on Finance in 1873 which demonetized silver. He was the associate of the Senator from Ohio [Mr. SHERMAN], and he has recently written a letter to this country, in which he shows himself a most enthusiastic admirer of the single gold standard. He was at the Court of St. James, and by some means the Herschell committee when investigating the matter recommended the suspension of coinage in India, asserting that the United States was going to repeal the Sherman act. We did not know it in this country. Every time a proposition has been submitted for that purpose in the Senate

IT HAS BEEN VOTED DOWN.

The Herschell committee, however, ascertained it, from the language of their report. It seemed almost certain they had some official information. Perhaps Mr. Bayard knew it and told them. It must have been he from the language of the report. It looks like official information. Free coinage of silver was suspended in India and then the Secretary of the Treasury abolished the market price of silver in this country. That broke the banks in Denver, and the panic became quite general. Just previous to that there was some petroleum, or rather dynamite, thrown on the situation by the President.

The panic came and the calamity howlers began. They had been waiting for this opportunity for twenty years, and they started afresh in full blast. The banks in the East were refusing credit and squeezing their Westean brethren, to give them an "object lesson," as it is termed. When things were in this excited condition this document was issued from the White House, which is very unusual:

By the President of the United States of America.

EXECUTIVE MANSION, *Washington, D. C., June 30, 1893.*

Whereas the distrust and apprehension concerning the financial situation which pervade all business circles have already caused great loss and damage to our people, and threaten to cripple our merchants, stop the wheels of manufacture, bring distress and privation to our farmers, and withhold from our workingmen the wage of labor—

Who got up the distrust but the gold men? But for them there would not have been a ripple, as nothing had happened in the affairs of the country which had not been in operation for years, except the movement to bring an "object lesson" and repeal the Sherman act, which Mr. Villard demanded in February last.

This is very sensational, coming from the Executive, and very unusual, very inflammatory:

And whereas the present perilous condition is largely the result of a financial policy which the executive branch of the Government finds embodied in unwise laws which must be executed until repealed by Congress—

This was in June. The market price of silver had not then been abolished. The President said the law must be executed until repealed.

Now, therefore, I, Grover Cleveland, President of the United States, in performance of a constitutional duty, do by this proclamation declare that an extraordinary occasion requires the convening of both Houses of the Congress of the United States at the Capitol, in the city of Washington, on the 7th day of August next, at 12 o'clock noon, to the end that the people may be relieved through legislation from present and impending danger and distress.

Was there ever a more inflammatory proclamation issued? It had its desired effect. Things went tumbling when it came out. I will insert the proclamation in full in my remarks.

The full text of the proclamation is as follows:

By the President of the United States of America.

EXECUTIVE MANSION, *Washington, D. C., June 30, 1893.*

Whereas the distrust and apprehension concerning the financial situation which pervade all business circles have already caused great loss and damage to our people, and threaten to cripple our merchants, stop the wheels of manufacture, bring distress and privation to our farmers, and withhold from our workingmen the wage of labor:

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All those entitled to act as members of the Fifty-third Congress are required to take notice of this proclamation and attend at the time and place above stated.

Given under my hand and the seal of the United States at the city of Washington, on the 30th day of June, in the year of our Lord 1893, and of the Independence of the United States the 117th.

[SEAL.] GROVER CLEVELAND.

By the President:

ALVEY A. ADEE,
Acting Secretary of State.

Mr. STEWART. We come now to the great financial measure of the President as proposed in his message to Congress, and I shall examine his recommendations and see how much weight they are entitled to in the consideration of this matter, for this was a proper mode of communicating with Congress; this was in the line of his legitimate function. The inflammatory part of the call for the extra session was unusual and unnecessary. The Constitution provides, however, that the President shall communicate from time to time to Congress the state of the country, and make his recommendations; so this is a document entirely within his jurisdiction, and one we are bound to consider respectfully and weigh upon its merits. It is communicated in an orderly way and is not a stump speech, is not a lecture on the outside, but is a communication from the President of the United States calling upon Congress

TO LEGISLATE UPON AN IMPORTANT MATTER.

We have to deal with the message on its merits. If it contains reasons which commend themselves to our judgment we must follow them. It is not a command, and should not be so regarded. The President is not a dictator. His message is simply a recommendation. He says:

The existence of an alarming and extraordinary business situation, involving the welfare and prosperity of all our people, has constrained me to call together in extra session the people's representatives in Congress, to the end that through a wise and patriotic exercise of the legislative duty with which they solely are charged, present evils may be mitigated and dangers threatening the future may be averted

Our unfortunate financial plight is not the result of untoward events nor of conditions related to our natural resources; nor is it traceable to any of the afflictions which frequently check national growth and prosperity. With plenteous crops, with abundant promise of remunerative production and manufacture; with unusual invitation to safe investment, and with satisfactory assurance to business enterprise, suddenly financial distrust and fear have sprung up on every side.

I should like to know where the invitation to investment comes from in this country, unless it be to invest in bonds? I should like to know when property is falling, as it has been for the last twenty years, where the invitation to investment is? I do not think there is much in the President's statement. If there was a general invitation, somebody would accept it, and the fact that people refuse to invest, shows there is no opportunity for profitable investments. The President differs with the business community about the invitation to investment, unless it be investments in bonds and money, because money and bonds are the only things which are going up in price. If he means there is any inducement to invest anywhere else, he differs with the practical business men of the country. Why is money hoarded, unless it be because it appreciates faster than real estate? Real estate is going down, and nobody wants it.

Numerous moneyed institutions have suspended because abundant assets were not immediately available to meet the demands of frightened depositors.

Why could the assets not be made available? Was it a surplus of money; did the $150,000,000 that was put out prevent the assets being available and convertible? The complaint we hear to-day is that there was no money and no way of converting the assets. They were paying a premium for money about the time this message was written. There was a great struggle because of this deficiency of money. After looking through this message, we find there is no recommendation to supply that deficiency, a deficiency which the President, in his letter of acceptance a year previously, stated existed then. He goes on:

Surviving corporations and individuals are content to keep in hand the money they are usually anxious to loan, and those engaged in legitimate business are surprised to find that the securities they offer for loans, though heretofore satisfactory, are no longer accepted.

That was a scheme to stampede Congress.

Values supposed to be fixed are fast becoming conjectural, and loss and failure have invaded every branch of business.

"Values supposed to be fixed!" Why, values have not been fixed for twenty years. We have had the machinery in operation regularly for twenty years for putting them down.

I believe these things are principally chargeable to Congressional legislation touching the purchase and coinage of silver by the General Government.

What ideas of the purchase and coinage of silver by the General Government. He believes that that has caused a stringency in the money market. He thinks that "values supposed to be fixed are fast becoming conjectural, and loss and failure have invaded every branch of business." Who has lost by the silver

dollar? I shou'd like to see anybody who has lost by that. I should like to understand what the President bases his belief upon. I do not believe any such thing. Everybody knows there is no such thing at all; that $150,000,000 of Treasury notes have not disturbed values, but have sustained them. It is nonsense to suppose that. It is impossible.

To go on:

This legislation is embodied in a statute passed on the 14th day of July, 1890, which was the culmination of much agitation on the subject involved, and which may be considered a truce, after a long struggle, between the advocates of free silver coinage and those intending to be more conservative.

"Conservative." That I do not like. "Intending to be more conservative." Why, by and by house robbery will be considered conservative; murder will be considered conservative. Wholesale robbery by changing contracts is now called conservative. Here was an accumulation of nearly eight thousand millions of gold and silver, which was the reservoir. The production of a single year would make a very small percentage of increase and the failure for a year a very little decrease. The destruction of one-half of the stock of the precious metals, we are told, is conservative. The President's idea of conservatism is revolutionary. Is changing all contracts payable in either gold or silver into contracts payable in gold alone conservative? Doubling the obligations of contracts—is that conservatism? Is that conservatism which conserves the interests of one class and robs the other?

IT IS A MOST ODIOUS CONSERVATISM.

It is a conservatism which is ruining this country, and is taking the property of the masses and transferring it across the Atlantic, to increase that enormous fabric of wealth which has been procured without toil, which has been procured by cunning, by manipulating legislation, by taking advantage of our condition, by robbery of us, and adding to the thousands and thousands of millions controlled in London and in New York. If these men are conservative, then I want no conservatism. I denounce those men as revolutionists, and I say to them that it is dangerous to become revolutionary.

There is nothing that the anarchists, whom we all condemn so severely, have suggested in their belief in destruction that is so revolutionary, that is so destructive of human rights, that is so productive of such a vast amount of misery and ruin as this. It destroys one-half of the world's accumulation, doubles all the obligations of contracts, blocks the wheels of progress, and tends to barbarism and misery. Conservatism! Conservatism! If those who advocate the gold standard are conservative, then is robbery conservative. If they are conservative, then is Herr Most a conservative.

Undoubtedly the monthly purchases by the Government of 4,500,000 ounces of silver, enforced under that statute—

"Enforced under that statute?" That was before the abolition of the market—

were regarded by those interested in silver production as a certain guaranty of its increase in price.

Undoubtedly it did increase the price, as any other demand would. But the demand for gold increased more rapidly than the demand for silver with the increased purchases. Gold has gone up 20 per cent since 1890 and silver has remained about stationary, until the Secretary stopped purchasing the full amount.

But there have been other things done, in the doing of which

HONEST MEN COULD NOT HAVE PARTICIPATED.

In the first place, all public officials having to do with the Government have been constantly telling the public that silver was not good money. They have been constantly telling the public that this law was going to be repealed. They have been constantly warning the world against it. They have been circulating evil reports in regard to it. They have been declaring that the law was to be repealed, so as to intimidate purchasers. The whole power of the Government has been brought to "bear" the price of silver.

The Government has finally abolished the market so as not to have any market price, so it can be governed by what they call the London market price, which is made by

THE MOST EXTRAORDINARY MANIPULATION.

India is required to pay in England interest on her public debts to the amount of about $60,000,000 per annum in gold, and there are some other charges which India has to pay in England. Those charges are met by the sale of council bills through the Bank of England. These council bills are drafts on India, payable in silver. They are bought by merchants when they have remittances to make to India. The sale of these bills is just like a sale of just so much silver, as sometimes we sell silver certificates in New York.

Mr. PLATT. On whom are those bills drawn?

Mr. STEWART. They are drawn upon the Indian government. They are issued, payable in India. They are bills of the Bank of England, payable in silver in India. They are simple drafts.

Now, when they want to depress silver, all they have to do is to have an overissue of these bills. When they want to down the price of silver they can do so by selling those council bills. The price of these bills in London is taken as the market price of silver in this country. It has been a purely arbitrary thing. Yet the President says we undoubtedly expected that the price would go up. Certainly we did. We did not anticipate this manipulation, or the scramble for gold in Europe for war purposes and speculation which put up gold faster than the additional purchases could put up silver.

The result, however—

The President says—

has been entirely different, for immediately following a spasmodic and slight rise, the price of silver began to fall after the passage of the act, and has since reached the lowest point ever known. This disappointing result has led to renewed and persistent effort in the direction of free-silver coinage.

That effort has been made all the time. We were disappointed because their rascality and the scramble for gold exceeded our expectations. If they had bought squarely at the market price, if the Government had declared that it was the policy to put silver bullion on a parity with gold bullion; if the Government had maintained that silver was good money under the law in existence; if it had paid out silver as the law required; if it had coined it and paid it out for the redemption of Treasury notes, silver would have been respectable, and if there had not been a great increase in the demand for gold silver would have advanced in price as compared with gold. But the combination between the executive department and these gold manipulators of London, to the destruction of silver, they having the execution of this law, was what put down the price.

WHEN SILVER FELL BELOW THE COST OF PRODUCTION,

down to 72 or 73 cents an ounce, the Secretary would not buy. Suppose he had bought at that time; the price of silver would have gone up, and that would have been an object lesson that would not have tended toward the passage of this bill. They had to disgrace silver to repeal this law. They had to do that before Congress began its next session.

Mr. ALLISON. If I do not interrupt the Senator, I do not quite understand his statement of the process by which these council bills, so called, can be depressed. To whose interest could it be to depress the value of those bills?

Mr. STEWART. I shall reply to that.

Mr. PLATT. Mr. President——

Mr. STEWART. One at a time. I should like to reply to the Senator from Iowa.

Mr. PLATT. It has not been stated specifically upon whom these bills are drawn and what they are for. I do not think the answer was complete.

Mr. STEWART. They are drawn, payable in silver, in India.

Mr. PLATT. By whom?

Mr. STEWART. By the Bank of England.

Mr. WASHBURN. Upon whom?

Mr. STEWART. The Bank of England issues them and makes them payable in India. They are good, of course, unless they are repudiated.

Mr. PLATT. Are they payable in rupees?

Mr. STEWART. Payable in rupees, in India.

Mr. PLATT. Who buys them?

Mr. STEWART. They are bought by anybody. They are receipts to the Government, and they pay so much interest.

Mr. ALLISON. If the Senator will allow me, I did not quite understand him with reference to the council bills. I understand they are drawn by the secretary for India in London.

Mr. STEWART. Yes.

Mr. ALLISON. They are payable in rupees, and are sold in the open market.

Mr. STEWART. That is true.

Mr. ALLISON. They are sold to merchants who have imported articles from India.

Mr. STEWART. That is true.

Mr. ALLISON. At the sterling price, whatever that may be.

Mr. STEWART. Yes.

Mr. ALLISON. The secretary for India, who is acting for the Indian government, is desirous of getting a good price for the rupees in pounds sterling in order to pay the interest upon the debt of the Indian government. What I desire to know is how could that secretary justify himself in depressing the price of these bills?

Mr. STEWART. That is what I wanted to answer when I was interrupted. The secretary has said at some banquet, by

way of boasting, that he had taken advantage of the market, and that when the price should go up he would sell and depress the price. When the price got up to 20, he did sell a very large amount, and he congratulated himself upon the fact of taking advantage of the market.

Mr. ALLISON. That was not for the benefit of the Indian government.

Mr. STEWART. It was to depress the price.

Mr. ALLISON. Undoubtedly the effect would be to depress the price of silver bullion to a certain extent, because the council bills come in competition with silver bullion. If these council bills were not sold in this manner, then this account would be settled by silver bullion being sent to India. There is no doubt about that.

Mr. STEWART. Yes, and by selling more than the market required the effect would be to depress the price. There was an object in depressing it. They wanted to bring down the price of silver to degrade it. The Indian government is not interested in depressing silver, but the London management is.

Mr. PLATT. But the secretary for India would not sell any more than was necessary to realize money enough to pay the Indian government taxes, would he?

Mr. STEWART. No.

Mr. PLATT. He has to do that anyway.

Mr. STEWART. He could sell them in any regular way on the market every time the price went up. I observed a statement in the English papers at the time we were considering that bill—I do not know whether I can put my hand upon it now—and it was said that they could teach us a lesson. At all events, we have been selling in competition with those bills, not in competition with the silver bullion. We have had to compete with them. But whether they have been selling or not, they could issue $100,000,000 without any silver to draw against, and if their necessities ever required them to issue them to pay government taxes they could issue more than they had silver for. It is the competition with these silver bills that fixes the price of silver.

To go on with the President's message:

Meanwhile, not only are the evil effects of the operation of the present law constantly accumulating, but the result to which its execution must inevitably lead is becoming palpable to all who give the least heed to financial subjects.

He says the evil effects are accumulating. What are the evil effects of this law? What has it done? We were told all the while that they were evil effects, and that they were accumulating. We have been told that for fourteen years. Where is the specification as to what was done? They have not used the silver at all. All that has been done has been to issue $150,000,000 of legal-tender money.

Meanwhile, not only are the evil effects of the operation of the present law constantly accumulating—

I repeat, what are the evil effects? We have heard a great deal said about them, but we have not had them pointed out.

This law provides that in payment for the 4,500,000 ounces of silver bullion which the Secretary of the Treasury is commanded to purchase monthly, there shall be issued Treasury notes redeemable on demand in gold or silver coin, at the discretion of the Secretary of the Treasury, and that said notes may be reissued. It is, however, declared in the act to be "the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio or such ratio as may be provided by law."

Suppose it is; how are you going to do it? The law provides for that, to buy so much per month and to coin whatever is necessary to provide for the redemption. The only way to meet the requirement of that law is to make a market for it. The law requires that that shall be done.

What the United States declared in that act was that it proposed to restore the parity of the metals, and I suppose that common sense would teach the Government to restore them in the only way that they ever had been or ever can be restored. Parity has been maintained in all ages by using the cheaper metal, and when the demand would increase for that it would go up to the level of the other. That is the only way it can be done. But I do not know that anybody could suppose that the parity of the two metals could be maintained by redeeming silver coin with gold coin and refusing to buy silver. Congress increased the purchase of silver to maintain the parity, the Secretary stopped purchasing to destroy the parity. The President does not quote the other method by which this parity is to be maintained—that is, by purchase, by coinage, and by the use of silver.

This declaration so controls the action of the Secretary of the Treasury as to prevent his exercising the discretion nominally vested in him, if by such action the parity between gold and silver may be disturbed.

Of course it would disturb the parity if we should use only gold. But by using silver, as provided by the law, it would not disturb the parity. It was a declaration that we were moving toward bimetallism, and that is what it was put in for, and that we are going to buy more silver.

Suppose, as I said last night, that this great Government, with its enormous resources, should determine that it will

BUY SILVER AND SELL GOLD.

That would produce the equilibrium at once. It would make it easy for those having gold obligations to pay them, because they would have more gold; prices would rise in Europe and the producer of wheat would get more gold for his wheat and the producer of cotton would get more gold for his cotton than they now do. Gold would go where it would do some good. What good does gold do here? Send it to Europe. Make it plentiful there where you sell your wheat and cotton.

The trouble is that the European markets determine your prices of wheat and cotton here. Gold is scarce in Europe, and they pay you very little for your produce. Let the gold go where it will make rising prices, so that you will get more for your products. Take silver as the money that measures contracts honestly, and we shall have prosperity here. We shall produce more, because we shall have rising prices for labor and the products of labor; because the people can then make money. Silver is the better money and more universally used. Let the gold go. Bring up the prices of silver, and let gold go. Sell gold while its price is high. But if we commence buying gold and selling silver, other countries will be in a hurry to get rid of silver.

Now, we have a chance to get a better market for our gold and at the same time to acquire silver, the better money, for home use. Gold has become too dear as compared with the value of property, silver has measured the value of labor and has measured the value of property honestly. Gold has not. It has gone up in price 50 per cent. Silver goes along hand in hand with property.

IT IS GOLD THAT HAS GONE UP.

It is gold that is cornered. It is gold that we can not get. So that if we have any adequate amount of money at all we must have something else besides gold.

Why do they want us to buy gold? Why, so as to make a market for what they have. The gold ring are in the position of a man who has a corner on stock and who likes to have you buy at his price. They have got the gold cornered, and therefore they would like to have us buy the gold at their price. Those men have got the gold of the world cornered, so they put the price up so high that we shall be slaves in order to ever get possession of the money at all. That is the situation.

Mr. PALMER. Will the Senator allow me to ask a single question?

Mr. STEWART. Oh, yes.

Mr. PALMER. Is it not quite as likely that a corner in silver could be created?

Mr. STEWART. That is the question; and I thank the Senator for asking it. It is very pertinent and very suggestive. Do you not know that the more stock there is, the harder it is to corner? If the Senator is familiar with that business he will know that when there is only a little stock it is easily cornered. That is one of the reasons why the gold ring want but little gold. They can not pool the silver mines of the world very easily.

The gold and gold coin, however, is already pooled. If they could corner silver it would no doubt satisfy them just as well; they want the volume of money of ultimate redemption small enough for them to corner. They have

A CORNER ON GOLD

and they do not want it broken by increasing the volume by adding silver. They do not want the stock of metallic money increased because it would interfere with their corner. They are going to "squeeze" us and take the lifeblood out of the people of the United States and do not want to be interfered with. We are in debt. We have sold money short, and they propose to squeeze us. The less money there is the worse it will be for the shorts. These people in England and in New York are long. They have it pooled. The world is short, and they intend to destroy the world and take all the world has, if necessary, in order to make themselves richer. We want to break that corner. We want more stock. We want the use of silver, so that we can get something with which to fill our shorts. We are short. Property has gone down. We have not property enough to buy the gold which we must pay if we are denied the right to pay silver according to the contract.

Mr. PALMER. I will ask the Senator whether that is akin to the process known as watering stock; whether the process that he proposes is the watering of silver?

Mr. STEWART. What?

Mr. PALMER. Is there not some such term as watering?

Mr. STEWART. Yes, and I am glad the Senator has asked the question. There was no water in either gold or silver coin. There is not now, there never has been, and there never will be.

THE DEMONETIZATION OF SILVER

was a regular cinch on those who had sold money short. In other

words, they had become indebted. They had agreed to deliver either gold or silver, but the gold ring destroyed the silver crop and compelled delivery in gold. There never was a more rascally stock operation than the destruction of half the world's money after the other half was pooled. It was like felonious stealing or burning up half of the stock of a company after the community had sold it short with a view of squeezing and robbing the shorts.

But suppose that speculators inside should get hold of 100,000 shares. Then when the Senator comes to sell, he finds 100,000 shares out, instead of 50,000, and the Senator will then have to pay from twenty to thirty times its value in order to get the 50,000 shares so as to be able to save himself from great loss. Would not that be right?

Mr. PALMER. I understand that a corner is broken by issuing more stock.

Mr. STEWART. No, we do not want to do that. They have retired one-half of the stock of gold and silver. In the case supposed gold and silver are the stock of the corporation; these rascals have retired and hidden away one-half of the stock; and we want to get it out again, so as to clean up and have a fair deal. These people have bought it and have hidden it and pooled it. We want to get it out where it can be used again. That is all we want to do. We want to save ourselves. Those men have hidden this stock that was on the market and prevented us from dealing fairly.

The President continues:

This declaration so controls the action of the Secretary of the Treasury as to prevent his exercising the discretion nominally vested in him, if by such action the parity between gold and silver may be disturbed. Manifestly a refusal by the Secretary to pay these Treasury notes in gold, if demanded, would necessarily result in their discredit and depreciation as obligations payable only in silver, and would destroy the parity between the two metals by establishing a discrimination in favor of gold.

That is a monstrous proposition. Let us analyze it.

In the first place

THE LAW PROVIDES FOR THE COINAGE OF SILVER.

That ought to have some influence with the Department, but it does not appear to have. If we pay these Treasury notes in silver they would not be good; how absurd that is! Why does it not discredit the French money and the German money when those governments refuse to pay gold and do pay silver? Their credit is about as good as ours—not as good as ours ought to be, but about as good as ours is, considering the way the Administration manipulates it. But it did not affect their credit at all to pay according to the contract, they exercising the option. But the President says that if these notes had been paid in silver it would discredit them, and

MAKE GOLD AND SILVER PART COMPANY

still further. How is that? If the law had been carried out from the beginning, if silver had been coined to provide for this redemption, and there had been no clamor about trenching upon the reserve, what would have been the result? They are not payable in gold. They are just payable in silver. If Mr. Foster, when he went to the bankers' dinner at Delmonico's on the 17th of November, 1891, had said to these gentlemen, "I do not propose to take the gold reserve to redeem these notes; that was not contemplated; the law requires me to coin silver to provide for their redemption, and unless there is a surplus of gold not needed for any other purpose I shall coin silver dollars, and they shall be paid out," there would not have been a word said, and no more trouble about it than there is about the silver certificates. If the Secretary had not been inveigled at that dinner into making a foolish speech and into making

A PROMISE HE HAD NO RIGHT TO MAKE,

to put the Government on the wrong tack, there never would have been anything said. The law would have been executed. That was the beginning of all the trouble.

Let me proceed with the message:

Up to the 15th day of July, 1893, these notes had been issued in payment of silver bullion purchases to the amount of more than $147,000,000.

That is very good.

While all but a very small quantity of this bullion remains uncoined and without usefulness in the Treasury, many of the notes given in its purchase have been paid in gold.

While they remained uncoined and without use! Was that the fault of Congress that they remained there uncoined and without use? Or was it the fault of the Department that was required by law to coin them? He lays the blame on Congress when his own Department is disobeying the law. He complains that it was lying there uncoined when Congress made it his duty to coin it for the purposes of redemption.

This is illustrated by the statement that between the 1st day of May, 1892, and the 15th day of July, 1893, the notes of this kind, issued in payment for silver bullion, amounted to a little more than $54,000,000, and that during the same period about $49,000,000 were paid by the Treasury in gold for the redemption of such notes.

Whose fault was that?

IT WAS A MANIFEST VIOLATION OF LAW.

Who paid them out? Who disregarded the law? Was it Congress or the Secretary of the Treasury? Here the President is complaining against Congress for his own shortcomings. Everybody knows very well that if this law had been fairly administered there never would have been any trouble; that Treasury notes would have been paid in silver if it was more convenient for the Government to do that. Everybody knows that if there had been anybody at the helm who regarded the interests of the American people more than he did the exporters of gold, there would have been no trouble about this law.

The policy necessarily adopted of paying these notes in gold has not spared the gold reserve of $100,000,000 long ago set aside by the Government for the redemption of other notes, for this fund has already been subjected to the payment of new obligations, amounting to about $150,000,000, on account of silver purchases, and has, as a consequence, for the first time since its creation, been encroached upon.

Why was it encroached upon? Because the Secretary would not coin, as required by law, the bullion provided for redemption, because he would not use it. Then the President called Congress together to remedy a wrong committed by the Secretary of the Treasury himself, who was under the control of the President. If Congress must be called together every time the Secretary of the Treasury commits a wrong, then we shall have to be in session all the time.

We have thus made the depletion of our gold easy, and have tempted other and more appreciative nations to add it to their stock.

Who has made it easy? The Administration or Congress? Congress had provided enough for the redemption, and had given the discretion to pay in either coin for the benefit of the United States. But Mr. Cleveland says we

GAVE THAT OPTION TO GOLD EXPORTERS;

that we took it away from the United States, and that because we took the option away from the United States, we must repeal the law. If we had not object lessons in the cases of France and Germany of precisely the opposite character, there might be some excuse. But when it was the established policy of France and Germany, with that same option, to pay their obligations in gold or silver, and we knew that they exercised the option for the benefit of their own country, we supposed that there would be patriotism enough in the Treasury Department to do the same.

But suppose, Mr. President, you have an agent who is at liberty to pay an obligation of yours in wheat or corn. Suppose the wheat cost you ten times as much as the corn. Your agent is there to protect your interests. Suppose he should pay so as to injure you. Would you think him a faithful agent? Thus giving his option away would make a private agent responsible in damages for a breach of trust.

Still it is proclaimed by the President that the Secretary of the Treasury has been doing this, and by doing it has created trouble. Let him remedy that trouble. Let him be a faithful agent for the Government and act for the benefit of the United States, and we shall have no trouble.

That the opportunity we have offered has not been neglected is shown by the large amounts of gold which have been recently drawn from our Treasury and exported to increase the financial strength of foreign nations.

If you give them an opportunity to take advantage of this Government I suppose they will take it. I do not suppose the exporters of gold are so high-toned that they would not take advantage of the Secretary's generosity. The Heidelbachs and Ichelheimers, I suppose, would make as good business arrangements as they could if you gave them an opportunity.

The excess of exports of gold over its imports for the year ending June 30, 1893, amounted to more than $87,500,000.

I suppose the Secretary wanted it exported, or he would not have given it to them. He would not have been obliged to.

Between the 1st day of July, 1890, and the 15th day of July, 1893, the gold coin and bullion in our Treasury decreased more than $132,000,000, while during the same period the silver coin and bullion in the Treasury increased more than $147,000,000.

Of course silver would increase, and of course gold would decrease, if he would not pay out silver, but would pay out gold. Suppose he had paid out the silver and kept the gold; he would have had the same right to do it. I do not know why he complains of Congress about the result he has produced himself.

Unless Government bonds are to be constantly issued and sold to replenish our exhausted gold, only to be again exhausted, it is apparent that the operation of the silver-purchase law now in force leads in the direction of the entire substitution of silver for the gold in the Government Treasury, and that this must be followed by the payment of all gold obligations in depreciated silver.

"In depreciated silver!" If they are payable in silver, if that is the contract, is it not his duty to pay it and save the Government all he can? Silver is depreciated! Who depreciated it? It never was depreciated until the gold money-masters struck it down, first by legislation and second by administration. Yet

he is advocating its further depreciation. The President in this very document

ADVOCATES CUTTING OFF THE MARKET

and depreciating it to the point of absolute destruction, when we have $600,000,000 in the country.

I undertake to say that when silver is no longer a valuable metal, in the sense that silver bullion may be if converted into coin, it can no longer float except as credit money. I know that in subsidiary coin, with a limited legal tender, a small quantity may float as token money, but this great mass of silver that is not used for subsidiary purposes—$600,000,000 of silver coin in the country—if you take away from silver bullion its market and you destroy its value as silver coin, it must then be a credit money, and is of no use. You might just as well have paper, if it must be redeemed in gold. Yet the President proposes by this process to put it in a position where it must be redeemed in gold.

The Senator from Ohio, who demonetized silver, proposes to sell bonds. What is the use of that?

At this stage gold and silver must part company, and the Government must fail in its established policy to maintain the two metals on a parity with each other.

Why must they part company? Because the Administration will not execute the law, and for no other reason. Of course they will part company, and silver will become credit money, when you have a thousand millions of the stuff and only $100,000,000 of gold with which to redeem it.

Given over to the exclusive use of a currency greatly depreciated according to the standard of the commercial world, we could no longer claim a place among nations of the first class, nor could our Government claim a performance of its obligation, so far as such an obligation has been imposed upon it, to provide for the use of the people the best and safest money.

We would not be classed among "first-class nations." Was not Germany first class when she conquered France? Were not Austria and Holland and all Europe first class nations twenty years ago? They had silver, and not gold. "First class!" Ah, we should be "first class" if we had plenty of money so as to develop our resources. It is money that makes us first class; it is the volume of money that makes business lively and develops resources and makes us first class.

SUPPOSE SILVER HAD NOT BEEN STRICKEN DOWN.

Suppose there had been no fraud about that; suppose we had gold and silver which had never been touched; suppose the Paris conference of 1867 had not been held; suppose that Germany and the other nations composing the Latin Union had not been represented there; suppose there had been no legislation to destroy silver in this country—what would have been our condition? Should we not have been first class? We had more gold and silver mines than all the rest of the world. We had a more enterprising and energetic people than existed on earth. We were so situated, as neighbors with those who had gold and silver mines, that we could draw unlimitedly from them. We should have been the central figure of all the world. We should have been to-day the commercial center of the world, because we had the gold and silver of the world at command.

If we had been allowed to mine and coin our own money, we should not have been paying from $150,000,000 to $200,000,000 interest to Europe; our railroads would have been built with our own money, as they were during the war, when we did not have international money. When we had no foreign credit we built railroads faster than at any other time. Then we had our own domestic money, greenbacks, and if we had the money from our own mines, our own domestic money, we should have been prosperous, we should have been *the* first-class nation.

But now the President proposes that we shall become "first class" by borrowing money; that we shall rival Great Britain

BY GETTING DEEPER INTO HER DEBT;

that we shall continue to sell our wheat and cotton cheaper and cheaper; that while England's wealth expands in bonds and money, ours must contract and shrink under the baneful influence of falling prices.

So far as such an obligation has been imposed upon it, to provide for the use of the people the best and safest money.

"The best and safest money;" I have heard a great deal about the "best money." The best money, in the estimation of the usurer, is the money that will do the most robbery, and is the most dishonest. That is the money that is the "safest" for the swindler. But the "safest money" for the laborer, the "safest money" for the honest man, is the money of the contract, the money that will do equity between man and man. That is the "best money." If we have that, then we shall have prosperity. When we have that kind of money we shall have prosperity. But never in the world was there any prosperity with what they call the "best money;" that is, the money that is growing dearer all the while.

There has been a great deal said against usury. But this beats usury every time. There never has been anything to beat this since the usury which Moses prohibited in early times.

The inventions they had made up to that time do not compare to the present method of securing what is desired by legislation.

If, as many of its friends claim, silver ought to occupy a larger place in our currency and the currency of the world through general international coöperation and agreement, it is obvious that the United States will not be in a position to gain a hearing in favor of such an arrangement so long as we are willing to continue our attempt to accomplish the result single handed.

Now, I tell you just the reverse of that. If the United States would open her mints to the free and unlimited coinage of silver, Europe must also. When I get further on I shall show that Great Britain lost the trade of India because India had honest money and Great Britain had dishonest money; that they could manufacture profitably in India because silver contained the same purchasing power that it always had, until the rupee was called the perverse rupee; that England bought in India; that with all her superior machinery, her skill, and her more enlightened people, England could not compete with Indian manufacturers. While England used their gold, dishonest gold that was appreciated, India used honest silver.

It was demonstrated. Our people ought to look into these demonstrations. When facts are laid before them they will read them after awhile. If we had honest silver that continued to measure our transactions between our fellow-men honestly

WE WOULD HAVE PROSPERITY.

If gold went to a premium so that England and Europe had dishonest, appreciating gold, and we had honest, stable silver, they would be excluded from our markets practically; they would have to stand the loss, and could not compete with us. We can join the silver-producing countries, and have their trade. The only question is will there be enough; but whether enough or not, it will come nearer being honest than gold alone. But then it will not be the gold standard. Europe will be using gold and will not be competing for our silver, but she will let the silver-using countries use it. We shall have the best money, and if gold goes to a premium we will let it go there. Then we will bring England to her knees.

The idea that we should lie down and allow them to rivet the shackles about our limbs, let them pass this repeal bill and put us on a gold standard, let our people be in debt to them, and let them choke every debtor as they are choking them to-day is preposterous. The groan of debtors is

THE RESULT OF FOREIGN PRESSURE

to-day and makes the country sad. We hear the groans in this Capitol of men of enterprise who have borrowed of Europe. They are told, "You must make your legislators adopt the gold standard or we shall destroy you." I do not speak by guess, I speak facts. It is notorious. The foreign creditors are pressing every debtor in this country. They are sending him here to petition. They make him clamorous, because they have been sucking his blood and threatening destruction.

It is well said that the debtor is the slave of the creditor, and we are fast becoming the abject slaves of this British syndicate that controls the colossal accumulation of bonds and money which struck the admiration of Mr. Gladstone so forcibly and of which he boasted so arrogantly.

The great trouble is that an international agreement is difficult to accomplish; that there is some labor about it. You get the silver and it will take care of you. You have some money. Accomplish the result. Why can we not get a whole lot of silver single handed and alone; and if we take silver and do not need the gold will we not be a more independent nation? If we become an independent nation with an independent financial policy will we not be in a better position than if we go there as the humble suppliant of Great Britain? Have we not been there as her suppliant long enough?

Have we not suffered enough from her sneers at every conference, telling us in the most autocratic manner, "We will hear what you have to say, but we are instructed by our government to refrain from discussing the question of bimetallism. We tolerate you; we will hear your petition, but we will not even reply to your argument in favor of bimetallism; our government forbids us discussing the question; we are satisfied with our single gold standard; we are a creditor nation; the dearer money is the better; we will be satisfied; our income is payable in money; we want that money very scarce and very dear so that it will take a great many days' labor, a great deal of wheat, and a great deal of cotton to get it; the more we can multiply the wheat and cotton that are required to pay this interest the better satisfied we will be; we will not condescend to discuss with you your petition, but out of politeness we will hear you and then we will laugh about you."

I was talking with an eminent gentleman the other day, introduced to me by the Senator from Missouri [Mr. VEST]. He is

an eminent European financier, examining the monetary condition of the various countries of the world, one of the most intelligent gentlemen I ever met. In the course of the conversation he said to me, "You have got a great country.

IT IS THE GREATEST COUNTRY IN THE WORLD.

Your resources surpass the resources of all Europe. You have a great country. You have a great people. You can not be compared to any people anywhere. It is a marvelous country, but there is only one drawback." "What is that?" "Well, under your present monetary system you are simply a financial colony of Great Britain." Said I, "Do you mean to say that that is the opinion entertained of us in Europe?" "Certainly, that is the opinion of all intelligent Europeans. We have often laughed about it at the club. You are a financial colony of Great Britain with all your resources. While that exists, of course you can not have any independence."

Mr. PALMER. May I ask the Senator from what country the gentleman he speaks of comes?

Mr. STEWART. He was a native of Sweden. He resides in Paris most of the time. He is a high official of Sweden, a gentleman of very great intelligence, and he understood our situation better than some of us do.

The President says:

The knowledge in business circles among our own people that our Government can not make its fiat equivalent to intrinsic value, nor keep inferior money on a parity with superior money by its own independent efforts, has resulted in such a lack of confidence at home in the stability of currency values that capital refuses its aid to new enterprises while millions are actually withdrawn from the channels of trade and commerce to become idle and unproductive in the hands of timid owners.

Now we will analyze this sentence. This is a marvelous statement:

The knowledge in business circles among our own people that our Government can not make its fiat equivalent to intrinsic value.

"Its fiat equivalent to intrinsic value." In the first place, there is no such thing as intrinsic value, and I do not know what he means by its "fiat." If he means to destroy the silver so that it will be only fiat, which has got to be sustained by gold, very well; but business circles know very well that if we buy silver and open our mints to that, the silver bullion will be as good as gold bullion; and that the fiat business only pertains when you demonetize it. That is what he means by it.

Nor keep inferior money on a parity with superior money by its own independent efforts.

I do not know exactly what he means by that. Which is the inferior money and which is the superior money? Are not greenbacks kept on a par with gold by the efforts of the Government, by the stamp of the Government? Is that true? What is he talking about? I do not know what he means by it. It appears to be a kind of rattling loose talk.

Has resulted in such a lack of confidence at home in the stability of currency values that capital refuses its aid to new enterprises, while millions are actually withdrawn from the channels of trade and commerce to become idle and unproductive in the hands of timid owners.

Now, I think I can diagnose the situation a little better than by the aid of the President. The fact is that almost all enterprises have been unproductive because property has fallen, not because anybody is afraid of the money. That is not true. While farms are going down people do not want to buy farms. No new men want to go into the wheat business because wheat is cheap. They do not want to go into the iron business because it is cheap. Is not that the reason? Is it not because they are afraid of the money of the country that they do not want to buy a cotton plantation? If cotton is a good thing they would put their money into cotton; if they were afraid of money they would not put it into cotton and wheat farms.

If that is true they would not hoard it; but the President says they hoard this money in which they do not have any confidence. Is not that a strange thing? Has not the President got a little little mixed there? Is it not a fact that

WHEN PROPERTY IS GOING DOWN

that is the reason why they will not put their money in property; and is it not a fact that property is going down because money is scarce? Has not the same thing always happened under contraction? Money can not be used in productive enterprises because property is growing cheaper and money is growing dearer. They can not afford to put it in property because property has gone down.

The President has failed to diagnose the situation. If he had a little more experience in business matters in the country, and had not been so extensively engaged in city affairs, he would have known something about the laws of trade. When property is going down people do not want to put money in it. The reason why the money is withdrawn is not because it is bad money and people are afraid of money. It is because it is good money that they want to get it; and they are afraid to put it in property, because they fear it would not pay. So the President has not got that right at all.

It is very interesting to follow the course of the President's reasoning in this remarkable document, and this document is a thing we have to discuss. There are some documents that do not belong here. This belongs here. As I said in the beginning, the President communicated his views to Congress for our consideration, and we are considering them.

Foreign investors equally alert not only decline to purchase American securities, but make haste to sacrifice those which they already have.

There is no doubt about that. Foreign investors are just playing monkey with him. If they can create a panic here by withdrawing gold, they will do it. It is even alleged that this gold was shipped out of the country at a loss for the purpose of depressing the market, and then it comes back to pick up the harvest. That is a very common thing. Jay Gould reduced it to a science and showed how that can be done. It will be remembered that for several years in the fall of the year the Government bought a lot of bonds, twenty or thirty million dollars, when we had a surplus, and the speculators got the hang of that perfectly. During the year they would invest their money in bonds, pick up the bonds, and draw interest. In the fall of the year they would borrow the money there was in the banks. They would make a squeeze; they would knock stocks down. Then the Government would come to their relief and give them gold for the bonds, and they would make their harvest.

It is said they used to reap from five to twenty million dollars income right along. That was a common thing. It was regarded as a part of their ordinary harvest, their harvest time. When they came to move the crops they would harvest by knocking stocks down. England is playing the same game on us. We are selling no more bonds; no more bonds are being bought in, but England has a lot of English operators operating with Americans, and they withdraw this gold, lock it up, sell bonds, sell some securities, break the market down, and bring it back and pick up the harvest. They are making an annual crop, and will continue to do so as long as we depend upon borrowing.

It does not meet the situation to say that apprehension in regard to the future of our finances is groundless and that there is no reason for lack of confidence in the purposes or power of the Government in the premises.

The President was driven to that because he was unable to point out how this had injured the Government, how it had injured anybody up to the present time. He says never mind; you may beat me on that. You may show up to this time it has done no harm. That is no answer. The experience of twenty years is no answer at all. We told you all along it was coming; that a crisis was at hand. We have told you that ruin was going to come over humanity. The fact that it did not come is no answer. Still we told you that, and although we told you a lie a thousand times still it does not make any difference. We are truthful. Although what we have said is false you must not doubt us. It does not injure our credit for veracity to lie for twenty years every time we speak. It only emphasizes our credit for veracity and makes our predictions more dangerous all the while. That is what the President says; that is what all the gold bugs tell you.

The very existence of this apprehension and lack of confidence, however caused, is a menace which ought not for a moment to be disregarded.

"The very existence of this apprehension." Who created the apprehension? Was it Congress, or was it the fellows who have been lying about our currency for twenty years and every time have been mistaken?

The fact that they have lied about it and created an apprehension, the fact that they have manufactured falsehood, is a thing that Congress should know and act upon as a serious matter. The very apprehension was created by a lot of false predictions for twenty years. We have got it up. Now we have got a scare on.

Possibly if the undertaking we have in hand were the maintenance of a specific known quantity of silver at a parity with gold, our ability to do so might be estimated and gauged, and perhaps in view of our unparalleled growth and resources, might be favorably passed upon.

Why, you can not maintain a part of silver at a parity with gold without maintaining it all. If there is 1,000,000, or 500,000, or 1,000 ounces of silver, and nobody bids for it, it has got to sell for what you can get for it. You can not maintain the parity until you open your mints and take it all. There must be the same demand for silver that there is for gold. If you are going to maintain the parity they must have equal advantage, as they had during all the ages. If the parity is to be maintained it can not be maintained otherwise. That is ridiculous; that is the way to maintain the parity. The idea that you can maintain a parity by closing your mints against silver and keeping them open for gold is absurd.

But when our avowed endeavor is to maintain such parity in regard to an amount of silver increasing at the rate of $50,000,000 yearly, with no fixed termination to such increase, it can hardly be said that a problem is presented whose solution is free from doubt.

Why, during all ages the mints of the world were open to take

all the silver, and the problem was solved the same as it is solved as to gold. Limitation destroys it. If silver is not to be a money metal I do not care whether you use any of it or not. I do not want silver used as credit money. It is too expensive. If you are going to have credit money, use paper. I do not want to use any silver at all, unless used for money. I will not vote for any such bill. I would rather have silver entirely destroyed and say that it shall never be money, than have any bill that pretends to use only a part of it, that pretends to treat it as a commodity, If you can only treat it as a commodity I do not want it at all.

If there is not gold enough

WE MUST HAVE SILVER

or we must have both. That is my position. It is too cruel, too unreasonable, too outrageous to bind the influences of enterprise to gold alone with a shrinking quantity and destroy this civilization for the sake of those who have a corner on gold.

I undertake to say it is outrageous for those who have a knowledge of the scheme of the creditor class to vote for the gold standard. The fact that the obligations of this country payable in money, if paid in gold alone, will absorb the entire wealth of the country, ought to admonish Senators. Our country is mortgaged for more than its assessed value, for more than its real market value, and all the laborers and all the producers of this country must be slaves if the interest of existing obligations must be discharged in gold. It is the design of our masters to make us slaves. Look at Europe. The condition of the laboring classes in Europe

IS A GREAT DEAL WORSE

than it has been at any time for fifty years. There is no more middle class in Great Britain. The middle class grew up when gold and silver were discovered in the New World and prospered for three hundred years and gave us the British constitution, gave us parliamentary government there, and planted colonies here. That was before the iron heel of contraction had destroyed their liberties. There would have been no reforms in England, there would have been no free colonies here, if during the two hundred years that this country was being populated previous to the Revolution the condition of Englishmen had been then as it is to-day. The condition of Englishmen in England is reduced about to what it was at the commencement of the sixteenth century, when a bushel of wheat was worth 12 cents, and when there was no piece of money sufficiently small for a man to receive for a day's labor.

Mr. GEORGE. Can you prove that proposition.

Mr. STEWART. I can prove it; I have the books to show that it is true.

That was the condition then. They were just merging out of that condition. They were once sold with the lands as villeins. Our ancestors, when they lost their money, became slaves, and were sold with the land. But they commenced having free-holds, free-leases, and ninety-nine-year leases when new money came from the New World. The lessees became owners, and the land holders rose from 30,000 to 100,000 in the sixteenth century, in one hundred years. Dr. Jacob has figured that out exactly. Then they went on increasing, and there were 160,000 at the commencement of the Napoleonic wars. Then specie payment was suspended for twenty-two years, and debts were contracted. Then on another higher plane the country prospered immensely. Then they resumed gold payments and confiscated the property of every man of enterprise in Great Britain, reduced the land holders back to about twenty thousand. They have had their iron heel upon the producing classes ever since; and the people of Great Britain are now in a state of bondage, and they could not now send out such colony as populated this country.

I will proceed to read further from the President's message.

The people of the United States are entitled to a sound and stable currency, and to money recognized as such on every exchange and in every market of the world.

That I deny absolutely. No country in the world has established that kind of money. The money of any country loses its money function so far as paying debts is concerned or any other function when it leaves the country where it was created. The money of any country in every other depends upon its commodity value. Its commodity value will depend upon its money value in the country where it is created.

THE PURCHASING POWER OF THE MONEY AT HOME

is the way it is estimated in foreign countries; and it is the business of exchange to compare the purchasing power of the different money of the various countries of the world and convert the money of one country into the money of another. But the idea that the money of any country is recognized as such on every exchange in every market in the world is not true in any sense.

Their Government has no right to injure them by financial experiments opposed to the policy and practice of other civilized states, nor is it justified in permitting an exaggerated and unreasonable reliance on our national strength and ability to jeopardize the soundness of the people's money.

Listen to this: "Their Government has no right to injure them by financial experiments opposed to the policy and practice of other civilized states." Injure them? The Government has no right to injure the people by financial experiments opposed to the policy and practice of other civilized states.

Does the President mean by that that the Government of the United States has no right to coin money and regulate the value thereof, whether that be or whether it be not the practice of other civilized states? What has the practice of other civilized states to do with the constitutional power of the Government of the United States to coin money and regulate the value thereof? If the Government has no right to make money in a different way than to follow the practice of civilized states,

THEN THE QUESTION MIGHT ARISE

what states are civilized. The Government has no right to have any different practice than other civilized states. All the other civilized states have different practices and different modes, and which one has the Government got a right to follow? It has got no right to have a policy of its own, no right to follow the Constitution. It seems to me that is queer language to use in a message. If the President knows what it means, I do not. If it means what it says, it is not true.

Nor is it justified in permitting an exaggerated and unreasonable reliance on our national strength and ability to jeopardize the soundness of the people's money.

Well, how can the Government tell whether the people have an exaggerated and unreasonable reliance? Just mark this language:

Nor is it justified in permitting an exaggerated and unreasonable reliance on our national strength.

How are we going to prevent an unreasonable reliance? Some people may have a very exaggerated idea. Would you make it a criminal offense if they did? How would you prevent having an exaggerated idea? He says the Government is not justified in permitting it. What kind of a law would you enact to prevent it? The Government must not permit its citizens to have "an exaggerated and unreasonable reliance on our national strength and ability." I suppose that is our ability to jeopardize the soundness of our people's money. They may have a very unreasonable estimation of the ability of the Government

TO JEOPARDIZE THE PEOPLE'S MONEY.

I do not know how the President would prevent their having that kind of an exaggerated idea. I have a very exaggerated idea of the power of Congress to jeopardize the people's money when I see one-half of it stricken down by legislation, and when I see the opposition there is to restoring it. How is the President going to prevent me from having a very exaggerated idea of the enormous power of the Government to do wrong? If I had a key to that part of it probably I could do the President justice. He has not furnished a key to it and probably I do not understand it. I am commenting upon it as I understand it.

This matter rises above the plane of party politics.

I do not know exactly what he means by "this matter," whether he means what preceded it, the exaggerated reliance of the people upon the strength of the Government, or what else.

This matter rises above the plane of party politics.

I think the matter of destroying half the world's money and imperiling the people is a little below politics. I think it is about the meanest thing there is about party politics.

It vitally concerns every business and calling and enters every household in the land.

If he means the money question he is right; if he means that the evil effects of bad legislation enter into every household he is right; if he means the money comes in every household he is wrong, because he proposes to make it so scarce that it can not get into many households. It is difficult to comment on this language, because there is no key to it.

There is one important aspect of the subject which especially should never be overlooked.

Let us see what that is:

At times like the present, when the evils of unsound finance threaten us, the speculator may anticipate a harvest gathered from the misfortune of others, the capitalist may protect himself by hoarding, or may even find profit in the fluctuation of values; but the wage-earner—the first to be injured by a depreciated currency and the last to receive the benefit of its correction—is practically defenseless.

I do not know what he means by depreciated currency. If he means a deficient currency, if he means contraction by destroying the currency, then he is right. He is defenseless, because he can get no employment. There are abundant object lessons of that fact on our streets in all our principal cities. The wage-worker is defenseless, because there is not money enough that enterprises can go on; but he is not injured on account of any

depreciation of currency in this country. If he can get the currency we have he is all right.

He relies for work—

The President says—

upon the ventures of confident and contented capital. This failing him, his condition is without alleviation, for he can neither prey upon the misfortunes of others, nor hoard his labor.

Of course he can not, and the bondholders understand that perfectly. They understand when they have the money cornered and when they have made it so dear that a poor man can not get it, he is in their power. They have the money and

MAKE A SLAVE OF HIM,

and they understand that perfectly. That is what we protest against. With plenty of money, so that business enterprises can be prosecuted, the laborer is all right and he prospers with the prosperous community. No community can be prosperous without an ample supply of money. It all comes back to the same point.

One of the greatest statesmen our country has known, speaking more than fifty years ago when a derangement of the currency had caused commercial distress, said: "The very man of all others who has the deepest interest in a sound currency and who suffers most by mischievous legislation in money matters, is the man who earns his daily bread by his daily toil."

Mr. Webster at that time was talking against the banks that were unsafe, the country banks that were bursting. He was talking just about the difficulty we see among these national banks that were doing business on wind, and when they were called upon they could not pay up, and he said the laborer would get caught first. Mr. Webster was not talking about their being caught with good gold and silver coin. Mr. Webster was in favor of both gold and silver coin. It was Mr. Webster who said it was unconstitutional to demonetize either of the metals; that the provision of the Constitution taking from the States the right to coin money and conferring it upon the General Government made it obligatory upon the Government to coin both gold and silver.

I think that quotation from Mr. Webster is farfetched. It would apply to these inflated banks that were bursting around the country, but it would not apply to the money of the Constitution. Mr. Webster would be shocked if he knew his language was applied to such a purpose as this. The President would have done well to have read the whole speech from which this extract was taken. Then he would have seen the application and would not have been misled by quoting it in this connection.

These words are as pertinent now as on the day they were uttered, and ought to impressively remind us that a failure in the discharge of our duty at this time must especially injure those of our countrymen who labor, and who because of their number and condition are entitled to the most watchful care of their Government.

I agree with the President there, that these words should take deep root in the opinions of every public man: and he should see to it that

THE LABORER IS NOT DEPRIVED OF MONEY.

He should see to it that the great discoveries that make this age the favored age in all history provide an ample supply of gold and silver coin, see to it that this generation is not robbed of that inheritance to enrich a rascally few to fatten on the misfortune of others, to gather for them an unearned increment at the expense of the masses of the people. It is this legislation which we condemn and which the President favors, this multiplying of tramps through this country. That is the legislation proposed, and every intelligent man knows it. My friend from Indiana [Mr. VOORHEES] has often told the people how the tramps are multiplying by this robbery of 1873, by this destruction of silver money of the country. I have heard his ringing voice. I have felt the grand response that came from the people when he advocated the people's money for the people, for the laboring men.

Ah, if the President of the United States had been a student of the speeches of the Senator from Indiana his language would be more intelligible; it would not require a key, and he who runs might read and understand!

It is of the utmost importance that such relief as Congress can afford in the existing situation be afforded at once.

I say so, too. I say it should be afforded here and now in this bill, and that this bill should be a measure of relief and not a measure of oppression. I say that this bill should not strike down silver, because that gives no relief except to avarice. It should restore silver, because that gives relief to labor; that insures prosperity; that restores the rich heritage of gold and silver reserved throughout all the ages for this favored generation.

The maxim "He gives twice who gives quickly," is directly applicable.

So say the laboring masses; so say downtrodden humanity; so say the farmers of this country who have sold their wheat for 50 per cent discount because the money of the Constitution was stricken down. So say the cotton-planters who have lost by this foul league $1,500,000,000 in the last five years, taken from their labor and their toil. So say the people of America,

GIVE US BACK THE MONEY OF THE CONSTITUTION,

and give it quickly.

But if he means to give to the usurer more, add to his bonds greater purchasing power, enhance the value of the money, absorb the wealth of the people, continue to rob, and whether you do it quickly or slowly you do it more than twice—if he means by demonetizing silver you have increased the purchasing power of bonds twice, he is right, and by repealing the law you increase it twice again. Now, I say construe this message in the spirit it professes to the United States, construe it in favor of the people and restore the money of the Constitution.

It may be true that the embarrassments from which the business of the country is suffering arise as much from evils apprehended as from those actually existing.

The President is constantly reminding us of evils which have not happened. The President is conscious of the fact that these predictions have not proved true, and he wants to keep telling us about the apprehension.

It may be true that the embarrassments from which the business of the country is suffering arise as much from evils apprehended as from those actually existing.

I think that evils and apprehensions both exist. I think the evils existing are long continued falling prices and hard times; and I think the evils apprehended are a continuance of that condition of things. I think they are both about enough; but if he means by evils, apprehended evils from more money, then he is altogether off; he has misjudged the situation.

We may hope, too, that calm counsels will prevail, and that neither the capitalist nor the wage-earners will give way to unreasoning panic and sacrifice their property or their interests under the influence of exaggerated fears.

I do not think the President has done much to allay those fears. He has been showing there was a very bad condition of things for nine years, and if all he has said is true we ought to have been pretty nearly annihilated by this time.

Nevertheless, every day's delay in removing one of the plain and principal causes of the present state of things enlarges the mischief already done and increases the responsibility of the Government for its existence.

"Every day's delay * * * enlarges the mischief." He has not told us what mischief; he has not told us what has been done; he has not shown that there has been injury done. It is all apprehended; nothing else at all. It "enlarges the mischief already done." Who did the mischief? Why, men who have been getting up this false alarm, who created this panic by squeezing and by threatening, by making a money pressure, and by threatening them. They created it. They have done it every day; they are going to do more mischief.

Mr. President, the President continues:

Whatever else the people have a right to expect from Congress they may certainly demand that legislation condemned by the ordeal of three years' disastrous experience shall be removed from the statute books as soon as their representatives can legitimately deal with it.

I agree with him; if there is any such legislation as that I should like to have him point out legislation that has any disastrous experience in it. I know it has had the experience of disastrous predictions. But I do not know of any experience anybody has had that has done any harm. All that we have got from it is $150,000,000 Treasury notes. It has done some good; but certainly there are no ill effects from it. It would have had some good effects if it had been fairly treated. Treating it badly, as has been done, he has not been able to point to more than an apprehension. So the President must find something beside the Sherman law to apply such a thing as that to.

It was my purpose to summon Congress in special session early in the coming September that we might enter promptly upon the work of tariff reform, which the true interests of the country clearly demand; which so large a majority of the people, as shown by their suffrages, desire and expect, and to the accomplishment of which every effort of the present Administration is pledged.

Now, that is rational. Tariff reform was an issue and if he called Congress together to enter upon that he would not have taken any snap judgment. That was a square issue.

But while tariff reform has lost nothing of its immediate and permanent importance, and must in the near future engage the attention of Congress, it has seemed to me that the financial condition of the country should at once, and before all other subjects, be considered by your honorable body.

Now, I say that is a snap judgment. That was not submitted to the people. The people never have agreed that the Sherman act shall be repealed without a substitute. The whole of this business is a snap judgment, and I here and now predict if the Senate can prevent the repeal of the law it will not be six months before the whole country will join in thankfulness that the Senate did its duty. They will be as thankful for such service as they are now to the Senate that a minority of the Senate by obstruction prevented Chinese suffrage, that the Senate prevented the Fed-

eral control of local elections by obstruction. You can not name one of the schemes frustrated by the Senate that ever has been

SANCTIONED BY THE PEOPLE.

When did the Senate ever resist a measure which the country afterwards approved and insisted upon its being crystallized into legislation? You can not name one. Suppose the Senate had been advised of the demonetization of silver in 1873 and resisted it, and there would have been only a minority against it; would we not thank them for it? Do Senators recollect that this is the reënactment of the act of 1873, that it repeals all recognition of silver? You say that it does not destroy the legal character of the silver already out. It does practically in the practice of the Department. The Department has held that all the obligations must be redeemed in gold, and the speeches of Senators have constantly insisted that we have got to increase the reserve and redeem them all in gold. Then, if you destroy it as a valuable metal, you will have utterly destroyed every vestige of silver coin except the subsidiary coin in the United States.

I earnestly recommend the prompt repeal of the provisions of the act passed July 14, 1890, authorizing the purchase of silver bullion, and that other legislative action may put beyond all doubt or mistake the intention and the ability of the Government to fulfill its pecuniary obligations in money universally recognized by all civilized countries.

Is not that a pretty rough proposition? If it has got to pay debts, you must have legislation compelling the Government to pay its obligations in money universally recognized by all civilized countries. I know of no such money, but he promises it. Probably it means a money metal that all civilized countries recognize. Of course he has to exclude China, Japan, and Mexico, and others. I do not know that Mexico coins it, but he has to exclude other countries. He means I suppose by that that it has all got to be paid in gold. He demands here the repeal of that law and such legislation. This is pretty strong.

I earnestly recommend the prompt repeal of the provisions of the act passed July 14, 1890, authorizing the purchase of silver bullion, and that other legislative action may put beyond all doubt or mistake the intention and the ability of the Government to fulfill its pecuniary obligations in money universally recognized by all civilized countries.

Now, he asks us again to change the contract of the bondholder. The bond was originally contracted to be paid in lawful money. In March, 1869, the contract was changed from lawful money to gold and silver. Now he says that he wants that contract changed again. All the obligations of the Government are payable in either gold or silver. He wants them now made absolutely payable in gold. Did the President realize the recommendation that he was making, that the obligations should be made payable in gold? I know it has been the practice of the Government, but he wants legislation.

And that other legislative action may put beyond all doubt or mistake the intention and the ability of the Government to fulfill its pecuniary obligations in money universally recognized by all civilized countries.

Is that a recommendation in favor of the United States or against it? How many times will the bondholders change that contract, and how many times will the President recommend it to be changed? After a time they will recommend that it be paid in diamonds. It takes about as much to pay the debt of the United States in wheat and cotton as it would have taken when the war closed. You can not change it; and we are called together in extraordinary session, in the month of August, deprived of a vacation at the demand of the bondholders, to make another change in Government obligations. Now, what are we recommended to do by your President? To change these obligations again.

I know that the surroundings of the President were in favor of changing the obligations of the Government every day. Wall street does not care how many times the obligations are changed or how much they load the Government. They do not pay taxes. They deal with taxes, they deal in money.

THE BURDENS OF THE PEOPLE

do not annoy them; they are parasites; and I tell you in association with parasites, with dealers in other people's property, with those who reap where they have not sowed, the atmosphere is bad. If the President had spent more time out in the country where he would have had fair air and seen the men farming, he would not want legislation to change this contract again.

Now, I hope I have not hurt the feelings of any of these Administration Democrats or Administration Republicans. I do this in all kindness. I see the Democrats take it more kindly than the others. The Republicans get very angry with me if I say anything against their rally, but he is liable to err, he is liable to do wrong. The Senator from Oregon [Mr. DOLPH] shakes his head. He consents to it. The mere fact that the President recommended the change of these contracts that are payable in either gold or silver into new contracts payable in gold, is all right, I suppose, in the estimation of the Senator from Oregon, because the President said so. I have not got quite that far in my devotion to him. I think I had better put the message all in.

MESSAGE.

To the Congress of the United States:

The existence of an alarming and extraordinary business situation, involving the welfare and prosperity of all our people, has constrained me to call together in extra session the people's representatives in Congress, to the end that through a wise and patriotic exercise of the legislative duty with which they solely are charged, present evils may be mitigated and dangers threatening the future may be averted.

Our unfortunate financial plight is not the result of untoward events nor of conditions related to our natural resources; nor is it traceable to any of the afflictions which frequently check national growth and prosperity. With plenteous crops, with abundant promise of remunerative production and manufacture, with universal invitation to safe investment and with satisfactory assurance to business enterprise, suddenly financial distrust and fear have sprung up on every side. Numerous moneyed institutions have suspended because abundant assets were not immediately available to meet the demands of frightened depositors. Surviving corporations and individuals are content to keep in hand the money they are usually anxious to loan, and those engaged in legitimate business are surprised to find that the securities they offer for loans, though heretofore satisfactory, are no longer accepted. Values supposed to be fixed are fast becoming conjectural, and loss and failure have invaded every branch of business.

I believe these things are principally chargeable to Congressional legislation touching the purchase and coinage of silver by the General Government.

This legislation is embodied in a statute passed on the 14th day of July, 1890, which was the culmination of much agitation on the subject involved, and which may be considered a truce, after a long struggle, between the advocates of free silver coinage and those intending to be more conservative.

Undoubtedly the monthly purchases by the Government of four million and five hundred thousand ounces of silver, enforced under that statute, were regarded by those interested in silver production as a certain guaranty of its increase in price. The result, however, has been entirely different, for immediately following a spasmodic and slight rise, the price of silver began to fall after the passage of the act and has since reached the lowest point ever known. This disappointing result has led to renewed and persistent effort in the direction of free silver coinage.

Meanwhile, not only are the evil effects of the operation of the present law constantly accumulating, but the result to which its execution must inevitably lead is becoming palpable to all who give the least heed to financial subjects.

This law provides that in payment for the 4,500,000 ounces of silver bullion which the Secretary of the Treasury is commanded to purchase monthly, there shall be issued Treasury notes redeemable on demand in gold or silver coin, at the discretion of the Secretary of the Treasury, and that said notes may be reissued. It is, however, declared in the act to be "the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio or such ratio as may be provided by law." This declaration so controls the action of the Secretary of the Treasury as to prevent his exercising the discretion nominally vested in him, if by such action the parity between gold and silver may be disturbed. Manifestly a refusal by the Secretary to pay these Treasury notes in gold, if demanded, would necessarily result in their discredit and depreciation as obligations payable only in silver, and would destroy the parity between the two metals by establishing a discrimination in favor of gold.

Up to the 15th day of July, 1893, these notes had been issued in payment of silver bullion purchases to the amount of more than $147,000,000. While all but a very small quantity of this bullion remains uncoined, and without usefulness in the Treasury, many of the notes given in its purchase have been paid in gold. This is illustrated by the statement that between the 1st day of May, 1892, and the 15th day of July, 1893, the notes of this kind issued in payment for silver bullion, amounted to a little more than $54,000,000, and that during the same period about $49,000,000 were paid by the Treasury in gold for the redemption of such notes.

The policy necessarily adopted of paying these notes in gold has not spared the gold reserve of $100,000,000 long ago set aside by the Government for the redemption of other notes, for this fund has already been subjected to the payment of new obligations amounting to about $150,000,000 on account of silver purchases, and has as a consequence for the first time since its creation been encroached upon.

We have thus made the depletion of our gold easy, and have tempted other and more appreciative nations to add it to their stock. That the opportunity we have offered has not been neglected is shown by the large amounts of gold which have been recently drawn from our Treasury and exported to increase the financial strength of foreign nations. The excess of exports of gold over its imports for the year ending June 30, 1893, amounted to more than $87,500,000.

Between the 1st day of July, 1890, and the 15th day of July, 1893, the gold coin and bullion in our Treasury decreased more than $132,000,000, while during the same period the silver coin and bullion in the Treasury increased more than $147,000,000. Unless Government bonds are to be constantly issued and sold to replenish our exhausted gold, only to be again exhausted, it is apparent that the operation of the silver-purchase law now in force leads in the direction of the entire substitution of silver for the gold in the Government Treasury, and that this must be followed by the payment of all Government obligations in depreciated silver.

At this stage gold and silver must part company and the Government must fail in its established policy to maintain the two metals on a parity with each other. Given over to the exclusive use of a currency greatly depreciated according to the standard of the commercial world, we could no longer claim a place among nations of the first class, nor could our Government claim a performance of its obligation, so far as such an obligation has been imposed upon it, to provide for the use of the people the best and safest money.

If, as many of its friends claim, silver ought to occupy a larger place in our currency and the currency of the world through general international coöperation and agreement, it is obvious that the United States will not be in a position to gain a hearing in favor of such an arrangement so long as we are willing to continue our attempt to accomplish the result singlehanded.

The knowledge in business circles among our own people that our Government can not make its fiat equivalent to intrinsic value, nor keep inferior money on a parity with superior money by its own independent efforts, has resulted in such a lack of confidence at home in the stability of currency values that capital refuses its aid to new enterprises while millions are actually withdrawn from the channels of trade and commerce to become idle and unproductive in the hands of timid owners. Foreign investors equally alert not only decline to purchase American securities, but make haste to sacrifice those which they already have.

It does not meet the situation to say that apprehension in regard to the future of our finances is groundless and that there is no reason for lack of confidence in the purposes or power of the Government in the premises.

The very existence of this apprehension and lack of confidence, however caused, is a menace which ought not for a moment to be disregarded. Possibly if the undertaking we have in hand were the maintenance of a specific known quantity of silver at a parity with gold, our ability to do so might be estimated and gauged, and perhaps in view of our unparalleled growth and resources, might be favorably passed upon. But when our avowed endeavor is to maintain such parity in regard to an amount of silver increasing at the rate of $50,000,000 yearly, with no fixed termination to such increase, it can hardly be said that a problem is presented whose solution is free from doubt.

The people of the United States are entitled to a sound and stable currency and to money recognized as such on every exchange and in every market of the world. Their Government has no right to injure them by financial experiments opposed to the policy and practice of other civilized states, nor is it justified in permitting an exaggerated and unreasonable reliance on our national strength and ability to jeopardize the soundness of the people's money.

This matter rises above the plane of party politics. It vitally concerns every business and calling and enters every household in the land. There is one important aspect of the subject which especially should never be overlooked. At times like the present, when the evils of unsound finance threaten us, the speculator may anticipate a harvest gathered from the misfortune of others, the capitalist may protect himself by hoarding or may even find profit in the fluctuation of values; but the wage-earner—the first to be injured by a depreciated currency and the last to receive the benefit of its correction—is practically defenseless. He relies for work upon the ventures of confident and contented capital. This failing him, his condition is without alleviation, for he can neither prey on the misfortunes of others nor hoard his labor. One of the greatest statesmen our country has known, speaking more than fifty years ago when a derangement of the currency had caused commercial distress, said: "The very man of all others who has the deepest interest in a sound currency and who suffers most by mischievous legislation in money matters, is the man who earns his daily bread by his daily toil."

These words are as pertinent now as on the day they were uttered, and ought to impressively remind us that a failure in the discharge of our duty at this time must especially injure those of our countrymen who labor, and who, because of their number and condition, are entitled to the most watchful care of their Government.

It is of the utmost importance that such relief as Congress can afford in the existing situation be afforded at once. The maxim "He gives twice who gives quickly," is directly applicable. It may be true that the embarrassments from which the business of the country is suffering arise as much from evils apprehended as from those actually existing. We may hope, too, that calm counsels will prevail, and that neither the capitalists nor the wage-earners will give way to unreasoning panic, and sacrifice their property or their interests under the influence of exaggerated fears. Nevertheless, every day's delay in removing one of the plain and principal causes of the present state of things enlarges the mischief already done, and increases the responsibility of the Government for its existence. Whatever else the people have a right to expect from Congress, they may certainly demand that legislation condemned by the ordeal of three years' disastrous experience shall be removed from the statute books as soon as their representatives can legitimately deal with it.

It was my purpose to summon Congress in special session early in the coming September that we might enter promptly upon the work of tariff reform, which the true interests of the country clearly demand, which so large a majority of the people, as shown by their suffrages, desire and expect, and to the accomplishment of which every effort of the present Administration is pledged. But while tariff reform has lost nothing of its immediate and permanent importance, and must in the near future engage the attention of Congress, it has seemed to me that the financial condition of the country should at once and before all other subjects, be considered by your honorable body.

I earnestly recommend the prompt repeal of the provisions of the act passed July 14, 1890, authorizing the purchase of silver bullion, and that other legislative action may put beyond all doubt or mistake the intention and the ability of the Government to fulfill its pecuniary obligations in money universally recognized by all civilized countries.

GROVER CLEVELAND.

EXECUTIVE MANSION,
August 8, 1893.

Now, I come to an extraordinary document, a document not communicated to us in the regular way, a document which is unusual. It is a very peculiar document. It is dated:

EXECUTIVE MANSION, *Washington, D. C., September 25.*

MY DEAR SIR: I hardly know how to reply to your letter of the 15th instant. It seems to me that I am quite plainly on record concerning the financial question.

My letter accepting the nomination to the Presidency, when read in connection with the message lately sent to Congress in extraordinary session, appears to me to be very explicit.

If the message was intended as a key, and I think it appears it was explanatory, it ought to have been furnished before the voting by the people. The letter of acceptance was a very good bimetallic letter, if you take it with the platform, but there was no key. Now, he is going to have it construed afterwards. If he had published that key at the time he published the original conundrum and accepted the nomination with that conundrum, if he had had the key, which he says is a key of that letter, and if he had published it,

HE WOULD NOT HAVE BEEN PRESIDENT TO-DAY.

It is a good thing for him that he kept the key until after he was elected; but is that a fair way to deal with the people? His Northen letter is not only monometallic, it is not only in favor of destroying silver, it is in favor of changing all the Government's contracts from contracts payable in either gold or silver to contracts payable in gold alone.

Mr. DOLPH. Have any utterances of the President since his recent election been any stronger or more emphatic or more conclusive on the silver question than his message during his first term as President?

Mr. STEWART. None.

Mr. DOLPH. Then I can not understand the Senator. He says if some of the subsequent utterances had been made before the nomination he would not have been nominated. He was nominated when his position was well known on this question and when his utterances were just as much official utterances before the American people as after his second election.

Mr. STEWART. You know it is said among some religious denominations—

That while the lamp holds out to burn
The vilest sinner may return.

Did they not hail him as a lost sheep coming back when he accepted that nomination?

Mr. DOLPH. But they nominated him before he had written his letter of acceptance and when they knew precisely how he stood on this question.

Mr. STEWART. They fixed a platform for him to stand on.

Mr. DOLPH. They fixed a platform that was broad enough for him to stand on with his utterances and his position on the silver question.

Mr. STEWART. But he made his utterance to fit the platform. He submitted to the will of the convention and was elected. If he had not fitted his utterances to that platform he would not have been President. He was very willing to do it at the time. I say it is fortunate for him that he did not publish the key to his letter of acceptance at the time he published the letter.

Mr. Cleveland, in his letter to Governor Northen, continues:

I want a currency that is stable and safe in the hands of our people.

I agree with that.

I will not knowingly be implicated in a condition that will justly make me in the least degree answerable to any laborer or farmer in the United States for a shrinkage in the purchasing power of the dollar he has received for a full dollar's worth of work or for a good dollar's worth of the product of his toil.

How solicitous the President is for fear that the money in the pocket of the laborer, which he has not got, will shrink in its purchasing power. What a calamity it would be if there should be a shrinkage in the money that the laborer could not get. How he would suffer! Would he suffer by having more money? But, Mr. President, did you ever think how the President might be benefited by not only preventing the shrinkage of money but by increasing its purchasing power? Do you know that when his salary was fixed it was raised from $25,000 a year, at which it had stood for fully three-quarters of a century, the purchasing power of the dollar was not more than half as much as it is now? Do you know that the $25,000 that Mr. Lincoln and all his predecessors received would to-day purchase more than $50,000 would at the time the President's salary was enhanced?

I do not pretend to say that the President has any solicitude about keeping the purchasing power of money in his hands; but the idea must suggest itself when he is so solicitous that the purchasing power of money shall not shrink where there was no money. There is no danger of shrinkage there. The only question is whether they are going to get any money to buy bread with. That is what they are troubled about. What they are troubled about is that money has got so dear it has reduced them to slavery. What they are troubled about is that

FARM PRODUCTS HAVE BEEN SOLD SO LOW

that the farmer can not produce them at a profit. What they are troubled about is that the only thing which increases in value is money, and everything else diminishes in value. They are not dealers in money. It was a very curious thing to me how it happened that the President became so solicitous about the accumulations in the pockets of the tramps in the country that they should not shrink. It was a matter that I should never have thought of, that the Senate should never have thought of, how the tramps would be affected by the purchasing power of the money that they had accumulated if it should shrink. I should never have thought of that in the world. How observing a man the President is, how his far-seeing eye extends to the remotest corners of the world.

I not only want our currency to be of such a character that all kinds of dollars will be of equal purchasing power at home, but I want it to be of such a character as will demonstrate abroad our wisdom and good faith, thus placing it upon a firm foundation and credit among the nations of the earth.

He is very solicitous about our money abroad. Now, I have some statistics about that. I want the money here. I think too many dudes go abroad and spend too much money. They would not have so much to spend if we had honest laws. I do not rejoice so much over the fact that a hundred million dollars are taken out by these men who turn foreigners, and turn against their own country when they get home. When we get more money I think we can take care of those people. We have some money here among our people. The idea of universal money never has existed in the world.

I want our financial conditions and the laws relating to our currency safe and reassuring, that those who have money will spend and invest it in business and new enterprises instead of hoarding it.

Let me state, Mr. President, they will never do that until property goes up. As long as you have a shrinking volume it never will. So long as our money is in the safe to draw more interest they will keep it there. He has got to reverse his plan or he never can make it appear that contracting the money of the world down to gold will produce it. So long as he goes on with this process of reducing the world to a gold standard, so long as the people will hoard gold they will go long on the thing that they think is going up. They will invest in gold because it is going up and pays more than interest.

You can not cure fright by calling it foolish and unreasonable, and you can not prevent the frightened man from hoarding his money.

Well, if he has got sense enough to get money he will hoard it as a general rule if it pays him. If you destroy enterprise and have falling prices he is going to hoard it. It seems the President has this back-end foremost. I think his book was upside down when he studied political economy.

I want good, sound, and stable money and a condition of confidence that will keep it in use.

Well, if you do have confidence, your property is going down. The condition of confidence never can be created, let me tell the President, unless property is going up. Men are not fools. If property is going down they are not going to have any confidence in its going up. We have had experience in that. Property has been going down for twenty years. What makes property go up?

Demand does it. If people do not think property is going to rise in value they keep their money and do not invest in property. If the money were not good the case would be different, because a man can afford to sacrifice something if it is bad money; and he can buy property at low prices. But the truth is, the President can not make these people believe it is bad money so that they will put it in property that is falling.

Within the limits of what I have written I am a friend of silver—

He is a friend!—

but I believe its proper place in our currency can only be fixed by a readjustment of our currency legislation, and the inauguration of a consistent and comprehensive financial scheme

I do not know what he means by a readjustment of a comprehensive financial scheme, unless I had a key to it. I would give something to know what he means by that. I wish he had made a suggestion as to what he means by that. I should like to know if he means that he is a friend of silver as money. If he is, then remonetize it. He reminds me of a story I heard an old sailor tell when I was a little boy. It was on the Ironsides at the time we had a scrimmage with Great Britain. They had a Quaker aboard and he was nonresistant and would not fight. The redcoats commenced boarding the ship, and he saw things were getting in pretty close quarters. He took up a marline spike, and as one of the red-coats climbed up he would hit him on the knuckles with the marline spike and knock him loose, and he would say as the red-coat dropped into the sea, "I do not mean to hurt thee; I trust thee can swim." He was a friend of the red-coats about the same way that the President is a friend of silver. He knocks it down and tries to kill it, but trusts it can swim and take care of itself.

I think such a thing can only be entered upon profitably and hopefully after the repeal of the law which is charged with all our financial woes.

"Which is charged." But the charge is false. It is general without any specific statement. He has undertaken by this means to give the dog a bad name and then kick him. I should like to see the specification. I have been running all through and I have not found anywhere why he assumes it guilty without having any trial on a specification. That is not according to the American idea of fair play.

In the present state of the public mind this law can not be built upon nor patched in such a way as to relieve the situation.

The public mind is such that we can not have anything to relieve the situation. It can not be patched up. No suggestion that is to relieve the situation. Why publish your suggestion that we can not have anything to relieve the situation? It can not be patched up. No system is proposed. First we must have destruction. We must kill the patient before we apply any remedies. Now, we do not believe in resurrection in a miraculous way in these times, and we do not believe in a President's disposition to exercise the power of restoring life if he had it.

I am, therefore, opposed to the free and unlimited coinage of silver by this country alone and independently, and I am in favor of the immediate and unconditional repeal of the purchasing clause of the so-called Sherman law.

Now, it seems to me that ends the whole difficulty. He has come out flat-footed now, and says he is opposed to independent legislation, that he does not care for your platform, that he does not care for his letter of acceptance. He has given you the key to it now.

HE IS THE FRIEND OF MONOMETALLISM.

He has got the votes, and his Wall street friends want silver destroyed. They want the money they have increased in value. He has thrown off all disguise, and with all the excuses that you hear by Senators, and all the pretenses that were made when this session first commenced, that he was a bimetallist, the President is a monometallist now. He has relieved the situation; he has made the issue broad. He does not believe in independent action. He does not believe we can do it, as he has said repeatedly; he is more honest about that than some of the others. He says it can not be done in that way. He says in his message that Europe is opposed to it. He does not believe it can be done here. He knows it can not be done abroad. He does not want it done at all. That is the situation.

Now comes the most remarkable portion of this very remarkable production. It would not have appeared if the President had been fully informed as to the relative duties of the two departments of the Government, the legislative and executive. In fact none of these communications would have appeared if he had followed the precedents of the fathers. I call attention to these remarkable words:

I confess I am astonished by the opposition in the Senate to such prompt action as would relieve the present unfortunate situation.

My daily prayer is that the delay occasioned by such opposition may not be the cause of plunging the country into deeper depression than it has yet known, and that the Democratic party may not be justly held responsible for such a catastrophe.

Yours, very truly,

GROVER CLEVELAND.

The Hon. W. J. NORTHEN.

I will here insert the letter entire:

EXECUTIVE MANSION, *Washington, D. C., September 25.*

MY DEAR SIR: I hardly know how to reply to your letter of the 15th instant. It seems to me that I am quite plainly on record concerning the financial question. My letter accepting the nomination to the Presidency, when read in connection with the message lately sent to the Congress in extraordinary session, appears to me to be very explicit. I want currency that is stable and safe in the hands of our people. I will not knowingly be implicated in a condition that will justly make me in the least degree answerable to any laborer or farmer in the United States for a shrinkage in the purchasing power of the dollar he has received for a full dollar's worth of work, or for a good dollar's worth of the product of his toil.

I not only want our currency to be of such a character that all kinds of dollars will be of equal purchasing power at home, but I want it to be of such a character as will demonstrate abroad our wisdom and good faith, thus placing us upon a firm foundation and credit among the nations of the earth.

I want our financial conditions and the laws relating to our currency so safe and reassuring that those who have money will spend and invest it in business and new enterprises instead of hoarding it.

You can not cure fright by calling it foolish and unreasonable, and you can not prevent the frightened man from hoarding his money.

I want good, sound, and stable money, and a condition of confidence that will keep it in use.

Within the limits of what I have written, I am a friend of silver, but I believe its proper place in our currency can only be fixed by a readjustment of our currency legislation and the inauguration of a consistent and comprehensive financial scheme. I think such a thing can only be entered upon profitably and hopefully after the repeal of the law which is charged with all our financial woes. In the present state of the public mind, this law can not be built upon, nor patched in such a way as to relieve the situation.

I am, therefore, opposed to the free and unlimited coinage of silver by this country alone and independently; and I am in favor of the immediate and unconditional repeal of the purchasing clause of the so-called Sherman law.

I confess I am astonished by the opposition in the Senate to such prompt action as would relieve the present unfortunate situation.

My daily prayer is that the delay occasioned by such opposition may not be the cause of plunging the country into deeper depression than it has yet known, and that the Democratic party may not be justly held responsible for such a catastrophe.

Yours very truly,

GROVER CLEVELAND.

Hon. W. J. NORTHEN.

Now, that is a most remarkable declaration. The Constitution points out how the President may communicate with Congress. He may by message recommend measures, state his views, and there his duty ends. I think no President has ever before this Administration discussed a pending measure before the people publicly. When it is taken into account that he has the vast patronage of this country and the Army and Navy at his command, his words are very important. The mode of discussing the proceedings of Congress is clearly defined. Andrew Johnson, in all the misdeeds that are attributed to him, never was charged with

DISCUSSING A PARTICULAR MEASURE

pending in Congress. It is true that he said Congress was an illegal body hanging on the verge of the Government, but he did not discuss the particular measures pending before Congress. For making that declaration, and it was one of the articles of impeachment brought against him, he was acquitted by the lack of two-thirds, 36 to 17, on the first article; and the article wherein it is charged that he said Congress was hanging on the verge of the Government was not acted upon. But the impropriety of the expression was universally admitted. But here is a discussion of the merits of a particular proposition pending before Congress, and a discussion in a letter and his astonishment expressed at the opposition of the Senate to do his bidding.

Now, this is not a new thing, but it is a very old thing. It has never occurred in England that I have been able to ascertain since the time of Charles I. Charles I attempted to interfere to prevent the bill of attainder passing the House of Lords after it passed the House of Commons against Strafford, and he appealed to the House and tried to prevent its passage. The Commons immediately passed a resolution that for the king to notice a bill pending was a breach of privilege. I will read from the fifth volume of Hume's History of England, page 362:

The King came to the House of Lords, and though he expressed his resolution, for which he offered them any security, never again to employ Strafford in any branch of public business, he professed himself totally dissatisfied with regard to the circumstance of treason, and on that account declared his difficulty in giving his assent to the bill of attainder. The Commons took fire, and voted it a breach of privilege for the king to take notice of any bill pending before the houses.

I think that no sovereign of Great Britain since that time has ever undertaken to take public notice of the bill pending. There is no doubt that Queen Victoria felt as anxious about the home-rule bill and as much opposed to it as a person could be, but if she had written a letter expressing her disapproval and arguing against it, saying she was astonished at the persistence of Parliament in passing that bill, or she was astonished at the opposition of the minority, it would have probably created a revolution in England. It has been supposed by some because the President might communicate the state of the country to Congress, therefore he is a part of the legislative department, and is at liberty to discuss with people all questions pending in Congress. That is not the case. On the contrary, the departments are kept distinct. Why? The reason is evident.

The issuance of this pronunciamento created considerable astonishment in Great Britain, and in the press of the next morning I find foreign dispatches treating of it. I read from the Washington Post of September 29, 1893:

[Washington Post, September 29, 1893.]

ON CLEVELAND'S LETTER—CRITICISM OF THE LONDON STANDARD AND THE THUNDERER—THINK HE HAS BLUNDERED—ONE OF THE PRESIDENT'S FOREIGN CRITICS SEES IN HIS UTTERANCES A RESEMBLANCE TO EMPEROR WILLIAM'S, AND ANOTHER IS REMINDED OF MR. GLADSTONE'S USE OF AMBIGUOUS LANGUAGE—"NOTHING TO BE GAINED BY POTTERING WITH UNWORKABLE THEORIES."

LONDON, *September 29.*

The Standard says editorially this morning of President Cleveland's letter to Governor Northen concerning the repeal bill in the Senate:

"No doubt that Mr. Cleveland's letter will have the result in America which people here think and expect it ought to have. There is a refreshing downrightness about his utterance, but once or twice in his scorn of chicane and double-dealing he has forgotten to some extent the constitutional limits within which he can exert his influence over the lawmakers for good. This makes his utterances bear occasionally a curious resemblance to those of Emperor William. The form is different, but the essence is the same.

"The present letter is more likely to retard the repeal of the Sherman act than not. The Senate will be more angry with Mr. Cleveland than ever, or pretend to be so. The letter seems, therefore, to be an error in tactics. Moreover, Mr. Cleveland fails to hint what should be done to lighten the stock of silver or avert a crisis. As matters stand it unquestionably would pay the Union better to go wholly over to silver. An honest silver dollar is far likelier to restore confidence than a false gold one, and Mr. Cleveland's gold dollar would be pinchback unless he should raise a large loan. In the end there must be a compromise, and it would be wiser to discuss a *modus vivendi* than to scold."

The Times says: "Mr. Cleveland evidently intends to make a political manifesto. If the meaning is somewhat ambiguous, it is not altogether his fault. The President, like the English premier, is sometimes obliged to use language to disguise thought. Nothing can be clearer, however, than the general principle enunciated; but as a practical guide to legislation it leaves something to be desired. We are surprised that Mr. Cleveland is capable of encouraging a delusion among some of his supporters by posing as a friend of silver. Nothing is to be gained by paltering with unworkable theories, or by trying to 'square' the friends of silver. The disasters resulting from the Sherman act have been brought about, as Mr. Herbert's report shows, by trying to compromise with an economic principle."

If there is a case where any President of the United States has undertaken to discuss in an open letter a bill pending before Congress I have not been able to find it. I think it is a bad precedent.

In this connection I wish to say that when elected in 1840, President William Henry Harrison had some very wholesome views with regard to Government and the dangers attending our form of government. In his inaugural address he said some things in regard to the

INTERFERENCE OF THE EXECUTIVE

with the other branches of the Government which it would be well to call to mind just now when the overweening power of the Executive is sweeping down the weak ones and sending open letters to the governors of States.

I read from the Congressional Globe of the Twenty-sixth Congress, second session, 1840-'41, page 232, as follows:

But the great danger to our institutions does not appear to me to be in a usurpation, by the Government, of power not granted by the people, but by the accumulation, in one of the departments, of that which was assigned to others. Limited as are the powers which have been granted, still enough have been granted to constitute a despotism, if concentrated in one of the departments. This danger is greatly heightened, as it has been always observable that men are less jealous of encroachments of one department upon another than upon their own reserved rights.

When the Constitution of the United States first came from the hands of the convention which formed it many of the sternest Republicans of the day were alarmed at the extent of the power which had been granted to the Federal Government, and more particularly of that portion which had been assigned to the executive branch. There was in it features which appeared not to be in harmony with their ideas of a simple representative democracy, or republic. And knowing the tendency of power to increase itself, particularly when exercised by a single individual, predictions were made that, at no very remote period, the Government would terminate in virtual monarchy. It would not become me to say that the fears of these patriots have been already realized. But, as I sincerely believe that the tendency of measures, and of men's opinions, for some years past has been in that direction, it is, I conceive, strictly proper that I should take this occasion to repeat the assurances I have heretofore given of my determination to arrest the progress of that tendency, if it really exists, and restore the Government to its pristine health and vigor as far as this can be effected by any legitimate exercise of the power placed in my hands.

In various other places in this document President William Henry Harrison, in his inaugural address, points out how the Government may be turned into a despotism by the exercise of Federal patronage and various other methods. A person reading this might suppose it referred to what is occurring to-day.

I shall read another passage from this admirable inaugural, found on page 233 of the same volume of the Globe:

The great dread of the former seems to have been that the reserved powers of the States would be absorbed by those of the Federal Government and a consolidated power established, leaving to the States the shadow only of that independent action for which they had so zealously contended and on the preservation of which they relied as the last hope of liberty. Without denying that the result to which they looked with so much apprehension is in the way of being realized, it is obvious that they did not clearly see the mode of its accomplishment. The General Government has seized upon none of the reserved rights of the States. As far as any open warfare may have gone the State authorities have amply maintained their rights. To a casual observer our system presents no appearance of discord between the different members which compose it. Even the addition of many new ones has produced no jarring. They move in their respective orbits in perfect harmony with the central head and with each other.

But there is still an undercurrent at work by which, if not seasonably checked, the worst apprehensions of our anti-Federal patriots will be realized. And not only will the State authorities be overshadowed by the great increase of power of the executive department of the General Government, but the character of that Government, if not its designation, be essentially and radically changed. This state of things has been in part effected by causes inherent in the Constitution, and in part by the never-failing tendency of political power to increase itself. By making the President the sole distributer of all the patronage of the Government, the framers of the Constitution do not appear to have anticipated at how short a period it would become a formidable instrument to control the free operations of the State governments. Of trifling importance at first, it had, early in Mr. Jefferson's Administration, become so powerful as to create great alarm in the mind of that patriot, from the potent influence it might exert in controlling the freedom of the elective franchise. If such could have then been the effects of its influence, how much greater must be the danger at this time, quadrupled in amount, as it certainly is, and more completely under the control of the Executive will, than their construction of their powers allowed, or the forbearing characters of all the early Presidents permitted them to make?

But it is not by the extent of its patronage alone that the executive department has become dangerous, but by the use which it appears may be made of the appointing power, to bring under its control the whole revenue of the country. The Constitution has declared it to be the duty of the President to see that the laws are executed, and it makes him the Commander-in-Chief of the Army and Navy of the United States. If the opinion of the most approved writers upon that species of mixed government which in modern Europe is termed monarchy, in contradistinction to despotism, is correct, there was wanting no other additions to the powers of our Chief Magistrate to stamp a monarchical character on our Government but the control of the public finances. And to me it appears strange indeed that any one should doubt that the entire control which the President possesses over the officers who have the custody of the public money, by the power of removal with or without cause, does, for all mischievous purposes at least, virtually subject the treasure also to his disposal.

The first Roman emperor, in his attempt to seize the sacred treasure, silenced the opposition of the officer to whose charge it had been committed by a significant allusion to his sword. By a selection of political instruments for the care of the public money, a reference to their commissions by a President would be quite as effectual an argument as that of Cæsar to the Roman knight. I am not insensible to the great difficulty that exists in devising a proper plan for the safe keeping and disbursement of the public revenues, and I know the importance which has been attached by men of great abilities and patriotism to the divorce, as it is called, of the Treasury from the banking institutions. It is not the divorce which is complained of, but the unhallowed union of the Treasury with the executive department which has created such extensive alarm.

How perfectly puerile talk of that kind seems to us to have been in the spring of 1841, when the collections and disbursements probably amounted to not more than thirty-five or forty million dollars a year. The collections and disbursements are now $500,000,000 a year. The revenue laws and the custom laws are complicated laws, and may be construed by the Department in such a manner that the slightest change will make or break great establishments. The great distilleries are all under the control of the Department and a technical violation of the distillery laws can be taken advantage of by the Treasury Department, and an honest man, who did not intend to do wrong, under those laws may be made a convict, or a rogue may be allowed to escape under a compromise. The whole business is practically at the discretion of the Department.

When we come to the currency laws, whatever laws Congress may pass providing for money, the Department will not execute. They not only exercise the broadest discretion, but do about as they please. They assume authority to change vast contracts by saying that notwithstanding the obligation may be payable in

one kind or another, they shall be paid in gold. Should not the Executive, with a patronage of more than 100,000 fat offices and more than a million and a half of dependents upon Government patronage, and with the Army and the Navy, be kept within

THE STRICT LETTER OF THE LAW?

It is time the people were jealous of his going outside and discussing legislation pending in Congress. I do not suppose in this instance that the President had any intention of doing anything unusual. It may have been different in some of his messages; but in this I have no idea that he realized that discussing a measure pending and expressing his astonishment at the action of the Senate was anything unusual. It must have come from a failure on his part to acquaint himself with our governmental machinery and with the proprieties.

If we let these things pass, they may become dangerous; they may become precedents. If one President discusses legislation before the people, others may do so. Angry discussions may grow up. One bad thing is a precedent for another, and when we find these vast powers in the hands of the Executive, and Congress is comparatively powerless, with no patronage, with no money to expend, with no army, with a limited control over the currency—indeed with no control at all over it—when we reflect that this Government has grown in its executive department far beyond what was anticipated by the framers of the Constitution,

WE SHOULD STAND, WITHOUT REGARD TO PARTY CONSIDERATIONS,

as Webster expressed it, on the watch-tower to give the alarm at the first approach of danger. So also said Mr. Calhoun and Mr. Clay, that it was their duty to call attention to the slightest irregularity, the slightest infringement, of the President of the United States upon the rights, functions, and duties of Congress.

I think the President's discussion in the letter to Governor Northen, of Georgia, was a breach of the privileges of Congress, was a gross impropriety. The English papers discussed it at once and spoke of it as something that Emperor William of Germany might say and Queen Victoria of England would not dare say.

The press is not entirely unanimous in trying to stampede Congress. The New York Sun in almost every article is calling attention to the fact that

SILVER WAS NOT MADE AN ISSUE IN THE CAMPAIGN,

but that something else was. The expressions in the Sun are so significant that, while I do not wish to burden the Secretary, I shall ask him to read the article from that paper which I send to the desk.

The VICE-PRESIDENT. The Secretary will read as requested.

The Secretary read as follows:

[New York Sun, October 1, 1893.]

LET CONGRESS GET TO DEMOCRATIC WORK.

Unquestionably there is excuse if not justification for the difference of opinion among both the Democrats and Republicans of Congress touching the proposition for the unconditional repeal of the purchase clause of the Sherman act. The platforms of both parties admit of such disagreement, and both of them would appear to have been specially and adroitly constructed for the purpose of evading a definite decision of the silver question. That question was left open to debate. It was left to settle itself. Both parties made their great issues on the question of the tariff and the question of the force bill.

The silver question, accordingly, is now undergoing a wholly unpartisan discussion in Congress. Both parties are split on it; or rather the disagreement with regard to it, recognized and permitted by the platforms of each, is manifesting itself in each. If the provision of the Sherman law is unconditionally repealed, the result will be achieved by a combination that is in no sense partisan. It will be accomplished by a majority made up of both Democrats and Republicans, and only so can it be accomplished. The Republicans being in a minority in both Houses of Congress, of course they are powerless to pass any measure of themselves. The Democratic advocates of unconditional repeal are in a hopeless minority in the Senate, and they can only succeed in their purpose by the aid of the majority of the Republican minority.

Thus the silver question as now presented to Congress forms no issue between the parties. The division upon it is not partisan. Inside of each party there is disagreement as to it. The position of a Senator or a Representative with reference to it can not be treated as a test of his party fealty. Good Democrats and good Republicans are on both sides. Neither side can be read out of its party because of its convictions and its vote on that question. A like difference exists among the great body of Democrats and Republicans, respectively. There is no party union on the subject. Moreover, the question has not been referred to the people for their judgment. The only indication of the popular desire is afforded by unpartisan expressions of public opinion, indicating that the majority of the people as a whole, and without reference to party lines, are anxious for repeal.

When that question is removed from the consideration of Congress and the people, however, the party lines are drawn sharply on the tariff and the Federal election law. On each side, Democratic and Republican, the position of a Congressman with reference to either or both is a test of his party loyalty. A Democrat who does not vote for the repeal of the election law, and for the destruction of the whole system of protection, and for a constitutional tariff for revenue only, is false to his party. He forfeits his title to the name of Democrat. He puts himself outside of the Democracy. He is a servant faithless to the Democracy and the people. Conversely the same holds true with the Republicans.

Hence we rejoice to think that the nonpartisan question of silver must soon be out of the way, and then the square partisan issues decided by the people last November will be settled by Congress in accordance with their mandate. The spectacle of a Democratic Administration and a Democratic Congress courting a necessary Republican alliance in order to pass a measure as to which Democrats disagree, is not refreshing, is not edifying, is not politically healthful. Naturally the Democrats meet the Republicans to contest with them over great principles and policies. It is unnatural that they should go to them for help. It is humiliating that a Democratic Administration should be relying upon it when the whole power is in their own hands. Mr. CRISP is Speaker of the House of Representatives, and not Mr. REED. Vice-President STEVENSON is presiding over the Senate, and not Mr. Morton. Mr. Cleveland is in the White House, and not Gen. Harrison.

The Democrats are asking no Republican help to repeal the election law. They expect and invite united Republican hostility. They want no Republican aid to destroy the robbery of unconstitutional protection and to pass a constitutional tariff for revenue only. They intend to do the whole job, of themselves and unaided, in obedience to the command of the majority of the people.

This extraordinary session of Congress has now been in the Capitol nearly two months, and Mr. Cleveland has been in the White House nearly seven months. It is nearly eleven months since the people put the Democracy in control of the Government with the command to destroy every vestige of protection as a system of robbery; yet, so far, not a blow has been struck for the extinction of the McKinley tariff, "the culminating atrocity of class legislation." The November elections are near at hand, and the fidelity of the Democratic party to its trust is on trial.

Stop wrangling over silver! Stop parleying with protectionists in the preparation of a tariff for the destruction of protection! Get through with the simple task of framing a constitutional tariff for revenue only, and have it before the House of Representatives as soon as the repeal of the election law is passed! The people want to see the palpable results of Democratic rule. They have had the promise; now they want the fulfillment.

Mr. STEWART. Mr. Dana is evidently a philosopher, and is getting a little suspicious of the alliance between the Republicans and the Democrats. I think that I see a little indecent haste on both sides as to which shall get in the foremost ranks of the Administration supporters of this measure. I think the Republican followers of the Administration have thus far shown more enthusiasm than they have shown in staying in their seats to fight it out.

Mr. President, the little episode in the discussion has been instructive to me. I have learned from it that the Senator from Massachusetts [Mr. HOAR] is practically oblivious to the importance of this bill, what great contempt he has for the rights of the minority, and his apparent idea that no good is ever obtained by checking the ruthless aspirations of the majority. The Senator compared this bill to the question of negro slavery, and pretended that

THE ENSLAVEMENT OF FOUR MILLION PEOPLE

of this country in chattel slavery was more important than this scheme, which he is pushing forward with so much zeal, to enslave sixty millions of people on this continent and hundreds of millions elsewhere. He is ignorant of history if he does not know that a people deprived of money become slaves, and have in all times become so: he is ignorant of history if he does not know of this. He is ignorant of the intention of his associates if he does not know that the object of this scheme is so to augment the weight of debt as practically to absorb all of the proceeds of labor. He is ignorant of the situation if he does not know that he is engaged in a revolution more radical than any that has ever been attempted by legislation before; and he pretends that good always comes from rash and violent and oppressive acts of the majority.

Why is it that by the Constitution and the laws for a hundred years the minority have had some rights to protest? Can that Senator or any other Senator state an instance where the minority has prevented the passage of a bill where that bill was not subsequently found to be bad?

Suppose the majority had had its way in 1870. We should have had Chinese sovereignty. Suppose a majority had had its way in 1891. We should have had monarchy here. The minority has done much good in preserving

THE INTEGRITY OF THIS GOVERNMENT.

The majority in this case is under the control of the money power and the press. Does not everybody know that if Mr. Cleveland were in favor of free coinage that would have a majority of two-thirds in each House of Congress? Does not everybody know that the minions of the gold kings during the past have boasted of the power and advantage they enjoyed? This is not the first time that the Senator from Massachusetts in these halls has insisted that the majority should vote to put the chains of slavery upon the people. He was quite as earnest two years ago to take the elective franchise from the people, to deny them home rule, and to place them under the Executive control at the polls.

I have before heard arraigned here the rights of the minority. It is the duty of a patriotic minority to preserve liberty here. The majority have the power; the majority have the patronage. The majority bow the knee to the gold kings, but there is generally an honest minority that will not. If we had not an honest minority we should have no Republic to-day. Let us be thankful that there is one place in this Capitol where the minority voice can not be choked or closed by bribery, by patron-

age, by power—a place where it can be heard; and that place is the Senate of the United States, which is the guardian of the liberties of the people.

I am tired of hearing despotism advocated by legislation by the majority, a majority that did not exist twelve months ago, a majority that could not exist but for the Federal patronage, money influence, newspaper clamor, and everything that goes to blot liberty from the land. Let any bill that has been beaten in the Senate

BY AN HONEST PATRIOTIC MINORITY

by its obstructive measures, be brought forward here, and see if it is not denominated as hideous; see if it is not considered against the spirit of our institutions. But the majority has been beaten upon one bill, and it will be again.

Who knows what interests are in the Chamber? Who knows how much bank stock and Government bonds are here? No investigation has been had.

Mr. President, I ask pardon for the digression.

There is a gentleman in the South by the name of E. R. Quillin, who has written a letter which so happily describes the situation that it attracted my attention. I do not want to shirk, but, as I am getting a little hoarse, I should like to have that read also, because I think it ought to be a part of the history of these times, inasmuch as it explains how this struggle is regarded.

The VICE-PRESIDENT. The Secretary will read as indicated, in the absence of objection.

The Secretary read as follows:

[The Clayton (Ala.) Courier.]

THE GREAT STRUGGLE.

The correspondent from Washington in the Montgomery Journal, after writing of the splendid victory of the Democratic party on last November, and with it a revival of general confidence that the country was soon to enter upon a broad and liberal policy that would restore the Government to the sole province of its founders, to be the people's obedient servant, jealous in care of their present needs, and prompt to anticipate their necessities along every discernible path of progress, and it was proclaimed that the first duty of the hour for the people was to relieve them of crushing taxation, then to assure their civil liberties, then to place about the two metal moneys of the Constitution the safeguards of laws immutable to the machination of foreign financiering, goes on and says:

"How auspiciously dawned the day of Democratic redemption! Inspired with new hopes and buoyed with new aspirations, the horoscope was bright and rosy as unclouded June skies smiling to the rising sun. The country was at peace with all the world, and harmonious in all their relations with each other, the people of the great Republic set out trustfully to move along the lines and by the policies for which they declared at the last national election."

Mr. VILAS. Mr. President, I desire to have submitted to the Senate the question whether or not that paper shall be read by the Secretary.

Mr. STEWART. If the Senator objects I shall read it myself.

Mr. VILAS. I do object.

Mr. STEWART. As the Senator objects, I shall read it myself.

The VICE-PRESIDENT. The Senator from Wisconsin objects to the Secretary reading the paper which has been sent to the desk. The Chair will have read the rule governing the case.

The Secretary read as follows:

RULE XI.—OBJECTION TO READING A PAPER.

When the reading of a paper is called for and objected to it shall be determined by a vote of the Senate, without debate.

The VICE-PRESIDENT. Under Rule XI the Chair will submit to the Senate the question whether the paper, the reading of which was called for by the Senator from Nevada, shall be read by the Secretary.

Mr. HOAR. Will the Chair kindly have the title of the paper read so that Senators may understand what it is?

The VICE-PRESIDENT. The title will be read.

The Secretary read as follows:

[From the Clayton (Ala.) Courier.]

THE GREAT STRUGGLE.

Mr. HOAR. That is sufficient. I thought perhaps it was a public document.

Mr. PASCO. I understand that the Senator from Nevada has withdrawn his request for the reading.

The VICE-PRESIDENT. The Chair did not so understand.

Mr. STEWART. Yes, I withdraw it.

The VICE-PRESIDENT. The Senator from Nevada withdraws his request for the reading of the paper by the Secretary.

Mr. MORGAN. I desire the permission of the Senate to say that when objections of this kind are made, they ought to be made *in limine*. Senators ought not to wait until the paper is read, or half read, and then object. In my judgment, the objection in this case has come too late. Senators ought to be vigilant if they want to object. That is all I desire to say now.

The VICE-PRESIDENT. It was the duty of the Chair to take notice of the objection made by the Senator from Wisconsin. Under the rule, the Chair has done so. The Senator from Nevada, however, in the meantime, has withdrawn his request for the reading of the paper at the desk.

The reading of the paper was concluded by Mr. KYLE, as follows:

But what of the change that has come over the spirit of our political dreams? For change indeed there has come as suddenly as some convulsion of the elements of air and water, shaken by power inscrutable to human conception. But this much is known: This change was wrought by an influence not within, but far without our domain. Such a panic sets in as stupefies the simple people and baffles the serenest philosophers. The President calls an extraordinary session to relieve the country of distress inflicted upon it by agencies in Europe inimical to our money policy, who, with their allies in New York, begin what is no more nor less than an insidious and terrible assault upon what the best thought of the world concedes to be the metal money of the masses. The great creditor nation, Great Britain, had lost heavily in other lands less solvent than ours; her money had grown dearer, holding as she does hundreds of millions of securities in America, her safest and most profitable field of investment.

The word was given to the New York banks, and they, in turn, passed it to all the national banks of the country, that financial ruin and disaster were inevitable unless Congress made haste to repeal the silver-purchasing clause of the Sherman act. Secretary Carlisle goes to New York, and there, with trusted friends of the President, a conference is had, which the sympathetic press proclaim is entirely harmonious. The call for the extra session soon follows, and the bankers and the press predict that the President's message will do much to relieve the situation. He asks the repeal of the Sherman act, while the banks and the press applaud; the session convenes and the chosen friends of the Administration present measures in complete accord with the message. It is a bitter disappointment to the defenders of the people's money; for they can only see in this blunt declaration of policy not a ray of hope for silver. Western and Southern Democrats had been cheered by the Chicago platform declaring for bimetallic coinage without discrimination by the mints. Now, although they are asked to surrender their long cherished convictions, they are promised not even a makeshift, much less a substitute, which the party demanded. Silver coinage is to be stopped altogether, and the chosen friends of the Administration will make nothing nearer a promise than that some of them profess to believe this action does not mean the demonetization of silver.

From the humble plan of urgent appeals to Congress to relieve the country of dire distress, the repealers resort to arrogance and threats that patronage will be withheld from those Democrats who have the hardihood to differ with the Administration. Talk of the conspiracy of 1873! It does not hold a tallow candle to that of 1893. The first came like a sneak thief, the last comes now like a robber exulting in his power, relentless, cruel, brutal. Nearly the entire metropolitan press yield to the enormous pressure of the money power, to the beguiling sophistry of the bondholders and to the imperiment dictation of the national banks. The result is the most appalling visitation of unmerited privation that ever afflicted an innocent people. The conspirators overdid the thing. Members of the House, hitherto ardent advocates of free coinage of both metals, were weakened and stampeded. The majority in the House for the repeal was so large that it so overmatched the expectation of the bankers and repealers that they deemed it due time to loosen the torturous thumbscrew, believing the Senate would be bound by the decisive action of the House, the "popular branch" of the Federal Legislature, to obey the will of the Executive and—get a place at the pie counter.

But not so; although there were in the Senate, as in the House, members who discovered excuse to defer the fond hopes they had raised among their constituencies, there were sturdy souls in the upper body not to be routed from unflinching defense of the policy which years and years of study, research, and observation had convinced them was America's safest course in dealing with the nations and money powers of the world. But just now the banks are losing somewhat of their recent arrogant confidence, and are growing impatient and insolent even to Senator VOORHEES, because of the delay in the Senate, a delay that he is utterly powerless to prevent. The Eastern press echoes and voices this effrontery, as it indulges in flippant and scornful words about senatorial dignity and deliberation.

It is time the conspirators were reflecting on their own loss of dignity in the manner they are counting unhatched chickens. Unconditional repeal will never pass the Senate without revolution which would be worse than that by which the force bill was sought to be fastened upon the people. There are just about thirty-seven vigorous and determined gentlemen in the Senate who feel entirely justified in using every constitutional right in resisting what they believe to be a murderous assault upon silver, and that they will exercise their every right nobody who knows the situation and the character of the men harbors a shadow of doubt. Such men as TELLER, STEWART, WOLCOTT, MORGAN, PUGH, HARRIS, BATE, GEORGE, BUTLER, COCKRELL, DANIEL, CALL, the two JONESES, BERRY, VEST, VANCE, COKE, and WALTHALL are stirred to the bottom of their souls, and they alone can and will prevent the consummation of unconditional repeal. TELLER has called it a "damnable bill," and so say they all.

Senator VOORHEES occupies a most trying position; and while he has made the best of it, he has the look of one who is in strange company, with which he is ill at ease. He has been obliged to sit and listen to some of the sharpest and plainest criticism of his abandonment of the cause of which he was for years an honored champion that ever fell upon the ears of a Senator. And he has a far-away look as though he was hearing from the people in Indiana; and so are the others who have acted upon the proposed legislation hearing from the people. That hectic hue of resolution, which marked the passage of the Wilson bill by the House, is beginning to be "sicklied o'er with a pale cast of doubt." Members of the House whose ears are not too far away from Mother Earth, and not carried away with inclining to the clink of gold, the promise of patronage, and the prediction of future power, may hear a mighty ominous rumbling that betokens the gathering of an avalanche of political retribution.

The people do not often all speak at the same time, but when they are once sure of their bearings and make up their minds that unscrupulous power is busy shaping devices to enslave and degrade them, then good-bye to the fellows "dressed in a little brief authority" who heed not their will.

> The voice of the people, through silent a time,
> While they look on and wonder at error and crime,
> Will answer oppression's contempt of their might,
> And roar like a lion attacked in the night.

Mr. STEWART. I do not propose to read much from authorities upon this question, but inasmuch as I find such a general want of comprehension of the real subject, I should like to call the attention of the Senate to a very pointed and able article, and a short one, in the American Journal of Politics, written by F. J. Scott. I do not know the gentleman, but his article is entitled "The Gospel of Bimetallism," and I think he states the

case very well. I think Senators who have not read up on this subject will do well to pay attention to this, and either read it themselves or listen to my reading:

THE GOSPEL OF BIMETALLISM.

[By F. J. Scott.]

May it please the reader to be reminded of a few facts, and then to reason from them.

FACTS OF HISTORY.

1. Gold and silver have together been the coin metals of the world since history records anything.

2. For many centuries all civilized nations have endeavored by law to fix a relationship of value, and since the fifteenth century a definite weight and fineness for all gold and silver coins. Until 1873 these relations had become fixed and nearly invariable throughout the world; and both were equally bases for the issue of national and other bonds, of bank paper money, and other credit currency.

3. That the great variations of production of each of these metals at different periods have not disturbed the business exchanges of the world which have been performed with both of them; for when the silver mines of Peru and Mexico were adding an unprecedented volume to the silver of the world the increase stimulated commerce, but did not materially affect the value of the coin relatively to gold; and when the unprecedented increase in gold production from California, Australia, and Idaho from 1849 to 1865 was pouring a flood of gold into the commerce of the world, gold coins did not materially depreciate in value, nor silver increase, and both continued to be valued as before, relatively to each other; but both decreased in value relatively to commodities. Later on when the Comstock mines, from 1865 to 1874, bid fair to make a similar increase in silver, no fall ensued in the value of silver as metal, and the United States silver dollar in 1873 was worth 3 per cent more than its mate in gold.

4. Previous to 1873 the laws of all the great commercial nations made gold and silver interchangeable at fixed proportions, some making gold the national unit and some silver, but the greater part silver. The free coinage of only one of these metals obtained in one country, and of both metals in another country, so as to make the privileges of the two about equal in the world at large, and while the principal of bimetallism was not established in theory, the legal ratios of the coins were, in fact, the ratio of the commercial value of the two metals, uncoined, throughout the world.

5. The lessening value of silver began in 1873, when two among the greatest of commercial nations, the United States and Germany, having changed their unit of currency from silver to gold, gave notice to the commercial world that silver might not in the future be as fully legalized as it always had been up to that time, as a standard basic money. France, Belgium, Italy, and Switzerland in their relation as "The Latin Union," in consequence of the action of the United States and Germany, deemed it prudent to stop the free coinage of silver. Thus legislation in the United States and Germany forced other countries to legislative acts increasing the potency of gold and decreasing that of silver.

This legislation alone seems to have produced the derangement we now see. Reversal of that legislation by the United States would therefore seem to be the logical beginning of a restoration of the value of silver.

FACTS OF PHILOSOPHY.

1. The average production and average value of any two commodities is more equable than the average product or average value of either one.

Wheat and corn are the most valuable of the staple grains of the United States. If debts were payable in either, on the ratio of 50 pounds of wheat to 100 pounds of corn, creditors and debtors would be aware that both grains were liable to fluctuate in production and in demand so that the prudent business man would find it safer to have an option to pay in either than to bind himself to one only. If the creditor, by legislation, could make debts payable in one grain only, that grain would go up in price and the other would go down, no matter which was favored. And if any community were convinced that such a law were to be enforced at some future time, the effect would follow, though not perhaps so rapidly.

But so long as an option remains the law of averages in production and demand operates to make the double standard more uniform than the single one. Assuredly, if the production of both increases more rapidly than the demand, both may fall in value relatively to other commodities, but it would not take more of both to pay a debt, and *vice versa*. This is a form of fluctuation in the value of money and all other commodities that no intelligent government assumes to guard against. A barrel of flour is no more bought with the same number of gold dollars at different times than it is with the same number of silver dollars. The value of money is measured always by what it will buy, and fluctuates continually. The only influence law has in the matter is to ordain what metals shall be received as money, to coin those metals, to guarantee the weight and fineness of the coins, and there to leave them.

Now let us suppose that wheat and corn had been used as a medium of exchange for untold centuries, measured by government measures and proportioned in value as two to one, by law, all over the world. Then suppose that several nations, large consumers of both, should make laws forbidding the same rate of transportation for corn as for wheat, deny its use except in very small amounts, in payment of debts, and thus indicate its abandonment for a part of the use it before had. Would not everybody see that wheat would go up on the strength of its sole use for even that one purpose, and that corn would drop a little by reason of its disuse for one purpose?

2. It is an axiom that the value of all things which have commercial value is determined by use, and by the increase or decrease of the cost or rapidity of production relatively to use.

Evidently if governments, which establish by law what is money and legal tender in payment of debts, make a law the effect of which is to diminish the potency of one kind of metal coin money, and to augment the use and potency of another kind, the law is a controlling factor to change the relative and positive value of both metals.

It is estimated that nine-tenths of all the gold and silver commercially accessible in the world is in the forms of coin. The one-twentieth, more or less, not coined, and used for ornament and architectural decoration is altogether out of market after it is thus used, and rarely gets back into commerce; so that the commercial product of both metals is mostly absorbed by the coin use. The fraction demanded for decorative purposes is in fact a demand and lien upon the coin stock of the world.

Gold is coined free on presentation of the metal at the mints. Silver is denied free coinage. Legislation is all pointed to make an added potency for gold and a diminished potency for silver. Gold rises and silver falls. Free coinage and equal legal potency are for the two metals what equal rates of transportation are for produce. Is it not evident that legislation, and principally that of the United States, has been the cause of the fall of silver and the rise of gold?

This is rather elementary, but I feel from the tenor of the debate on the other side that something more elementary and more in kindergarten style is needed than I am myself able to give. It is not lengthy, and I want to call particular attention to it.

Suppose that corn had been obstructed—

He is supposing a case where corn and wheat had been used as money for a long time, and he says:

Suppose that corn had been obstructed in transportation by an unequal rate for quite a number of years, and in consequence has fallen in value at the farm; and wheat has an added value equal to the decline on corn; and after this result had been wilfully brought about by dealers in wheat, that these dealers should fill the air with denunciations of corn as a bulky and vulgar food, and no longer to be used in payment of debts, and after the price should drop again by reason of such influences, the same dealers should suggest that as corn is not worth as much as formerly the government should make a new bushel measure for corn so that they shall have a half more to a bushel. Would that be wise legislation? Would it not be a changing of weights and measures for the benefit of one class, and fraud toward all others? Would it not suggest legislation in the other direction, viz: to stop the unequal rate of transportation, and to disseminate the truth with regard to the essentially constant and equal value of the great twin products? Would it not be wise to review the laws and undo the legislation which caused such mischief?

To reach honest bimetallism the road is direct, clear, and logical. All talks of maintaining the "parity" of the two metals while knocking out the props from under one of them is based on ignorance of the philosophy of money, or mercenary interest in gold and bonds.

He puts it rather straight. There is a great deal of mercenary interest in gold bonds and in bank stocks all around.

The first mistake in United States legislation on this subject was made in 1873 when the gold dollar was substituted for silver as the unit of our currency; the silver dollar having been the unit from the time of Washington down to that time. Had the double or combination unit, now known as the bimetallic unit, been adopted then, the basis would have been a safe one. Or, later, had the coinage of silver remained free as that of gold, the theoretical change of unit might not have affected the relative value of the metals. But when in 1873 the equality of rights to the mints was denied, bimetallism received a stab from which it can only recover by a repeal of the legislation which inaugurated the war on silver; by the establishment of the bimetallic unit; and by the restoration of free coinage alike to both metals. This is the "straight and narrow way," the only logical way to a realization of honest bimetallism, and the restoration of the value and the parity of silver.

Is it not reasonable to suppose that a reversal of the legislation which brought about this result may restore the value more rapidly than it was lost?

We want honest dollars. The present gold dollars are not honest dollars. They are decidedly dishonest dollars. Within the past twenty years they have increased in value out of the loss on silver. The restoration of bimetallism theoretically and practically is to preserve the old yardstick of value against the revolutionists who have added 40 per cent to the value of gold by the legislation of the past twenty years.

I agree with him. I am opposed to these revolutions. I am opposed to anarchists, and of all mean anarchists the meanest are the anarchists of wealth. It is very dangerous for anarchists of wealth to be trying these experiments. When they

UNDERTAKE TO REVOLUTIONIZE THE STANDARD

and rob the masses, then they have no moral right to the protection of law; it rests on the bare legal right. The time has often been in history when that right had to be maintained by might. Those who have got the wealth are entirely too few in number to make the present structure of society safe. A moneyed oligarchy now, at this age of the world, could be triumphant for a while, but you know the men who gain wealth by art, by trickery, or by fraud can only defend it in that way. Their soldiers must be hired, and when the wealth of this country rests upon hired servants, soldiers of fortune who are hired, it is not well protected. You had better have it distributed. You had better let the law of natural distribution operate, and let all people have some property, if you want to have property safe. Property is not safe when the few get it all by fraud.

It may not come now, but these anarchists of wealth are

LAYING THE FOUNDATION FOR REVOLUTION.

They are courageous, but when fraud and corruption seem most powerful there is the most danger. I recollect very well when in New York a disrespectful remark in regard to Boss Tweed subjected a man to a good deal of danger; I was told "a man might be arrested and sent to the Tombs." I recollect very well when the Empire of Napoleon was peace on the surface, and fraud, rascality, and corruption were below. They had an election. The empire was peace; nobody dared question it, and in less than a year Napoleon fell. When any scheme based upon fraud and oppression seems most omnipotent it is in the most danger. When slavery was protected by the Constitution they went still further and said it was a divine right, and the preachers preached that it was right.

I remember the first time I ever heard the right of slavery questioned was in a town near Lake Ontario, Sodus Bay. I heard a discussion between a Presbyterian minister and Frederick Douglass. He was a young man just then coming out and he was questioning the divine right of slavery and the Presbyterian minister was maintaining its divine right. They were discussing the question there from a religious standpoint. Ninety-nine

of all the religionists both North and South believed in that divine right. Everything was one way; but still there was

A MORAL SENTIMENT AGAINST IT

that convulsed this country and we had war as the result. When questions of that kind are smoldering beneath what appears to be a serene exterior there is danger.

Do you know that the people of this country feel that they have been deeply wronged and are being robbed of their money? Do you know that there is a sense of injustice planted in the heart of every man who is driven from his home by reason of having his mortgage doubled by legislation? Do you not know that all his neighbors sympathized with him, and do you not know the sense of injustice that every man feels, when his property is depreciated to enhance the value of another man's property? There are forty million, yes fifty million people, sixty million people in this country who feel that they were outraged by the act of 1873; and feeling so, they do not relish the arrogance, they do not relish the self-righteousness, they do not relish the cant, when those who have changed it and made gold the dishonest dollar talk about an honest dollar, talk about conservatism, when by their very radical rascality they have

REVOLUTIONIZED THE MONEY OF THE WORLD.

If you, resting here in security, do not believe there is a feeling in this country produced by a great wrong you do not understand the situation. I know that money can hire newspapers; I know that patronage can sway majorities; I know that insolent majorities can demand a vote; that conscript substitutes are anxious to get their work done and get home and get their pay. I know all that; I understand it; but be admonished that there is a deep undercurrent in the minds and hearts of the American people that this great wrong ought not to go unpunished; and when they hear the arrogance of our British masters saying that they have an advantage of us and that they will not even consider the question of equities, but they will take the last dollar; that they will not consider the use of both metals because they are a creditor nation and it is their interest; when they see those high in office in this country agreeing with their British masters that we ought to be robbed, that it is legitimate to rob the American people—when the American people hear this talk they have a feeling that the superficial man can not realize.

I tell you, Mr. President, that those who are pressing this great wrong forward

ARE TREADING UPON A VOLCANO,

because the great mass of the American people feel that it is a great injustice and wrong. They see themselves driven from their homes without fault of theirs. They see that all their efforts have availed nothing. They see poverty where there ought to be prosperity. They see all the results of their labor transferred to a favored few, and most of them in foreign lands. They see those who fought for the independence of this country and the sons of those who sacrificed their lives for its independence now begging bread, because you have destroyed the value of their property. Go into any old community and see the old inhabitants who have lived on the farm for generations, whose ancestors bore arms to secure the liberties of this country, and you will find them starving. Go along these streets and you will see the descendants of the men of the Revolution begging for low and menial places about the Departments, many a lady asking to be a charwoman, to get bread, and you see these offices doled out to persons who can be serviceable, to persons

WHO CAN SERVE THE GOLD RING.

You see in the fat places those who can serve the gold oligarchy. Do you think the people are blind to these outrages? Do you believe that they have no hearts to feel? They feel the degradation that you are bringing upon them. They see the gradual process of slavery which you are carrying on. They see the end is inevitable. Here are the charioteers of wealth riding whip and spur over the heads of the people. They see the newspapers in New York, owned by aliens and foreigners and influenced by foreign greed, doing all they can to destroy civil liberty where it has been defended most, the only place where there can be security. We hear Mr. Bennett and Mr. Pulitzer talk about abolishing the Senate, that "it is no use; it is in our way; it prevents us from making money." Two years ago those of us who were defending the rights of the people were heroes because it suited them. The rascals are heroes now.

The men who write newspaper articles here of course work for hire. I do not blame the boys, because they could not get employment unless they did it. Take, for example, our friend Mr. Jones. When he was on the St. Louis Republican he was a good bimetallist, and now he abuses any man who thinks that way; and yet he is a very conscientious man. The question is, have his morals changed or has his position changed or his interest changed? These boys who write on the newspapers write just as the paper wants them. If they did not do it they could not get employment. Mr. Pulitzer, spending most of his time in Europe, wants to make a point and to carry out some scheme, and of course the boys have to write that kind of stuff.

If that does any good, all right; but when it gets out among our people it does us a great deal of good, because they appreciate it. Some of us would be very unpopular if you would speak of us flatteringly. If Mr. Pulitzer and Mr. Bennett spoke of us favorably it would endanger our popularity. This author says:

We want honest dollars. The present gold dollars are not honest dollars. They are decidedly dishonest dollars. Within the past twenty years they have increased in value out of the loss on silver. The restoration of bimetallism theoretically and practically is to preserve the old yardstick of value against the revolutionists who have added 40 per cent to the value of gold by the legislation of the past twenty years.

The gold dollar is a dishonest dollar to the extent that the metal in it exceeds the mean value of gold and silver. The silver dollar is a dishonest dollar to the extent that the metal in it is less in value than the mean value of gold and silver.

Our Government is at last brought face to face with the danger to itself from the abnormal demand for gold which our monetary legislation has been the principal agent in producing. All the nations, we hear, are scrambling for gold. It has risen constantly in value. It is rising now, and the failure to restore the "parity" of the two metals by the restoration of honest bimetallism will be the signal for a demand for gold that will send our Secretary to be a borrower, a beggar for money, and a manufacturer of debt for the country that refuses to use its own resources.

That kind of business Mr. Carlisle must carry on; he must borrow money if he refuses to use the money that can be got from our mines, and he must continue to humiliate the United States. This author says:

SELL GOLD WHEN IT IS HIGH.

Permit me to ask: When do we like best to let our wheat, cotton, corn, and pork fly the country? When they bring a high price or a low price? Was it a better policy to sell Lake Shore stock in Europe when it brought $1.40 or when down to 60 cents? When anything is away up in price is a good time to let it go, is it not, whether wheat, cotton, corn, or gold? Gold is high priced now; very high—has not been worth so much for many years. Let us sell it and get for it something, anything we want, in exchange.

If the United States takes a bold initiative on this question and makes coinage free, France and England will probably find they have some gold to sell while it is away up. Germany is in a fair way to be cured of her Government's mania for the gold basis. Her farmers and manufacturers with great earnestness are pressing to have silver restored to its old equal place with gold; and they point to the steady misfortunes that have followed its demonetization as evidence of its folly. England in her Indian Empire, with her 240,000,000 people, is maintaining the silver basis, while only her 40,000,000 at home have the gold basis. Make silver coinage free and it will raise the price of silver all over the world. Dutch, English, French, and American coin speculators will hasten to buy silver while it is low priced wi h gold, which is high priced. That will lower gold as the process goes on and raise silver—relatively to each other, I mean—the joint value of the two remaining the same.

Mr. President, then I want to call particular attention to Germany, and there is no doubt by precisely the same process with Germany the bondholders produced the depreciation of silver:

Our country can turn back the tide of silver money depreciation by exactly the same process that Germany and the united bondholder classes of the great cities have produced it, viz, by making it the interest of hoarders of gold to sell in such volumes as to drop its price. The monometallists have been just twenty years bearing silver. The United States is in a condition to turn the tables on them—to sell high and buy cheap. It is a battle of the democracies of this country, France, and the world against the allied bond owners of the great cities. Compromises are out of order.

I agree with this author. Compromises are out of order. How can we compromise with sin if we have to commit a crime? They do not propose to compromise unless we stab silver. The Senator from New Jersey [Mr. MCPHERSON] would not consent to any compromise that was not a murder of silver.

[At this point the honorable Senator yielded to Mr. PETTIGREW for a call of the Senate.]

Mr. STEWART. I suggest if Senators would spend more time in the Senate Chamber and less time in the cloakrooms, it would not be necessary to be thus elementary. They do not stay in the Chamber long enough to get a good understanding of the question. There has been enough silver talk in the last eight years here to give Senators some understanding of the question; but when the gold men come forward and make their speeches, it is obvious that they have spent their time in the cloakroom and do not understand anything about it. I do not allude to the present occupant of the chair [Mr. HILL in the chair], because he understands both sides. He occupies both sides, and of course he understands all about the question; but as to the rest of them they spend too much time in the cloakroom.

Mr. CAREY. Will the Senator from Nevada allow me to suggest to him that so far as the vacant seats were concerned—just before the last call for a quorum—it was caused by the fact that the Senator who has in charge the matter of calling the attention of the Chair to the absence of a quorum informed Senators on this side that they would be permitted to go and get their dinners, and he would not make a call for thirty minutes. The last call was not purposely made.

Mr. STEWART. What right have Senators to be so anxious about their dinners? They ought to forego eating.

Mr. PALMER. Will the Senator allow me?

Mr. STEWART. Certainly.

Mr. PALMER. The Senator from Montana [Mr. POWER] informed me a few minutes ago that it was the understanding there was to be no call for half an hour.

Mr. STEWART. I am sorry Senators were taken by surprise. I do not want to make them uncomfortable. When they get their stomachs filled if they would attend to business a little while and give us a chance to educate them there would be some hope of progress, for I do not think there is any subject in the world upon which there is so much interest as there is upon this question. I exclude from that remark my friend from Indiana.

Mr. VOORHEES. And the Senator from Nevada also.

Mr. STEWART. I may be excluded from that possibly, for I have been here and paying attention all the time. It is treated as a very light matter by the Senator from Massachusetts [Mr. HOAR]. He called it a very trivial matter. He did not know there was anything very much involved in it, and got very indignant to-day evidently because he had been out of the Senate Chamber so much he did not understand what the question is; and that is why I have taken this author as a text, who states it more tersely than I have been able to do. He says:

Let our Government use its influence to place silver honestly on an equality with gold for use in the United States alone. Free coinage and equal legal-tender potency for silver would be the first step to check the use of gold and the scramble for it. Increase the use and value of silver and you decrease the necessity for gold. The increased demand for gold is the result of legislation undermining the former potency of silver. The enactment of the bimetallic unit and free coinage of silver will bring down the value of gold and raise the value of silver. They will meet halfway. It has taken twenty years to depreciate silver to its present price. The length of time it may take to bring back the old parity in other parts of the world can not be foreseen, but the policy of honest bimetallism would be immediate and most healthy in its effects on all productive industries in our own country. The writer also believes that the moment the United States adopts the double standard, discussion will be renewed among all civilized nations, which will result in the universal adoption of bimetallism.

That is very different from the kind of bimetallism which is monometallism we hear here. The way to liberate ourselves from British rule is to lay down and let Great Britain place her financial heel across our neck! Absolute submission is the only independence that the greed of avarice can suggest to us. I believe that is the plan the President suggests.

A recent speech of Lord Balfour's, late prime minister of England, indicates clearly that other nations are hoping for our action in this direction.

Still the Senator from Iowa [Mr. ALLISON] says we can act in the other direction; we can do what our enemies want us to do, and refuse to do what our friends advise. When the enemies of the human race—the bondholders, the parasites that prey upon the labor and toil of the world, and by legislation double contracts—advise a thing, I look with suspicion upon it. I remarked this morning that I am delighted to find the course of the silver men distasteful to the gold aristocracy of Great Britain. They thought it was impudence and presumption to resist for one moment here their exorbitant and extortionate demands; and I see before me in America the sons of some, perhaps, who fought in the Revolution who despise the American financial flag, who trample upon it and value nothing but the British mark of servitude. "It is English, you know," English in this Chamber, if it turns out that way now.

It was not the case until the present Administration came in. A majority in this Chamber were American; now the majority are in favor of making this people a financial colony of Great Britain; and as they know it is pretty mean they do not like discussion; they want to do the work and get it out of the way. They do not like to stay here and have the world gaze at their

SURRENDER OF THE LIBERTIES OF THE AMERICAN PEOPLE

to this alien enemy. They do not like that, but the right of debate will enable us to keep them here for a little while. We are feeble, it is true, but we can stay here a little while until the American people can see who betrays them and turns them over to British rule. This author goes on to say:

A recent speech of Lord Balfour's, late prime minister of England, indicates clearly that other nations are hoping for our action in this direction.

The land-holders, the manufacturers, and the colleges all agree with us, but that monster power that rules the English press, that knows no law but avarice, and no interest but rascality, inhumanity, and cruelty—that power dominates England and dominates us. It demands a pound of flesh and wants the pound doubled. The small demands of Shylock of old are looked contemptuously upon by this new power that Gladstone so admires.

Surely we who have a stronger interest than any other nation in sustaining the value of silver, ought to take the initiative in our own behalf.

We took the initiative to destroy. The Senator from Ohio in his report, which was counteracted by the adverse report of Senator Morgan of New York, declared that the single gold standard was an American idea, yielded to reluctantly by France that had the double standard.

An international monetary conference can only be asked for with self-respect when the United States shall have shown other nations that she has the courage to act for herself in her own interest before asking their cooperation to help her help herself.

I ask the Senator from South Dakota to read the rest of this article.

Mr. KYLE read as follows:

It is a trite old adage that "He who would be free himself must strike the blow." But we have appeared in three international monetary conferences as a party self-maimed, committed to an illogical policy of duplicity; asking help to steer towards a harbor of financial safety, after having sailed away from it of our own volition, and while continuing to sail away from it. No ability of our delegates, exceptionally able as they were, could extricate our Government from the humiliating position they occupied in such conferences. American ears have tingled with shame to hear from foreign representatives, "if your Government believes in bimetallism why does not your Government vote for it and adopt it? None so much interested as yourselves in doing it."

A very lucid writer (Charles Harrison, deceased) has illustrated the question of a bimetallic basis in this quaint way: "We can not understand the idea of acknowledging that a man should have two feet and then try to stand all the time on one foot; or, giving one foot rights and privileges not accorded to the other; or, not treating them as equals; or, contending that only one foot should be recognized and the other employed as a subsidiary; or, the many other devices which may be resorted to to deny equal rights and powers to the two. Admitted that when a man is walking or running he is first on one foot and then on the other, he still finds his balance and solidity in having the two feet and those feet equal. He does not want one made of cork, or otherwise a subsidiary foot if he wants to either walk or run." I will add that our everyday experience that the right hand performs services that the left hand does not do so well, would not be a good reason for dispensing with the latter. Yet this is precisely what our own legislation has done and perpetuated against bimetallism. We began the process of slowly paralyzing one arm and one leg of the financial system, and have been engaged in this new form of hari-kari until, alarmed at the effect of our own work, we have appointed delegates to three international congresses to ask other governments to help us to stop maiming ourselves.

Since the people in the platforms of the two great national parties have over and over again distinctly given their adhesion to the principle of bimetallism, and State party conventions have done the same thing with even more distinctness, and a third party has arisen bearing this issue to the front, and the President (elected by reason of the strength of this third party) has proclaimed himself a bimetallist, and desirous of maintaining the parity of the two metals, why is it not the logical, the brave, the wise, the politic, the honest thing for the United States Congress to adopt the bimetallic basis, enact equal rights of free coinage for the two royal metals, and then send greeting to foreign powers, then ask that the principle be recognized and made universal in theory and law, as it has been in fact for a thousand years?

When we fix the principle of bimetallism in our organic law we may then leave the details of coinage to international conferences and to officers of mints, who have often little need and little knowledge of the great problems of political economy that affect the common weal of mankind, and which are involved in financial questions affecting the equality of rights and the stability of commerce throughout the world.

F. J. SCOTT.

Mr. STEWART. I will make no further comment on the able article of Mr. Scott. It explains itself more fully. But, as my time has now expired, I will take occasion in the near future to present my views on other branches of the subject under consideration.

Chinese Exclusion.

SPEECH

OF

HON. JAMES G. MAGUIRE,

OF CALIFORNIA.

IN THE HOUSE OF REPRESENTATIVES,

Friday and Saturday, October 13 and 14, 1893.

The House having under consideration the bill (H. R. 3687) to amend an act entitled "An act to prohibit the coming of Chinese persons into the United States," approved May 5, 1892—

Mr. MAGUIRE said:

Mr. SPEAKER: The measure now before this House is of tremendous importance to the Pacific coast, especially to the State of California. More than one-third of all the Chinese inhabitants of the United States are located in the city of San Francisco, most of them in the district which I have the honor to represent. I shall not attempt to go over in detail all of the grounds upon which the people of California object to Chinese immigration and upon which they object to restoring the privilege of residing in this country to the Chinese, who by their own defiance of our laws have forfeited that privilege.

This task has been most fully and ably performed by my distinguished colleague from California [Mr. GEARY]. To him more than to any other man has the great West looked for the defense of its interests in this contest; and it gives me pleasure to testify that in his effort their expectations have been fully and splendidly realized. If anything was wanting to complete his defense of our position it was furnished in the masterly and thorough argument of the gentleman from New York [Mr. BARTLETT]. But there are some phases of the Chinese ques-

tion which have not yet been discussed as I think they should be, and to them I will devote my time.

THE QUESTION OF PHILANTHROPY.

I am opposed to the extension of the period of registration for the Chinese, and I base my opposition upon a love of humanity as broad and as deep and as strong as that which animates the gentleman from Massachusetts [Mr. MORSE] in his mistaken zeal for the improvement of Chinese civilization and the salvation of Chinese souls. I have no prejudice against the Chinese people, no desire to injure them nor to see them injured or oppressed. It is in no spirit of harshness or unkindness to the Chinese that I oppose their immigration to, and their residence in, our country. I base my opposition upon my love for our Caucasian civilization, upon my love for the glorious institutions of liberty, equality, and justice which constitute the crowning glory of my country, and to the defense, support, and promotion of which the life and property and sacred honor of every true American are constantly pledged and dedicated.

I stand upon the universal, God-given right of self-defense, which belongs to communities and to nations, as well as to individuals, and I insist upon the right and the duty of self-defense for our civilization, which is the soul of our national life, as fully as the right and duty of self-defense against armed assailants of our physical autonomy is recognized.

From the dark ages of universal tyranny and slavery, through centuries scarred by the agonies and stained with the blood and tears of God's noblest children, our civilization has been evolved, and eternal vigilance is the price of its preservation.

Those scarred and blood-stained centuries represent the gulf between our civilization and the semibarbarism of China. Can these civilizations be mingled, with advantage to the lower and no harm to the higher? That is the theory of the Eastern philanthropists, but it is directly contrary to the knowledge which the evidence of actual experience has given to the West. That experience has demonstrated that, in meeting and mingling, the higher civilization loses a hundred fold more than the inferior gains.

On the abstract question of philanthropy we are not far separated from our Eastern brethren, but, as they see the Chinese problem only in the abstract, they are in no such position as that which we occupy, to balance and compare the advantages and disadvantages of Chinese immigration to the cause of humanity and civilization. The wide difference of sentiment between the East and the West on the Chinese question is not due to any fundamental difference in our principles; it is due to the difference between our tolerably complete knowledge of the question and your imperfect knowledge of it. You see the hardships imposed by our Federal laws upon the Chinese, and your sympathies go out to them because you do not see the other side of the picture. We see the oppression, misery, degradation, and slavery to which our own laborers are reduced as a direct result of Chinese immigration. We see that the imported Chinese coolies are mere agencies in the hands of monopolists—domestic and foreign—by which our own people are gradually reduced to a condition of wretchedness approximating to the social condition of the Chinese slaves, and without the slightest feeling of malice against the unfortunate Chinamen we demand their exclusion and their deportation as necessary measures of defense to our own people.

GEARY ACT MILD AND HUMANE.

The bitter attacks which have been made upon the Geary law in the press and in the pulpit, and upon the floor of this House, are without foundation and unjustifiable. That law was not, in any sense, harsh. It was mild and humane. It was not a deportation law, but a registration law. Under its terms no Chinaman lawfully in this country at the time of its passage was to be deported, provided that he should, at any time within one year after its passage, make up his mind to abide and obey its simple, easy, and convenient requirements. Every Chinaman was permitted to determine for himself whether he would comply with the law or submit to deportation as an alternative, and he was given a whole year within which to make up his mind on that question.

Why did the Chinese refuse to register? Why did they refuse to submit to a reasonable regulation, such as all of the great nations of the earth impose upon aliens sojourning within their borders?

That regulation can scarcely be distinguished from the passport system established and enforced by nearly all of the great civilized nations. The wisdom of such laws among highly civilized nations has been questioned: but the obligation of a citizen of one country, going into the territory of another, to respect the passport laws of that country has never been questioned before.

The gentleman from Kentucky [Mr. MCCREARY] explains their failure to register by saying that they were advised by their employers and friends and by the lawyers whom they consulted that the regulations thus made by Congress were unconstitutional, and, relying upon that advice, they refused to comply with the law.

The McCreary bill, now under consideration, is practically an act to relieve them from the consequences of their violation of the Geary law on the ground that they were misled in the matter by the advice of their lawyers. Now, sir, it is a matter of general knowledge, wherever the Chinese live in any numbers, that no Chinaman who refused to register was animated by any motive or judgment arising within himself, but was absolutely controlled and directed in his violation of our law by an edict issued by a combination of Chinese slave-owners known as the "Six Companies."

It is a matter of common knowledge, sir, that nearly all of the Chinese laborers in this country have been imported practically as slaves, and are owned, at least for the time of their residence here, by these six importing Chinese companies. It is also a matter of common knowledge on the Pacific coast, and it can be easily proved to the satisfaction of any man upon this floor, that these companies have been constantly engaged in the fraudulent importation of Chinamen into this country during the whole period of our legal restriction and exclusion, in defiance of our laws. Sufficient evidence of this is to be found in the report of the select committee on immigration and naturalization, sent by this House to the Pacific coast in March, 1891, to investigate questions arising under the Scott exclusion act.

The testimony accompanying this report shows that, in spite of the exclusion acts that had been passed prior to that time, Chinese were being smuggled in over the British Columbian and the Mexican borders of the Pacific coast States and Territories constantly.

What was the motive of the Six Companies in opposing registration? It was, plainly and clearly, their purpose to prevent the authorities of this country from providing any satisfactory means of identifying the fraudulently imported coolies whom they were bringing in. A great and lucrative part of the business of the Six Companies will be destroyed the very moment that a means of absolute identification of those who have a right to be here is established. It is impossible, owing to the absolute disregard of truth among the Chinese, and the cunning and skill displayed by them in all their evasions of our laws, to make proof by parol to the satisfaction of any court, of the fraudulency of any substantial part of the illegal importations thus effected.

As long as the Six Companies can prevent us from making satisfactory rules for the identification of those who have a right to reside here, and consequently a means of identifying those who come in fraudulently, their trade will flourish, their importations will continue, and they will grow rich by persistent violations of our laws. They issued their edicts forbidding the Chinese to register, and those who dared to defy our laws dared not defy the laws and the judicial institutions existing in this country among the Chinese, and to which they submit with absolute and unquestioning obedience. They did not refuse to register because of any personal objection that the individual Chinaman had to registering. They refused to register because they feared the iron bars and the pistols of the "highbinders," who threatened to mete out Chinese justice to those who would comply with our law, far more than they feared any law or institution of this country.

In the city of San Francisco where I reside, and within the district which I represent, there are, and have been for twenty years, secret Chinese tribunals, dealing with offenses against the regulations of the Six Companies, dealing with offenses and obligations arising between Chinamen, and executing their Chinese edicts with a rigor and a harshness unknown to the execution of any law ever made by the regular lawmakers of this country; aye, often executing the death penalty with a certainty and a ferociousness which makes the individual Chinaman fear and obey them, and which drives him back into his contractual slavery in spite of our constitutional and statutory guarantees of individual liberty. They know no liberty. Though they are in a land where personal liberty is guaranteed by the Constitution and the laws, they dare not demand the legal rights given them by our institutions.

Compliance with the Geary law was easy. Compliance with it would have secured to those lawfully within our borders the right to reside here just as long as they might desire. But the willful refusal to comply with its provisions imposed certain clearly defined consequences which they have chosen to take rather than to register. In obedience to the decrees of an alien institution in this country, and of alien laws—an Asiatic form of government within our Government—more rigorous and more effective than our laws, they have chosen deportation as a consequence of their refusal to register. That consequence does

not flow from our action. It flows from their choice, deliberately made, upon a full year's consideration.

The gentleman from Kentucky [Mr. McCREARY] in attempting to show that the enforcement of this law against the Chinese would be a disgrace to our civilization, said that no other nation had done anything that would compare in infamy with our purpose of deporting eighty-five thousand Chinese residents of this country and sending them to the home from which they came, to the country to which they still owe allegiance, to the country to which they look for protection, and through whose ministers they now appeal for every claim of right which they assert under our treaties or our laws.

Mr. McCREARY of Kentucky. I think my friend has unintentionally misrepresented me.

Mr. MAGUIRE. I do not think I did.

Mr. McCREARY of Kentucky. I want to state wherein I think the gentleman misrepresented me—not intentionally, of course. I voted for the Geary act; I was in favor of its enforcement. One year having elapsed, I think under the circumstances, as the Chinese were misled by the opinions of their attorneys, they ought to have six months more in which to register. If that is what the gentleman represented me as saying (for I was not in the Hall when he made the remark) then he represented me correctly.

Mr. MAGUIRE. Let me state substantially what I said; and I think the gentleman will find no reason to object.

The gentleman from Kentucky in speaking of our enforcing the Geary law at this time, according to the conditions which that law and the subsequent action of the Chinese people have created, and deporting 85,000 Chinamen now domiciled here, remarked that such a course would disgrace our civilization, and would involve a violation of the rights of humanity, such as no other nation has ever committed. That I understand to be his statement.

Mr. McCREARY of Kentucky. I said in substance (my speech is printed) that if we should now undertake to deport 85,000 Chinese who were misled by their attorneys, and who in my opinion desire now to register, it would be an act the like of which we could not find in modern times.

Mr. MAGUIRE. Now I say there is no self-respecting nation in the world that does not, when its passport laws have been wilfully and persistently violated, expel the alien who refuses to comply with those laws. I say that citizens of foreign countries who visit the most highly civilized nations of Europe must show their passports, must show their right to be in the country, or they must get out, if the laws require a passport. And this is an answer to the much-heralded claim that in the enforcement of the Geary act we require a Chinaman to prove his innocence, and put the burden of proof upon him for that purpose.

Mr. McCREARY of Kentucky. Will the gentleman allow me to ask him one question?

Mr. MAGUIRE. Yes, sir.

Mr. McCREARY of Kentucky. Do we impose the same restrictions upon any other class of people within the United States that we do upon the Chinese?

Mr. MAGUIRE. No, sir; because we have no other class of people who so persistently defy our laws and trample upon our institutions.

Mr. McCREARY of Kentucky. Does any other nation on earth impose such restrictions upon foreigners visiting the particular nation as we do upon the Chinese?

Mr. MAGUIRE. You mean in exact provisions?

Mr. McCREARY of Kentucky. Yes, sir.

Mr. MAGUIRE. I do not know of any provisions in precisely the same terms. The Australian colonies have adopted a system very like ours for their protection. My colleague [Mr. GEARY] informs me that France has such a registration law applying to all aliens.

Mr. McCREARY of Kentucky. Does the gentleman say that France has any such law operating on any class of people going to France as we have to-day in operation against the Chinese—the law known as the Geary law? I believe no man can say that such is the fact.

Mr. MAGUIRE. My information is furnished by my colleague [Mr. GEARY], who will answer the gentleman's question.

Mr. McCREARY of Kentucky. Is there in France any law compelling any man going there to register and prove his residence and providing that he shall be presumed to be guilty of not having a residence in the country unless he shows the contrary?

Mr. GEARY. My colleague [Mr. MAGUIRE] yields for a moment that I may answer the gentleman. France has a law requiring that all aliens coming within her borders for the purpose of engaging in trade shall register and take out a certificate; and penalties are attached to the violation of that law, just as we attach penalties to the violation of our laws. There is nothing new about such a provision. Mexico had such a law, up to 1867, requiring all aliens within her borders to register; and when this Government made demand upon Mexico for redress of injuries inflicted on Americans in that country the answer made by the Mexican minister was that the persons claimed to have been injured were not registered, and therefore the Mexican Government was not responsible for any injury inflicted upon them.

A law exactly similar to this was passed by England under George III on three different occasions, and I can not find any record of its ever having been repealed.

Mr. McCREARY of Kentucky. Did they have to prove residence?

Mr. GEARY. No; but the absence of the certificate is a sufficient proof to the contrary. We do not make a man who takes out a license to sell liquor prove his residence; but we say his business shall not be continued unless he exhibits the certificate to the proper authorities.

Mr. McCREARY of Kentucky. Would it be presumed if you were arrested in France that you were guilty until you proved yourself innocent?

Mr. GEARY. My friend can find an answer to that in the practice of our courts.

Mr. McCREARY of Kentucky. I am not talking of the practice of the courts, but of France.

Mr. GEARY. Well, I did not have an opportunity of visiting France in the capacity of my friend. I presume he was allowed to go without it and not required to make proof either. [Laughter.]

Mr. MAGUIRE. The gentleman from Kentucky is exercised perhaps because he was not asked to register over there.

SIMPLY A PASSPORT SYSTEM

Now, Mr. Speaker, there is an apparent harshness in the statement that a man charged with an offense must prove his innocence—that there is a presumption of guilt if a man is charged with refusing or failing to comply with the law. If a Chinaman is unjustly charged with violating the registry provision of the Geary law, he is himself necessarily possessed, not only of the knowledge, but of the exclusive evidence of his right to reside in this country. Why should he not be required to produce it just as I would be compelled to produce my passport if I should visit France or Germany.

A demand for the passport of an alien is not a trial for crime.

While a violation of the registry provision of the Geary act involves a forfeiture of the violator's privilege of residing in this country, it is not a crime in itself.

The Geary law simply provides, substantially, that no Chinese person is presumed to have a right to be in this country unless he has the certificate which the law requires him to take out. That is made the sole evidence of his right to be in this country. It is made at once the exclusive and the conclusive evidence of that right. When he is charged with being here unlawfully and says: I am here lawfully, the court says, produce your certificate. That is the affirmative proof of innocence about which these gentlemen have been talking—simply that and nothing more. He carries in his pocket, under the law, the exclusive evidence of his right to be here, if he has a right to be here, and the law simply requires that he shall put his hand in his pocket and produce that exclusive evidence of his right when it is demanded.

Mr. BOWERS of California. Just the same as you would have to do when you went to Europe.

Mr. MAGUIRE. It is as my friend suggests, as if I went to France, not as a commissioner of finance but as a common citizen of this country, I would be required to exhibit my passport whenever requested to do so by a proper officer. I would be asked to prove my right to be there and would have to produce my passport, just as the Geary law requires the Chinaman to produce his passport—certificate of registration—which is the exclusive evidence of his right to be and to remain in this country.

Now, Mr. Speaker, the immigration of Chinese to this country and the residence of Chinese amongst us has been to us a curse and a blight. The Pacific coast has felt this, of course, more deeply than any other part of the country. The Pacific coast receives them. Nine-tenths of the Chinamen coming to this country have been sifted through San Francisco. They have been, to some extent, filtered through the rest of the country, but the great burden of all the incubus and of all the hardships resulting from Chinese immigration have fallen on the Pacific coast States and Territories.

Mr. MORSE. Will the gentleman answer me what the relative proportion is between the Chinese and the white population in the Pacific States?

Mr. MAGUIRE. In the district which I represent there is a vastly greater number of adult Chinese male population than of

adult males of the Caucasian race, citizens and aliens combined. That is the situation there. That was true of the whole city of San Francisco, according to the statistics, until quite recently. I believe it to be the condition in San Francisco now. I believe the census returns of Chinese population in San Francisco to be wholly and grossly inaccurate.

I do not impute any fault to the census bureau in the matter. It is simply impossible to get an accurate return of Chinese population without their active coöperation. Ever since 1880 they have had a strong motive for concealing their numbers, and I believe they have done so.

Mr. WEADOCK. Let me ask the gentleman when it was that you had a vote on the question of Chinese immigration on the coast?

Mr. MAGUIRE. In 1879.

Mr. WEADOCK. Was not the result of that vote 150,000 against admitting the Chinese to 600 in favor of it?

Mr. MAGUIRE. One hundred and fifty-four thousand in opposition to their immigration and 883 in favor of it, if my memory serves me right.

Mr. WEADOCK. One hundred and fifty-four thousand against Chinese immigration?

Mr. MAGUIRE. Yes, sir.

Now, Mr. Speaker, from the social standpoint, from the moral standpoint, from the sanitary standpoint, from the industrial standpoint, Chinese immigration has been a curse and a blight upon the fairest portion of this great land of ours for thirty years. California is the garden spot of the American Union and she has been well nigh reduced to the level of a Chinese colony. The exclusion acts have happily preserved her from that fate, but the exclusion accomplished by those laws has not been by any means complete or perfect.

Such laws are extremely difficult of enforcement directly because of the vast lengths of our unprotected coast and border lines, across which they come almost at will.

The Geary law has vastly simplified the enforcement of exclusion, and although little has been done to carry out its purpose, our people look with dread upon the threatened surrender of any of its advantages.

Now, I do not intend to discuss the course of the present Administration in the enforcement of the Geary act since the 5th of May, 1893, but I am bound to admit that it needs defense.

I believe that the Treasury Department has, from the beginning, done its duty fairly; that it has recognized a law regularly enacted by this Congress as a sacred thing, which it is the duty of the executive department of this Government to enforce until it is repealed.

But there has been great complaint, and just cause for complaint, on account of the course pursued by the Department of Justice of the present Administration. That, perhaps, has been sufficiently discussed by my colleague [Mr. GEARY], and in the letter read by my colleague [Mr. BOWERS of California], addressed by Judge Ross of that State to the Attorney-General of the United States. Why did not the Department of Justice proceed with deportations to the extent of the means at its disposal? Why did it not deport the two Chinamen who were remanded by the United States Supreme Court for deportation in the test case? If the reason has been communicated to any member of this House I would like to hear it.

THE CHINESE HIGHBINDERS.

There are thousands of professional Chinese criminals, known as highbinders, in this country, hundreds of whom were pirates in China. Banished from that country they came to our shores, to burglarize our houses and to swell the ranks of the overstocked highbinder societies here.

A large proportion of these wretches are now subject to deportation for failing to register under the Geary act, and one of the worst features of the McCreary bill is that it will restore to them the privilege of remaining in this country.

Mr. BRETZ. What is a highbinder?

Mr. MAGUIRE. A highbinder is just what the gentleman from New York [Mr. BARTLETT] described him to be. A highbinder is a professional blackmailer and murderer, a man whose business it is to levy tribute upon the industrious people of his race, and upon the fallen women of his race, and who in case of denial to himself or to his society, will enforce the payment of that tribute by violence and murder in the most brutal and revolting forms.

Mr. BRETZ. Chinamen or white people?

Mr. MAGUIRE. Chinamen entirely. Do you mean to ask if the highbinders assault white people?

Mr. BRETZ. Yes.

Mr. MAGUIRE. Not in San Francisco, just yet.

In this behalf, it is probable that they are more strongly influenced by the fear of what the white people would do than by moral considerations. A Chinaman who will murder another Chinaman for money would probably not be restrained from murdering white men by conscientious scruples alone.

Now, sir, immediately after the decision rendered by the Supreme Court of the United States, affirming the validity of the Geary act, and establishing its constitutionality, the chief of police of the city of San Francisco offered, through his officers, who are thoroughly familiar with Chinatown and with the Chinese population, to point out one thousand highbinders—professional criminals—who had been satisfactorily shown to be such, in the course of his dealings with them, and asked that, as they had not registered, the deportation laws should be put into force against them first, and that they should be driven out.

In that way it was hoped to get rid of that element, with an element which it controls, the Chinese female slaves who have been imported to San Francisco and scattered around the surrounding towns for immoral purposes. It was proposed that they should be driven out, and a part of the moral cancer which they brought with them thus cut away and removed from the State.

If that had been done, if to the extent of the means available the suggestion of the chief of police had been accepted, and one thousand—a small proportion of the Chinese criminal element there—had been deported, the people would have felt much more kindly toward the proposition now made of giving to the Chinese another chance for registration. These highbinders have prevented their fellow-countrymen from registering, at the behest and command of the Chinese Six Companies, and the people felt that, when this great class of criminals and moral lepers had placed themselves within the reach of our laws for deportation, they should be promptly dealt with. It seemed as if the time long and patiently awaited had come, when, under the laws of our country, their privilege of remaining here would be canceled, and California relieved of that portion of its moral scourge.

But the people's hopes were not realized, and now the proposition is to restore to all those people, as fully as to all other Chinese, the right to register, the right to remain, the right (or opportunity) to carry on their infamous traffic, and execute the Asiatic laws now prevailing in that portion of San Francisco occupied by the Chinese. If the law had been enforced to that extent, or if the law remaining unrepealed and unamended shall be enforced to that extent, until the highbinder element shall be banished, there would be far less objection to extending the period of registration, under proper safeguards, to those then remaining. I do not mean that we should now give any direction that any particular class of the Chinese who have forfeited their rights to live here should be selected by law for deportation; but if the Government, exercising the powers and the means given to it by this Congress, should go on for the next two years trying and deporting that class of Chinamen, as we would have the right to do, one great object would be achieved.

Only a certain number, as the gentleman from Kentucky [Mr. MCCREARY] showed the other day, can be tried and deported within a given time. It would take two years to get rid of the classes that bear the brand of at least one term of penal servitude for violations of the laws of California.

Why not let the Geary law stand as it is for two years, provide a reasonable fund for the deportation of those with whom the courts can deal in that time, and let the worst element of our Chinese population be disposed of before we further discuss the propriety of giving the less objectionable another chance to register?

If that should go on for two years under the provisions, as to means, made by this Congress, the Chinese population would be very largely scattered from San Francisco; the vilest of its criminal elements would have been sent from our shores entirely; a better feeling would prevail everywhere concerning the treatment of the Chinese question; and we might then, with a safety which we can not count on now, reopen to such Chinese as might then remain in the country the opportunity for registering, if we should deem it wise, under the conditions then existing, so to do. But until the most offensive, the most degrading, the most destructive influence of the residence of the present body of Chinese in this country shall be removed, under the right which they themselves have unquestionably given us, any provision for extending the period of registration will be a severe blow to the interests of the Pacific States.

PRIVILEGE ROBS LABOR.

The people of California are unanimous—no, not quite unanimous——

Mr. MORSE. Right there will the gentleman allow me to ask him a question?

Mr. MAGUIRE. No; not yet. Let me finish what I am about to say and then I will answer your question.

I was going to say that the people of California are unanimous in their desire to be rid of this element; but unfortunately there are some Californians who are in a position to enjoy the benefits,

the substantial benefits, flowing from a system of civilization such as the gentleman from New York [Mr. SICKLES] presented here as one agreeable to his mind—the lowest wages at which servile labor can possibly be secured, and an aristocracy of employers growing rich by their privilege of appropriating the fruits of others' toil.

The gentleman favors a higher standard for American labor, but it is manifestly impossible to maintain one standard of wages for American labor and another for alien labor, competing in the same market, with natural opportunities equally closed against them.

The principles of democracy, in accordance with the laws of God, recognize but one rule of right among men. That rule of right awards to labor all that it produces. It is utterly incompatible with the asserted right of any class to live, by privilege, upon the labor of others.

Cheap labor is labor that is worth more than its wages—labor that produces more than it receives—and any industrial system which compels labor to give up to a privileged class any portion of the wealth which it produces is a system of robbery, abhorrent to the laws of God and destructive of the primary principle of human association—justice.

There are a few hundred monopolists in California who favor Chinese immigration, because it furnishes them with cheap labor and enables them to live more luxuriously at the expense of the laboring classes. Now, I will answer the gentleman's question.

Mr. MORSE. My question, Mr. Speaker, is this. The gentleman speaks about no difference of opinion, and substantial unanimity in regard to the matter of restricting immigration of Chinese. I do not think there is any difference of opinion here about that. I think the House is a unit on the subject of restriction. The gentleman spoke about a vote that was had in California. That was several years since, of course.

Mr. MAGUIRE. It was in 1879.

Mr. MORSE. Of course that antedates the Geary law, which was passed by the Fifty-second Congress. I want to ask my friend from California if he understood that vote to which he has referred to be an indorsement of the Geary act? That is my question.

Mr. MAGUIRE. I understood that vote to be a declaration that in the experience of the people of California Chinese immigration was a curse; and that, for the benefit of the State of California and of our common Union, it ought to be stopped. It went no further than that, because there were no further questions presented to the voters at that time. It was an indorsement of the principle of the Geary act, although the act itself was not in existence.

Mr. REILLY. Mr. Speaker, will the gentlemen allow me to ask him a question?

Mr. MAGUIRE. Certainly.

Mr. REILLY. It is this. If there had been no question about the validity of the act of 1892, the Geary act, and it was thoroughly understood by the Chinese people themselves that it was to be enforced, what effect do you think that would have had in taking out of the country those who felt or knew they were unlawfully here? Would any great number of the Chinese have gone, voluntarily?

Mr. MAGUIRE. If on the 5th of May of this year, immediate steps had been taken to enforce the deportation clause of the Geary act they would have gone from our country in thousands, and they would have gone at once.

Mr. REILLY. Well, now, if the bill reported by the Committee on Foreign Affairs, extending the privilege of registering for a period of six months only is passed, and it is understood that it is to be enforced, would it have the same effect?

Mr. MAGUIRE. It would not be understood that it would be enforced. The attorneys for these six companies are already telling their people that, as the vote in the Supreme Court of the United States (I use the word vote most respectfully) stood 5 to 3 on the constitutionality of the Geary act, with one justice absent, who is supposed by them to be opposed to the decision of the majority of the court; with a new judge, supposed to be in sympathy with the Eastern sentiment on that subject they will be able, if a new law be passed and a new test case presented to the Supreme Court of the United States, to have the registration and deportation act declared unconstitutional by that court. They are counting upon it. They are advising their clients in that way to-day. They will make the contest. This will be a battle to the death on the part of the Six Companies, and as long as the "highbinder" influence can coerce the individual Chinese, any law which will destroy the importing business of those companies will be resisted.

Mr. MORSE. Let me call the attention of the gentleman from California to a statement made by the chairman of the Committee on Foreign Affairs. He is a gentleman who does not speak at random, and I believe he spoke advisedly when he said as I remember, that he had information that the Chinese would register if the time was extended six months.

Mr. MAGUIRE. Did he say that he had received that information from individual Chinamen, or from anybody authorized to speak for them?

Mr. MORSE. From somebody authorized to speak for them, I understood.

Mr. BRETZ. Who was that?

Mr. MORSE. He did not say, but we may infer that it was the Chinese minister.

Mr. MAGUIRE. He was asked who it was, because it was suspected that he referred to the Chinese minister, and because on the Pacific coast, it has been supposed that the Chinese minister and the Chinese consul have been "standing in" with the Six Companies in their defiance of our laws.

Mr. PIGOTT. Let me ask the gentleman why it is that no amendment has been proposed excluding from the advantages of this extension act those persons who are known as highbinders and criminals?

Mr. MORSE. That is right. I would vote for that.

Mr. GEARY. Well, we will take your vote, and offer that amendment.

Mr. MORSE. All right.

Mr. MAGUIRE. We will present an amendment providing that the extension shall not operate to include any person who has ever been convicted of crime in this country.

LAND MONOPOLY AND THE LABOR QUESTION.

The gentleman from Massachusetts [Mr. MORSE] scouted the idea that 90,000 or 100,000 Chinese in this great country could be a source of any real hardship to the country, or any menace to our institutions, social, political, or industrial, and as one basis for his statement in that behalf he called attention to the magnificent, boundless, inexhaustible, natural resources of this country. Our natural resources are indeed measureless and inexhaustible, and if they were open to the people of this country on fair and equal terms—on the terms on which the great Creator gave them to mankind—the gentleman's argument on that phase of the question would be sound.

But these natural resources, without access to which labor can produce no wealth at all, are not open to the people. They are monopolized. Monopolized—in that word see, ye ages, comprised "the cause of the curses all annals contain." Chinese labor would not and could not oppress American labor if our lands were free, but, as it is, land monopoly and cheap imported labor are the upper and the nether millstones, between which American labor is being ground into serfdom and pauperism, as I will presently explain. The natural resources of the Pacific coast, the natural resources of our entire country, are the private property of a few individuals.

This great country, which we are pleased to call ours, belongs, by legal title, to a few landlords whose number and proportion to the whole people are annually growing less.

Every cheapening of labor, by any means, increases the market value of the land and the rent rolls of its owners; thus, by a double process, widening the gulf between the landless poor and our growing landed aristocracy. American labor, driven from the natural sources of independent self-employment, is forced to enter the labor markets of cities and towns and compete for employment with the cheapest labor that is there offered for sale.

Mr. MORSE. Who is responsible for that condition?

Mr. MAGUIRE. The people are responsible, because they have the power to correct the evil and do not exercise that power; but it is to be hoped that the people will ere long relieve themselves of that responsibility.

The monopoly of the natural earth and its God-given resources is the colossal crime of modern civilization, beside which all other oppressions of the poor are insignificant. Land is the exclusive source of human subsistence. All wealth, all means of physical subsistence, are extracted by labor from the natural earth. Indeed, man is a land animal in every sense. His food, his clothing, his shelter, his very body, all come from the land and all to the land return again. He must live upon the land and from the land, if he live at all. Even the sailor and the aeronaut are not exempt from these conditions of human existence, for the decks trodden by the one and the bars and ropes which support the other are of land.

The right to life, which we all regard as sacred and inalienable, can not be more sacred than the right of access to the exclusive means by which life can be supported. "You take my life when you do take the means whereby I live."

Yet, in this land of unexampled and unparalleled political liberty, a few men own and control the only source from which the masses of the people can draw their subsistence.

Those few have, therefore, the unnatural power to dictate the terms upon which the masses of the people of this country can

live—to fix the terms upon which they may have access to the natural resources that the Creator made necessary to the support of their lives. The Creator not only made and freely gave those resources as a common heritage to all his children for their support and sustenance, but he is constantly from day to day replenishing and improving them by the operation of his natural laws.

The creative power, by its changing seasons, by its sunligh and its rains, and its drifting winds, by its processes of growth and decay in the vegetable and in the animal world, is ever building up and replenishing the elements of the land that yield subsistence for mankind.

The unquestioned legal right of our landed class to entirely exclude their fellow-citizens from the lands of our country involves the power to inflict all oppressions less than such exclusion.

We have, therefore, under the forms of the greatest political freedom, a land system which creates an absolute despotism, under which the land-owning classes are lords of the industries, the liberties, and even the lives of their landless fellow-citizens.

It is in connection with this institution and this condition that we must consider the question of Chinese immigration. To consider the question abstractly is not to consider it at all. Upon the abstract question of human rights we are practically agreed.

You plead for justice and humanity to 85,000 Chinese. I plead for justice and humanity to 60,000,000 of Americans, whose hard conditions of life are being made harder by competition with Chinese slavery.

You do not see that you are really pleading for an increase of the oppressive power of American landlordism, with very little if any good to the individual Chinamen in whose names you speak.

True, they will be slaves if they are returned to China, but they will be slaves if they remain in this country, and their presence here will tend to degrade our laborers to the level of slavery.

HOW LABOR IS DEGRADED.

The condition of land monopoly prevailing in this country tends to fix the wages of all labor according to the standard of living of the lowest class of laborers seeking employment in the country.

American labor is no longer free, because its natural opportunities for self-employment, although they are measureless and inexhaustible, as the gentleman from Massachusetts [Mr. MORSE] has said, are closed against it by monopoly. It can no longer escape from an unsatisfactory labor market, but, in spite of the fact that wages bear no relation whatever to the value of labor, it must bid for employment against the cheapest labor that is offered there.

The tendency and the end of such competition in an overcrowded labor market where there is still an army of unemployed laborers, after all demands for labor have been supplied, is to reduce all wages to the line at which the unemployed surplus, facing the alternative of beggary and starvation, are willing to work.

I have seen the whole problem of labor's degradation worked out in practical life before my own eyes. Thirty years ago, sir, labor in California was comparatively free, because land was comparatively free there. Labor was then paid according to its production and not according to the lowest standard of living prevailing among the laborers as now. It was then worth what it produced and it was paid accordingly.

Laborers being then free to go upon the virgin soil and build their homes and establish their own industries, and being able there to comfortably feed and clothe their families and to educate their children in the standard branches of useful learning, were not obliged to remain in the labor market when it offered less favorable conditions. Then California was labor's "Promised Land." Then California was the last rampart from which the boasted and really glorious "standard of American labor" has been permitted to float.

Then there were in our land no tramps, few paupers, and no surplus labor in enforced idleness.

Then sparseness of population and the consequent lack of social advantages, imposed the only hardships that were known. What wonder that those who knew the freedom and the happiness of those conditions yearn for their return.

I saw the change of social conditions come. I saw the shadow of land monopoly steal over and encompass our Golden State. I saw a few hundred men become the absolute owners and masters of her great material resources, that were manifestly intended by their Creator to furnish homes and subsistence to 40,000,000 people. I saw an empire of her best and richest land pass by act of Congress under the dominion of a single, soulless corporation. I saw the gates of natural independence in home and industry closed against American labor.

I saw labor driven from its lucrative and independent retreats in the mountains and valleys into the markets of the cities and towns, there to be sold as a commodity at prices fixed by the laws of trade.

I saw the wages of American labor changed from the value of its product down to the price fixed by the alternative of pauperism, while the wealth-producing power of labor was increased, on the average, in all departments of industry elevenfold.

I saw the beneficiaries of monopoly manipulating the labor market to keep the price of labor down. I saw them importing, in tens of thousands, the coolies of China, not for the benefit of the Chinamen, as Eastern philanthropists persist in believing, but for the double purpose of bearing the labor market, by maintaining a surplus and of teaching American laborers to live on the rations of Asiatic slavery. These beneficiaries, let me say to the gentleman from Kentucky [Mr. MCCREARY], are the Californians whose brass bands and streaming banners heralded the dawn of Asiatic slavery on the Pacific coast in the ratification of the Burlingame treaty; and they, sir, would again furnish bands and banners to celebrate the resumption of their slave traffic if the Geary act were repealed.

In the great State of California, whose natural resources are confessedly capable of supporting 40,000,000 people, I saw the horrors that are supposed to result only from overpopulation, prevailing with a population of only 1,000,000.

I saw the millionaire and the tramp, contemporaneous menaces to our civilization, arise out of these conditions.

I saw the millionaire, without productive effort on his part, become a multi-millionaire, upon the tribute commanded by his purchased and granted privileges: and I saw the army of pauperism growing as he grew, and growing because of the conditions that made him grow—recruited by thousands from the ranks of unemployed labor—a ghastly procession of vice and crime, and rags and filth, and torment and despair, drifting listlessly, as "flotsam and jetsam" on the tide of our civilization, to whatever goal a just God may deem suitable at the close of their earthly hell.

These are the results as I have seen them on the Pacific coast, of land monopoly, supplemented by the importation of Chinese slaves. These are the conditions which we seek to mitigate by the enforcement of the Geary act.

The picture that I have drawn is no "distorted vision," no "distempered dream," but a stern tragedy in real life enacted in the open light of day. An awful tragedy on which the curtain rose within my memory, and upon the last act of which—the final triumph of humanity over monopoly—I hope to see the curtain fall within my lifetime.

DECLINE AND FALL OF ROME.

These results of land monopoly are not (excepting the Chinese slavery phase) peculiar to California or the West.

They prevail throughout the civilized world, wherever our land system prevails: but in the older sections of our country the change from free conditions antedates the earliest recollections of the generation now upon the stage of public life, and the Chinese phase of our Western problem has no parallel east of the Rocky Mountains.

But it has a striking parallel in the history of the decline and fall of the civilization and power of ancient Rome.

Macaulay tells us that "in the brave days of old," when Rome was mistress of the world; when to be a citizen of Rome was esteemed the proudest privilege of manhood, her "lands were fairly portioned" among her citizens. In the period of her decline and fall the lands had become the property of a few great landlords who employed slaves to work them. The landless citizens, thus excluded from the poor privilege of working as laborers upon the lands which once their fathers owned, drifted helplessly to the cities and towns, and there, in the helplessness of enforced idleness, they sank into pauperism and vice. Their debased suffrage became mere merchandise in the market, thus extending instead of controlling the powers of the monopolists. The soldiers of Rome became supplicants for alms, and their children hereditary paupers. The outer form of her official life alone preserved the semblance of Rome's departed glory. Then Rome fell, and, over the sepulchre of her once splendid civilization, her epitaph was written: "*Latifundia perdidere Italiam*" ("Great estates ruined Italy").

Shall history be permitted to repeat itself? Shall the lords of our land be permitted to work it with slave labor? Shall they be permitted to exclude our brethern, and our fellow-citizens from the poor privilege of earning their living as hired laborers upon the land in which, by natural right, they have an equal interest with the landlords themselves?

Shall they be permitted for their private gain to bring upon our country the curse that shattered the Empire of Rome? Shall they be permitted to turn our civilization backward, and make the ages of its development droop again?

No; this is our country, this is our civilization. Their preser-

vation is our first, and our highest duty, and is the truest friendship to mankind.

We of the West do not yield to the people of New England in love of humanity. As a native son of New England I glory in her devotion to the cause of liberty, and civilization. Our warfare is not against the unfortunate Chinamen. We would rather help them than hurt them.

We are struggling to preserve our own people from the hell of slavery that yawns beneath them. That accomplished, we will, in proportion to our numbers and our means, match every dollar and every effort that New England will contribute for the enlightenment and civilization of the Chinese, and for the betterment of their moral and social condition. Until American labor shall be made free we demand that it be protected from the competition of slavery. The emancipation of our own labor is the only just alternative for the exclusion and deportation of the Chinese. This brings me to the discussion of that alternative—the emancipation of labor.

HOW TO MAKE LABOR FREE.

The gentleman from Massachusetts [Mr. MORSE] asked: "Who is responsible" for the condition of land monopoly prevailing in this country, and I answered that the people are responsible, because they have the power to correct the evil and do not exercise that power.

The question is pertinent and important, because if the greatest evil of Chinese immigration results from faults in our land system, it may well be asked why we do not cure those faults and let the Chinese remain.

The gentleman's question, touching as it does the very heart of the great social conflict now agitating the civilized world, deserves a more complete and a more detailed answer.

The remedy which I propose for the evil of land monopoly is simple, just, practical, and unquestionably sufficient. It is this: To appropriate to public use, by taxation, for the support of our Federal, State, and municipal governments, the entire rental value of all land, irrespective of improvements, and to abolish all other taxes.

Would that be just? If it would not be just it would not be expedient. I hold that no permanent good ever resulted from an act of injustice. "Never yet did men or nations prosper finally in wrong." Entertaining these views and believing with Daniel Webster that "Justice, sir, is the great interest of man on earth," I am fully convinced, after mature deliberation, that the remedy is not only just in itself, but that it embodies the only means by which justice can be permanently and universally established among men.

Land is the common heritage of all mankind. It was freely given by the Creator, with all of its elements and all of its powers, for the equal use and sustenance of all mankind. It was not given to any one generation, nor to any class or classes in any generation, but equally to all mankind, from the first child of nature to the last human creature who shall inhabit the earth.

Land is the common heritage of every child of God—not as the heir of his natural father, not according to the possessions or the will of his natural father, whose right to land perishes with his own life—but as the direct heir of the Universal Father, from whom the right to life, to liberty, to air, to sunlight, are likewise directly inherited.

The true province of government is to regulate the use of this heritage by its citizens while preserving to each his equal right therein.

Why do men monopolize land?

To cure the evil of land monopoly the motive for it must be clearly understood in order that the incentive may be intelligently removed. Is the motive self-aggrandizement, or is it malicious, or is it mercenary? Our common experience is alone necessary to determine the question.

The motive is almost wholly mercenary. The desire for power over other men has its influence, but it is purely incidental.

Profit, either present or prospective, is practically the sole inducement to land monopoly. That profit is yielded either in present ground rent or future enhancement of the land value.

What is ground rent, and why does land, the natural elements and qualities of which remain unchanged, continue to advance in value in all growing communities?

Who produces the rental value of land? What influence has Chinese slave labor upon ground rent?

Ground rent is the landlord's share of production. It is the tribute charged by the owner of the natural earth for allowing others to use it. Its measure is stated by Ricardo to be, referring to any given piece of land: "the excess of its produce over that which the same application can secure from the least productive land in use."

In practice it may be generally stated that the rental value of any given piece of land is the difference between the average value of its product and the average cost (labor and capital) of production, for the period of the lease.

It is therefore manifest that whatever increases the value of the product, without increasing the cost of production, increases ground rent, as: an increased demand for the product, resulting from increase of population, or other cause, or an improvement in the quality of the product.

It is also manifest that whatever reduces the cost of production tends to increase ground rent, as: a reduction of the wages of labor, inventions of labor-saving machinery, and improvements in the methods of combining and subdividing labor.

Thus it is that, under our land system, every contribution to material progress, as well as every reduction in the wages of labor, attaches itself to the land and inures to the benefit of the landlords in increased ground rent.

For example, let us suppose that a given farm, or a shop or store site, which can be operated by one man, will yield a ground rent of $150 per year, when the standard wages of the required labor are $2 per day; if the wages of such labor be generally reduced to $1.75 per day, the cost of productively using that land will be reduced about $75 per year, and the amount of that reduction of cost can be added to the rent, unless, as another result of the reduction of wages the price of the product also goes down in the market.

Making an allowance of $40 on account of the reduction in the price of the product (a very liberal allowance), we have a net saving of $35 per year, which the landlord can add to his rent. This is the primary effect, only, of the reduction of wages upon the value of land. There is another effect equally important. A piece of land which will yield a certain amount of rent annually as a net income, is worth as an investment twenty times the amount of its annual net rent.

Therefore, an addition of $35 per annum to the rental value of the land in question would increase its market price $700.

Thus, the reduction of 25 cents per day in the poor man's wages not only lessens his purchasing power to that extent, but actually adds $700 to the price of the home which it is his life's ambition to secure.

This is the result which every reduction of wages brought about by Chinese competition has produced in California.

This is the result which, with greater or less intensity, is being produced by land monopoly everywhere.

The displacement of labor by labor-saving inventions drives the displaced laborers into the market to swell the army of the unemployed. The natural opportunities for the redistribution of the labor thus displaced being closed by monopoly, competition among laborers is intensified, wages reduced, and rent correspondingly increased.

This is the process which is enslaving labor and exalting landlordism everywhere.

PUBLIC ENTITLED TO ALL GROUND RENT.

We have now seen, in brief outline at least, what ground rent is and how it arises. We have seen that it is an increment of value produced and imposed upon the natural earth by the presence, industry, enterprise, inventiveness, and virtues of the whole people of each community in which it arises.

We have seen that it absorbs all of the general advantages of the material progress of the whole people; that to the landlord it is in every sense an unearned increment to which as landlord he does not in anyway contribute.

Merely permitting labor to use land productively is not a contribution to production, because the land, with all of its useful elements, was given to mankind by God, and would have been accessible to labor if the shadow of landlordism had never darkened the horizon of our civilization.

The landlord is not entitled to the rental value of his location, because he does not produce it.

The community is entitled to the rental value, because the community does produce it. Every value belongs of natural right to him whose labor or service produces it, and without whose labor or service it would not have existed. It is immaterial whether the value be produced by one person, or by ten persons, or by a million persons. It belongs to those who produce it—individually, if it be individually produced, collectively, it it be collectively produced.

The argument in favor of leaving the accrued rental value of land, that is, the unearned increment which has already attached to land, to the present owners, is based upon a mistake of fact. There is no such thing as an accrued rental value attaching to any land. All future rental values of land depend upon what the people will do in the future, and not at all upon what they have done in the past.

It is, therefore, just for the people who produce the rental value of land to take that value by taxation for their public uses.

This rule applies to all land whether it be owned by landlords or by speculators or by its immediate occupants.

The value which the public gives to the location should be paid to the public by the person who is in a position to control or appropriate that value.

As the landlords have confessedly no moral or legal right to compel the people to put forth the enterprise and industry necessary to produce and to maintain the rental value of their lands, they certainly can have no moral right to privately appropriate any of the direct or indirect results of such enterprise and industry as the people may voluntarily put forth.

As to improvements, the man who plants an orchard, or digs a ditch, or builds a house or a fence should pay no more taxes upon his orchard or his field or his lot than he would be required to pay if he had made no improvements whatever.

The value of the improvements belongs to the man who makes the improvements, by the same rule of right which awards the value of the location to the people who produce it; and a wise concern for the public interest dictates the encouragement of improvements by exempting them from taxation, rather than the discouragement of improvements by placing any kind of burden upon them.

The man who builds a house or plants an orchard increases the means of satisfying human wants, and is a benefactor of mankind in spite of the fact that his motive may be purely selfish; while the man who keeps a foot of useful land out of use works a corresponding injury to mankind.

The expediency of raising all public revenues by a single tax on land values, as a substitute for all other forms of taxation, further appears in the fact that it would save nine-tenths of the expense and waste now involved in levying and collecting taxes upon personal property, upon imports, and upon business privileges, all of which taxes are regularly shifted from the primary payers to the ultimate consumers—falling principally upon the overburdened farmers and laborers of our country.

Besides it would require men to pay taxes according to the advantages which they receive from the community, and not according to their necessities, as now.

As such a tax would bear upon land according to its value, and not according to area, and as the value of farming land is very small, by comparison with the value of land used for commercial and other industrial purposes, the small farmers—the most heavily burdened class under our present system—would find the single tax less in volume and far less oppressive in method than the complex and accumulated burdens of the direct and indirect taxes which now fall upon them with notorious inequality.

A tax on land values is the only property tax that always falls with proportionate equality upon all owners and that can not be shifted from the person paying it to the ultimate consumer or user. The reason that it can not be shifted is that while a tax on any other kind of property tends to check its production, and thus, by the law of supply and demand, to increase its price sufficiently to cover the tax, a tax on land values forces idle land into the market, increasing the supply of land offered for sale or lease, and thus, by the same law of supply and demand, reducing, instead of increasing, the rent. Heavy taxation of houses increases the rent of houses by the amount of the tax, but heavy taxation of land values decreases the rent of land. All political economists are agreed on that proposition, and it needs no argument.

Such a change in our taxation laws would not be an impairment of any vested right of landowners, because the power and right of taxation, to the extent of taking the entire rental value, whenever the public good may seem to require it, has been absolutely reserved to our governments, national and State, against every foot of land that has ever passed into private ownership in this country.

EFFECTS OF THE SINGLE TAX.

The effect of such a system of taxation upon the monopoly of land in this country must be instantly apparent. It would at once make such monopoly unprofitable and wasteful to the monopolist. It would at once take away the only incentive that now exists for the monopoly of land. It would compel all landowners to use their land productively, or at once let it go to those who would so use it.

Every user of land could afford to pay the margin of production or economic rental value of his land in taxes; but no man, above the mental level of a fool, would pay taxes amounting to the economic rental value of his land for the mere purpose of monopolizing it.

It would put an end to land speculation and the train of evils that follow ever in its wake. It would put an end to the collection of speculative rent, to booms, and to industrial depressions.

It would encourage the productive use and improvement of lands by relieving them of all public burdens, while insuring permanency of tenure, security of improvements, and security in the fruits of all productive effort.

It would forever settle the conflict between capital and labor and, by improving the condition of labor, put an end to strikes and boycotts and lockouts.

It would make land freer to labor than it was in California forty years ago; freer than it was on the Atlantic seaboard two hundred years ago.

It would restore the once cherished dignity of American labor, and the grand individuality which was once the distinguishing characteristic of American citizenship.

As a relief to our overcrowded labor markets, it would be equal to the discovery of a new and free and fertile continent in the Pacific Ocean, and its advantages would be more permanent.

Will our New England humanitarians accept the alternative; rise with me to this higher level of philanthropy, and assist in securing and building up our own civilization, as the best means of extending its advantages to the people of China?

With this emancipation of American labor accomplished, we could safely receive and absorb and civilize twice as many Chinese as have ever been within our borders, and, at the same time, furnish an object lesson to the other myriad millions of China that would set her civilization a thousand years forward, within the span of a single decade.

Which then, I ask, is the truer philanthropy? Is it that which you advocate, by which the powers and unjust privileges of American landlordism would be increased, and our own civilization degraded, in order to secure to a few thousand Chinese the doubtful advantage of living in slavery in this country instead of living in the same slavery in their own country? Is it not, rather, that which we advocate, by which our own civilization will be preserved and lifted up from the influences that are degrading it, and a new impulse given to the civilization of the whole world, such as no other single act in the world's history has ever given.

Your charge of cruelty and inhumanity against us in our treatment of the Chinese is unfounded and unjust. Never have any people been more patient, more law abiding, or more considerate under the pressure of similar evils than have the people of California in their treatment of the Chinese people.

Chinese exclusion and deportation are merely measures of necessary self-defense, and are in no sense race persecutions. Our warfare is not against the individual Chinamen, but against the deplorable conditions which their immigration and residence bring to us.

As well might we charge the people of the East with cruelty and inhumanity to the unfortunate passengers of plague-stricken ships, when, in protecting yourselves from the ravages of cholera, you enforce your quarantine laws.

PHILOSOPHY OF HENRY GEORGE.

We can not permit the evils of slave competition to afflict our people while we await the emancipation of American labor. The process of emancipation is too slow. The people are yet too greatly divided in opinion concerning the best method of emancipation. They have not yet sufficiently learned that labor never can be free except where land is free.

Knowledge must ever precede right credence, and right credence must ever precede correct political action.

The people are reading and studying the philosophy of Henry George. Progress and Poverty, which a distinguished English writer has happily denominated "a glorious gospel of justice," is steadily and rapidly changing the credence of the world on the subject of land tenure.

It is the herald of the next great step in the order of social evolution.

It is a practical development of the principles of Jeffersonian Democracy. It is a justification of our Declaration of Independence. It is a vindication of "the ways of God to man."

The manifest truths of its philosophy will speedily unify the world's credence, "Never yet share of truth was vainly set in the world's wide fallow."

The education of a nation on an economic question is not to be accomplished in a day, though "the stars in their courses" should work with the educators.

In the meantime, self defense becomes more than a right; it becomes a most sacred duty.

NATURAL RIGHTS OF CHINESE.

You ask if I do not recognize the Chinaman in this scheme of creative beneficence? I answer yes. I recognize most fully the natural rights of the Chinese. I do not question their equal right to the elements which the Creator has given for the sustenance of human life; but I recognize the fact that the same Creator has established the family, and by his law of human gregariousness has established the community and has decreed that through the family and the community civilization shall be evolved and defended.

He has the same right to an independent home that I have, but he has no right to invade my home, nor I his; and, as I have but followed the Creator's law of evolution in building up the institutions which constitute my civilization, I have a right to defend them, as well against the unarmed invader from China as against the armed soldier from Great Britain.

BUILDING TRADE'S PETITIONS.

In connection with the industrial phase of this question, Mr. Speaker, I desire to present several petitions from various trades

unions of California, praying for the enforcement of the Geary act.

I also desire to read, as presenting labor's view of this question, the following extracts from the petition of the Bricklayers' Union, which I will file here, and which has been indorsed by resolution in every union belonging to the Building Trades Council of San Francisco.

The extracts to which I desire to call special attention are as follows:

The importation of Chinese coolie labor into the State of California, and sister States of this Union, and the simultaneous closing of natural opportunities against our own people, have during the past twenty-five years been gradually but steadily reducing American labor to a condition of slavery. * * *

The oppression of monopoly on the one hand, and the competition of Chinese slave labor on the other, threaten to speedily degrade our American laborers below the standard of family life, by reducing wages to the bare cost of maintaining unmarried coolies.

I commend this vivid but not overdrawn picture of the ordeal of American labor to the Eastern sentimentalists who profess such an undying devotion to the abstract rights of man. I commend it also to the ministers of religion who are deploring the decadence of church influence among the laboring classes, while as representatives of religion they are promoting the humiliation and the degradation of labor by their advocacy of Chinese immigration.

[Mr. MAGUIRE here gave way to a motion to adjourn, reserving the right to conclude his remarks to-morrow.]

October 14.

Mr. MAGUIRE (resuming). Mr. Speaker, when the House adjourned last evening I was discussing the industrial features of Chinese immigration and residence on the Pacific coast. I endeavored to show that in California certain social forces, supplemented by the competition of Chinese coolies, had reduced the wages of labor to a point that bears no relation whatever to the value of labor, but is regulated solely by the standard of living of the lowest class of labor in the country; and that, as slavery is the lowest form of labor competing there, our laborers are being reduced to its standard of living.

THE VALUE OF LABOR.

The gentleman from New Hampshire [Mr. BAKER] asked my colleague [Mr. GEARY] if the Chinese did not give full value in labor for the $300,000,000 which as surplus earnings they have carried from the Pacific coast to China during the last twenty-five years.

I answer yes. They gave much more than value for it to the people who were in a position to take advantage of the cheapness of their labor, but they compelled the laborers of our own race to surrender an equal proportion of the value of their earnings to the same monopolists.

Let me say further to the gentleman, that, before the coming of the Chinese, American laborers received more than double the wages now prevailing in California, and they gave full value in labor for every dollar that they received in wages then. The wealth-producing power of labor has since that time increased many fold. Yet, in spite of increased wealth production, their wages have fallen 50 per cent. Will gentlemen, professing a desire for justice to labor, applaud that result?

When the lands of California were free and the American laborers there had the option to leave the labor market when its conditions were unsatisfactory, and go out upon the land and establish independent industries and means of subsistence for themselves, no competition of servile labor could injuriously affect them, but would tend perhaps to drive them to higher pursuits, and to callings better suited to their intelligence and capacity than the kind of labor for which they are now obliged to compete with the Chinese.

But we have no such conditions existing there now. American labor is not free there. It has no alternative there, any more than it has here, to leave the labor market when the conditions become unsatisfactory. It must find its employment in the labor market; and with the constant presence of a large body of unemployed laborers in that market, the tendency of the law of supply and demand—the supply exceeding the demand—is to reduce wages, regardless of the value of labor, to the lowest standard of living which will be adopted by the most hardly pressed class of laborers looking for employment. With thousands of surplus laborers of our own race in the labor markets of California wages would, in any case, be reduced to the lowest standard according to which Caucasian laborers would consent to live: but, with that army of unemployed Caucasian laborers supplemented by nearly a hundred thousand Chinese, whose standard of living is so low that no American laborer can submit to it and live, you can imagine the condition to which Chinese immigration has brought our laboring people.

ATTACKS ON CALIFORNIA.

As I stated yesterday, there is a class of men in California that favors Chinese immigration. A representative of that class, Mr. W. W. Hollister, was a prominent witness before the committee of investigation sent by Congress to California in 1876. He testified that Chinese labor, or labor as cheap as Chinese labor, was absolutely necessary to the great productive industries of the State, and he cited his own case. He testified that he was conducting a farm and that it was impossible for him to pay $30 a month for European or American laborers to cultivate his farm and make any money upon it; he testified that he could get Chinese labor for $15 a month, and that his farm was thereby made profitable.

Being questioned by a member of the committee, he stated that his farm, usually cultivated, consisted of 15,000 acres of land, that in addition to that he owned other lands, of the best in California, to the aggregate amount of 318,000 acres. To men who are thus monopolizing all that section of our country the cheapest form of labor available is most desirable, and with the power of wealth these men have everywhere and at every opportunity, through the powerful channels always accessible to wealth, sought to ridicule, to slur, to denounce, to berate the masses of the people of California for opposing Chinese immigration, and have denounced them as "sand-lotters" and "hoodlums" and people opposed to peace, to honesty, and to good order.

Those statements have been repeated on the floor of this House, and, while I do not blame gentlemen here, residing in the East, for repeating such statements when they come upon the authority of Californians, I do denounce them as false and unjust, as the outcry of the 800 monopolists against the 154,000 people of California, who in 1879 stood against the demands of the promoters of Chinese immigration, who sought to increase that immigration solely for their own personal advantage, regardless of the distress and the oppression and the ruin that their mercenary purposes brought upon the State. I say further that no country in the world, no section of this great country, animated as it is in all its sections by a love of fairness, justice, and law, can present a better showing than California makes with respect to her treatment of an alien, an objectionable, and an obnoxious race.

There is no section of this Union in which the Chinese people under similar circumstances, would be treated as well as they have been treated in California. There never has been, save in very exceptional cases, any danger to the lives or the property of the Chinese people in California. They have generally been protected from injury and insult, and even where, in a few isolated communities, the laboring classes, seeing their families in suffering and want and the monopolists of the only resources from which they could produce a living by their labor employing Chinese serfs to work the natural opportunities that they controlled, leaving their white fellow-citizens out as a body of surplus human beings to die—even there, when those people, moved and maddened by the impulse of despair, drove the Chinese out of the isolated towns of which I have spoken, they treated them with no violence, they even helped them to carry their baggage from the places from which they were deporting them down to the places of railroad or water transportation.

I do not justify the acts of the men who did attempt to take the law in their own hands and to remove the Chinese; but I do say that acts of violence and hoodlumism against the Chinese have been remarkably rare in California's treatment of this race under the circumstances.

MORAL AND SANITARY OBJECTIONS.

The moral phases of this question have perhaps been amply discussed, and I shall therefore deal with them very briefly. The Chinese people, at least those who come to this country, constitute an inferior civilization. They have brought with them and planted in our midst the vices, the crimes, and the immoralities of an inferior civilization. They have made them cheap and alluring to the young of our race. They have driven great numbers of the boys and girls of our country, first from the schools and then from the workshops—from the schools by disabling their parents from maintaining them during their proper period of education—driven them untimely to seek employment in the workshops in competition and in contact with the Chinese, and they have again driven them out of the workshops by competition.

The contact has blunted their moral faculties; and the alluring cheap vices of this race, opening to them and beckoning them from every Chinese washhouse and nearly every Chinese institution in that city—opium smoking, Chinese gambling, lewdness, and worse vices constantly open on such terms as make them accessible—have blasted the lives of thousands of California's fairest and brightest sons and daughters.

A class of white children, some of them grown to a sort of distorted manhood and womanhood, lives now in San Francisco, degraded by contact with the Chinese, known as "opium fiends," numbering hundreds. They do not, perhaps, run up into thou-

sands because they do not live long enough to constitute a very great class after they have contracted the vicious habits of the Chinese.

I have seen in reformatory and penal institutions in California scenes and evidences of the moral and physical degradation of white children by these Chinese vices that should appall the civilization of the East. Scenes and evidences that do appall every Eastern man or woman who, dealing practically with the Chinese question, undertakes, even for a few hours, to investigate it on our coast.

The men who speak in the name of humanity, in favor of the importation of Chinese, or of restoring to those who are here the right to remain, are men who have never seen the other side of this question—men who have never studied it from a practical standpoint. But East and West, the men who understand this race, who understand its destructive influence upon our people, are like the gentleman from New York [Mr. BARTLETT], like the gentleman from Pennsylvania [Mr. SIBLEY], like every other man who has given thorough study to the subject, in perfect accord with the demands and prayers of the people of the Pacific coast.

The sanitary condition produced by the establishment of this Asiatic city in the heart of San Francisco is, beyond description, dangerous and loathsome and fetid. There has not been a time within the last ten years, according to the testimony of leading physicians of San Francisco who have examined the matter, and the statements of the Board of Health of San Francisco, when that quarter of our city has been free from loathsome, contagious diseases—from diseases that breed in the dirt and filth and offensiveness with which the Chinese habitually surround themselves, in spite of our laws.

They know nothing and care nothing about hygienic laws, and they resent our sanitary regulations as persecutions.

Mr. RAY. Let me ask the gentleman this question: Are the municipal authorities of San Francisco powerless to remedy that state of things? Why can not the police power of the city take hold of it and correct it?

Mr. MAGUIRE. The police power and the power of boards of health—the best boards of health in the world are maintained there because it is absolutely necessary that they should be the best—are battling with these conditions and have battled with them constantly. They have so modified them as to make it possible for the city to escape epidemics. Fortunately the favorable climatic conditions, as stated in two of the Congressional committee reports here, make San Francisco a place unfavorable to the growth of the diseases that are carried there and bred there by these people. It has been declared by both of your committees that such conditions existing in any city in the East, or in any city in Europe, would spread desolation and death among the people beyond all human power of prevention.

Our police authorities and our boards of health have battled against these evils and these dangers constantly, and fortunately with great success so far as the body of the white people are concerned.

Mr. BAKER of New Hampshire. Will the gentleman yield for a question?

Mr. MAGUIRE. I have only five minutes, but I will hear the gentleman's question, because I have been answering one of his points.

Mr. BAKER of New Hampshire. I would like to ask whether the Chinese in San Francisco own the property that they occupy?

Mr. MAGUIRE. No, sir; as a rule they do not.

Mr. BAKER of New Hampshire. Then, why do you not compel the white men who own the property to keep it in proper sanitary condition? That is my question.

Mr. MAGUIRE. Well, that opens up a field of discussion too extensive for the very limited time that remains to me. The courts of California have been dealing with that question for years. A California State law requiring that 500 cubic feet of air should be provided to each occupant of a Chinese bedroom was resisted with the same desperation with which this law has been resisted, and by the same authority—the Six Companies. They resist every sanitary law that is enacted; they carry their resistance through all the courts, and they yield only under absolute compulsion of the final judgment of the highest court to which the law gives them a right of appeal or application.

RELIGIOUS PETITIONS.

Petitions have been presented here from a number of highly respected and highly respectable religious organizations for the repeal of the Geary act. These organizations have no thought of working injury or injustice to our laboring people. They move upon the impulse of their religious zeal for the salvation of Chinese souls, and are oblivious to the other side of the question. They do not see the moral ruin, the degradation, and the suffering which that immigration has brought to our own people, and naturally enough, in the name of that humanity which they see represented in the Chinese, knowing nothing of the considerations of humanity due to our own race, they plead and pray for increased facilities to Christianize the Chinese.

But, Mr. Speaker, I venture to assert that for every one of the disciples of Confucius that all the missionaries and ministers of the gospel have ever really converted to Christianity, I can point to fifty white children, children of our own race, who have gone from Christianity and from all the influences of civilization down to degradation, ruin, and infamy through competition and contact with the Chinese residing in this country. I claim, sir, that the moral and physical ruin wrought among our people by this invasion will outweigh a hundred fold, aye, a thousand fold, all the good that all the missionaries and all the ministers have ever done in the matter of improving the moral condition of the Chinese.

Now, there has been some criticism and some complaint indulged concerning a remark made by my colleague, Mr. GEARY, in relation to the petitions presented by conferences and associations of ministers of religion throughout the country to this body. I make the same objection to the attempts of these religious bodies to reënforce their perfectly proper personal petitions by appeals to the power and membership of their respective churches. I deny that any religious conference in this country, or any religious association in the United States, represents or is authorized to speak for the political sentiments or political opinions of those who constitute the membership of their churches. I deny that any annual conference of two hundred ministers has a right to control, or does control, or does represent, the political sentiments of the sixty-four thousand members of its faith.

The same proposition was presented, the same stereotyped resolutions that have been here filed were submitted to the annual conference of the Congregational Church in California the other day and their adoption was urged. They were finally adopted, but the proposition to declare that the conference represented the sentiments of the members of the church on this question was rejected. It was rejected because two or three ministers rose and strenuously protested that the conference had no right to speak on this question for the members of the church, and declared that three-fourths of the church members were opposed to the position which a majority of the conference was ready to assume.

Mr. MORSE. Has the gentleman from California the resolutions of the Congregational conference to which he referred? If so, I hope he will print them with his remarks.

Mr. MAGUIRE. I have only the newspaper clipping to which I have referred and there is substantially nothing in it except what I have stated. The resolution adopted was for the repeal of the Geary act.

DEFECTS IN M'CREARY BILL.

Now, Mr. Speaker, my colleague [Mr. GEARY] has clearly pointed out some very serious defects in the bill now pending, and has submitted amendments calculated to correct them.

If this House is determined, against the protests of the Pacific coast, to extend the time for Chinese registration, every consideration of good faith and national dignity require that these amendments be adopted, so that the act shall be as effective as possible for the purposes for which it is intended. Without the provision for photographing the Chinese who register the act will be practically a nullity. I thank the House for its attention.

Pan-American Monetary Union.

SPEECH
OF
HON. WILLIAM M. STEWART,
OF NEVADA,

IN THE SENATE OF THE UNITED STATES,

Monday, Tuesday, and Wednesday, October 23, 24, and 25, 1893.

(Being the legislative day Tuesday, October 17, 1893.)

The Senate having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. STEWART said:

Mr PRESIDENT: I ask that the amendment of which I gave notice be read.

The VICE-PRESIDENT. The amendment will be read.

The Secretary read the amendment intended to be proposed by Mr. STEWART, as follows:

Add as an additional section to the bill:

"SEC.—. That the President of the United States be, and he hereby is, au-

thorized and directed to invite the several governments of the Republics of Mexico, Central and South America, Haiti, and San Domingo to join the United States in a conference to be held in Washington, in the United States, within nine months from the passage of this act, for the purpose of 'the adoption of a common silver coin to be issued by each government, the same to be a legal tender in all commercial transactions between the citizens of all the American States represented in the conference,' and when such common coin shall have been agreed upon by the majority of the governments represented in such conference, and when the governments so invited and participating in such conference shall have opened their mints to the free and unlimited coinage of the common silver coin so agreed upon by the conference for the benefit of depositors of silver bullion, the United States will also open its mints to the free and unlimited coinage of such common silver coin."

Mr. STEWART. Mr. President, on the 24th day of May, 1888, the most important law for the benefit of this country that has been considered for many years was passed without a division. If that law had been executed in good faith by the executive department we would have to-day unexampled prosperity in this country. But as usual, everything passed by Congress for the relief of the people in furnishing them an adequate volume of circulating medium is arrested in the executive department. The law to which I allude is entitled "An act authorizing the President of the United States to arrange a conference between the United States of America and the Republics of Mexico, Central and South America, Haiti, San Domingo, and the Empire of Brazil." The first section provided for the invitation and the meeting of the conference and matters of organization. The second section provided:

That in forwarding the invitations to the said governments the President of the United States shall set forth that the conference is called to consider—

First. Measures that shall tend to preserve the peace and promote the prosperity of the several American States.

That is very general and of very little consequence.

Second. Measures toward the formation of an American customs union, under which the trade of the American nations with each other shall, so far as possible and profitable, be promoted.

That might be of some use, but it has been of no practical use, however.

Third. The establishment of regular and frequent communication between the ports of the several American States and the ports of each other.

That would be very useful, if there had been any practical way of carrying it out. To have rapid communication by water between the several states of the American hemisphere would have been a good thing, but it would have required legislation by Congress to carry it out, and probably large appropriations.

Fourth. The establishment of a uniform system of customs regulations in each of the independent American states to govern the mode of importation and exportation of merchandise and port dues and charges, a uniform method of determining the classification and valuation of such merchandise in the ports of each country, and a uniform system of invoices, and the subject of the sanitation of ships and quarantine.

That would have been useful if carried out; indeed they made some arrangement with regard to it.

Fifth. The adoption of a uniform system of weights and measures, and laws to protect the patent rights, copyrights, and trade-marks of citizens of either country in the other, and for the extradition of criminals.

Provisions were made in regard to those matters, but producing no great result. There is nothing in that to produce any great result or marked effect upon the general prosperity of the western hemisphere. But the sixth was the important proposition. It was the best law which has been passed for twenty years, and it would have produced greater benefits than any law passed in twenty years if it had been carried out.

Sixth. The adoption of a common silver coin, to be issued by each government, the same to be legal tender in all commercial transactions between the citizens of all of the American states.

There were two other minor propositions to be considered. In pursuance of the invitation all the states invited came, and they came with the purpose of carrying into effect every provision of the invitation. They came in good faith, and a most intelligent body of men they were. When they came to the sixth provision they appointed a committee composed of leading delegates from the several states and from the United States. The majority of that committee made a report, which is as follows:

The committee presents to the conference for its consideration the following:

The International American Conference recommends to the nations represented in it—

(1) That an "International American Monetary Union" be established.

(2) That as a basis for this union, an international silver coin be issued, which shall be a legal tender in all the countries represented in this conference.

(3) That to give full effect to this recommendation, there shall meet in Washington a commission composed of one delegate from each nation, which shall determine the quantity, value, and proportion of the international coin and its relation to gold.

That this commission meet in Washington in a year's time or less after the final adjournment of this conference.

E. A. MEXÍA.
J. ALFONSO.
JUAN F. VELARDE.
CARLOS MARTINEZ SILVA.
JERONIMO ZELAYA.

WASHINGTON, *March 10, 1890.*

Unfortunately the delegates from the United States would not join in that report. They would do nothing about it. After having invited the nations of this hemisphere, except Canada, to appear for the purpose of establishing a coin that should be a legal tender in all the Americas, the United States repudiated its own invitation. The delegates, as shown by the debate, felt themselves very much wronged, as they were; but English influence had interfered; a new Administration had come in, and a scheme was on foot to make some kind of a commodity out of silver. The Windom plan was then under consideration by the Department, and that was thrown into the discussion. The delegates from the other states informed our Government that they had not been invited here to consider the subject of a paper circulation of any kind or to treat silver as a commodity. The report of Mr. Mexía, a delegate from Mexico, in support of the proposition is very strong, and it is not very long. He said:

The sixth section of the act of the Congress of the United States approved May 4, 1888, reads as follows:

"Sixth. The adoption of a common silver coin, to be issued by each Government, the same to be legal tender in all commercial transactions between the citizens of all the American states."

Pursuant to this article, a committee has been named to report upon the method of carrying into effect the idea which it sets forth.

According to all the data at hand, the importations into the United States from the several countries comprising the Spanish-American republics exceed by a considerable amount the exportations of the United States to the same countries. The excess, which is a very large figure, is against the United States, who pay it in gold.

I have the statistics (which I shall introduce later on) of the last year's trade with those countries. The balance was $144,000,000. I will introduce the table, because I shall have occasion to call attention to the items contained in our trade with those countries. The balance of trade against us was $144,000,000 last year. I continue to read from the report of the Mexican delegate:

The object in giving a common silver coin to the nations which compose this conference is to facilitate the commercial transactions, and to avoid those great fluctuations in silver which have been the cause of serious difficulties to the nations using this metal, and at the same time have rendered burdensome the commercial intercourse between the United States and the Spanish-American republics. This committee essays the task of discovering the method of counterbalancing these difficulties in such a way as to make it prejudicial neither to the Government of the United States nor to the Spanish-American states.

Two methods present themselves: The first—adopting as a general basis the project suggested by the Secretary of the Treasury of the United States, Mr. Windom, who proposes the issuance of certificates of deposit in exchange for silver bullion deposited, giving to the certificates the value the bullion may have in the market on the day of its receipt, and redeeming said certificates upon the basis of the market value of silver on the day of redemption.

This method, important as it is on account of the position and talent of its author, is still in the form of a bill and subject to alterations when it shall reach discussion in the Congress of the United States; it lacks, therefore, a definite basis upon which the committee could formulate a report. It is clear that it would be impossible, or at least very difficult, for this committee to present a project based upon that of Mr. Windom, when the latter might be defeated or not be acceptable to the majority of the House of this Congress, thereby entirely repudiating the idea; however, it would not be difficult for a like scheme to be adopted by the several countries here met together, each one receiving the deposit of the bullion and issuing promissory notes or certificates of deposit under the same conditions as those of the Government of the United States.

I repeat, this is still a hypothetical case which should not at the moment occupy our attention, but rather should we follow the course of the debates in the American Congress, so that they may serve us as a guide in the future.

Another project which appears to be the easiest and most practicable, for it is within the reach of all, that is to say, of the masses, is the adoption of a silver coin, of one or more denominations, of a design and value hereafter to be agreed upon, based upon the dollar which now exists in the United States of North America.

A 50-cent coin would also be of great utility, if it were given a value equivalent and proportionately equal to the aforesaid dollar.

The probable production of the United States is to-day from $59,000,000 to $60,000,000 of silver per annum; that of Mexico from $45,000,000 to $50,000,000, while the other Republics of Central and South America only coin some $25,000,000, more or less.

The issue of this international coin should be equitably distributed between the several countries in proportion to their population and coinage, leaving always a margin for the natural expansion which might and would result from this monetary union. The circulation of the international money should be compulsory among all the nations represented in this conference as regards the dollar, and with respect to the 50-cent piece, only in payments of the latter amounting to $50 in each case.

A monetary commission might be created by the governments interested, each naming one or more representatives, who should assemble and occupy themselves exclusively with the details of issuing the aforesaid international coins. The amount coined by the projected monetary union to be limited to $—— per annum, the monetary commission meeting every three or five years to determine in assembly the increase or diminution of the amount to be issued.

The great importance of this monetary union can not be denied; for, without prejudicing any one outside of our own limits, it greatly benefits the industries of the Spanish-American nations, of the United States, and of all which compose this conference; it increases the wealth of the world, for it stimulates the production of silver, and, giving it a fixed value, prevents those terrible fluctuations so dreaded by merchants and producers.

Establishing a fixed type would serve as a basis for all commercial transactions and would inhibit one nation from so influencing exchange that the benefit might always accrue to it at the expense of the American continent.

E. A. MEXÍA.

The view taken of the conduct of our administration was disgraceful. The rebuke of José Alfonso, delegate from Chile, was well deserved. He said:

As is known, the International American Conference has been called to deliberate, among other matters, on the adoption of a common silver coin for America. The subjects submitted to consideration were chosen by the in-

viting Government. If it is easy to imagine that the governments invited might accept all, the greater part, or only some of the subjects proposed for the consideration of the conference, since they could not choose them beforehand, this supposition can not be allowed by the Government which issued the letter of convocation. It seems that a change of opinion must have taken place, which it would have been necessary to communicate to the conference, which, in the face of this fact, should have determined that which it considered opportune and convenient.

The explanations called forth in the committee to overcome this difficulty have not produced a result which can be considered satisfactory, and have left it as it was. The distinction which is claimed between administration and government, so as to deduce from that that the Government made the law to which the conference owes its origin, and that the administration has done nothing but execute it and carry it into effect, this distinction can not establish between these two entities such a line of departure as shall make him that executes conflict with him that orders, it being evident that the truth is just the contrary, since the execution should conform itself to the letter and spirit of the command which it has to fulfill. One would have to clash with all the principles of a correct administration to admit a different idea.

Moreover, that the proposition presented to Congress should have for its object to regulate the relations of internal order in this country, and that the conference should occupy itself only with international matters is not an argument that will set this point any straighter. Many of the matters submitted to the consideration of the conference, in case they should succeed in establishing an international agreement, and notwithstanding this character, should authorize a direct and immediate influence in the internal condition of all the nations which may participate in it. Among these is numbered one relating to the adoption of a common silver coin which will circulate, if it should be accepted, in all the countries represented in the conference. And so true is this that one of the reasons which is put forth to defeat the measure consists exactly in the danger which the citizens of this country would encounter being obliged to accept this coin.

It should still be added that the conference can not maintain relations nor negotiate except with what is called the Administration, whose plans and propositions are the only ones it takes cognizance of. It must not for this reason await the result which the report of the Secretary of the Treasury may attain in Congress. What interests us is to know what is the opinion of the Administration. At present that opinion, shown by an official act, consists in the issue of certificates for deposits of silver bullion payable in gold for the value of the silver according to its current price in the market, the deposits being made in the Treasury. It would leave absolutely annulled the law called "Bland," which authorizes the purchase and coinage of not less than two millions and no more than four millions of dollars in silver per month. Evidently a measure is discussed which is diametrically opposed to that of the adoption of a common silver coin.

Leaving these last considerations for a moment, and speaking of the proposition of the honorable delegate, Mr. Estee, the undersigned accepts the general idea which this proposition contains relative to the establishment of an American monetary union. He thinks illogical the limitation to the effect that the international coin issued may be used only up to a given quantity in each payment, since it is proposed to circumscribe within certain limits the quantity which will be allowed to be coined. He reserves his liberty of action for the appreciation of the details of the proposition which perhaps might be improved by the introduction of some modifications more of order than of meaning. With regard to the general principles on which he depends, he agrees perfectly with the honorable delegate.

JOSÉ ALFONSO.

It will be seen that in the course of his report he reflects upon the American delegates for not joining in the recommendation. Who will say that he did not have just cause of complaint? Mr. Coolidge repudiated the law of Congress under which the conference was held. He argued at length against carrying that law into effect. No action could be taken unless the United States would come into the arrangement.

The report was, after a long debate, modified so as simply to provide for another meeting the following year. The following is the modified report which was adopted:

The committee on monetary convention having considered the various amendments presented to the conference, submits the following report:

The International American Conference is of opinion that great advantages would accrue to the commerce between the nations of this continent by the use of a coin, or coins, that would be current, at the same value, in all the countries represented in this conference, and therefore recommends:

1. That an International American Monetary Union be established.

2. That, as a basis for this union, an international coin or coins be issued, which shall be uniform in weight and fineness, and which may be issued in all the countries represented in this conference.

3. That, to give full effect to this recommendation, there shall meet in Washington a commission composed of one delegate from each nation represented in this conference, which shall consider the quantity, the kind of currency, the uses it shall have, and the value and proportion of the international coin or coins, and their relations to gold.

4. That this commission meet in Washington in a year's time, or less, after the final adjournment of this conference.

E. A. MEXIA.
MORRIS M. ESTEE.
JOSÉ ALFONSO.
JERONIMO ZELAYA.
JUAN FRANCO VELARDE.
CARLOS MARTINEZ SILVA.

WASHINGTON, *April 2, 1890.*

The invitation was to agree upon a coin which should be a legal tender in all the American States. This was in accordance with the act of Congress, but was repudiated by the United States delegates. They modified that and agreed to meet again the following year. The conference met in 1891 in pursuance of the report last above set forth. The delegates of the United States presented a proposition, as an ultimatum, which was entirely different from what the conference had been called together for. The proposition of the delegates from the United States was as follows:

I.

While fully recognizing the great convenience and importance to commerce of the creation of an international coin or coins, it is not deemed expedient at present to recommend the same, in view of the attitude of some of the great commercial powers of Europe toward silver as one of the metallic currencies, and the varying ratios established between gold and silver by the several countries represented on this commission.

II.

That many of the difficulties to the establishment of an international coin or coins might be removed if the adoption of bimetallism and the establishment of a common ratio between gold and silver by the great commercial powers could be secured.

III.

The commission recommends that the countries represented therein unite through their respective governments in inviting a monetary conference of all of the powers of the world, to be held at London or Paris in 189-, to consider—

First. Bimetallism and the equalization of gold and silver, to be fixed by international agreement.

Secondly, the universal assimilation of monetary types, both of gold and silver, and their legal international circulation for all purposes.

WM. A. RUSSELL.
N. P. HILL.
LAMBERT TREE.

March 23, 1891.

This was the proposition of the delegates of the United States when they convened the second year, that they should abandon the idea of a common coin for all the American States, and extend the invitation to all the world, knowing very well that Great Britain would be there and prevent action, as she always does. In fact, it was a direct snub. After a considerable debate, the delegates from the other countries had to acquiesce in the ultimatum of the United States. Nothing else could be done. In the course of the debate, Mr. Romero, who was president of the conference, made some remarks, a portion of which, referring to the condition of Mexico, I shall read. He said:

I beg to be allowed to grasp this opportunity to state the position of Mexico on this question, repeating, perhaps, what I previously stated on a similar occasion as delegate from Mexico to the International American Conference.

Mexico is legally a bimetallic country, because we have both gold and silver coins, both being legal tender; but practically it is a silver nation, because all our business is carried on exclusively with silver, since, owing to the difference of the price in the markets of the world of both metals, all of our gold (and we do not yet produce much) is exported, while a considerable part of our silver remains in the country in the form of coin.

I will mention, briefly, the disadvantages the depreciation of silver in the markets of the world produces in Mexico, and at the same time (be not astonished) the advantages accruing therefrom.

I wish to call particular attention to this, because I have been down in Mexico and know what Mr. Romero said is true.

The disadvantages are three:

(1) An increase in the price in Mexico of foreign goods which has to be paid in gold.

(2) A loss to the national treasury in the funds sent abroad to pay the interest of the Mexican bonds held in Europe, which loss is equivalent to an increase in the rate of that interest.

(3) A loss to wealthy Mexicans living in Europe, when their capitals or revenues are sent to them, equivalent to the depreciation of silver, between 25 and 33 per cent.

The depreciation of silver has not affected in any perceptible way the working of our silver mines, but, on the contrary, our production of that metal has considerably increased since 1871, when the depreciation began, although this increase is due, of course, to the construction of railways, to the long peace the country has enjoyed, and to the restoration of our public credit. I do not know of any silver mine where work has been stopped owing to the depreciation of silver.

These disadvantages are, however, of but little account when compared to the benefits we have received from the depreciation of silver, and which are the following:

I wish to call particular attention to the benefits which happened to Mexico from the depreciation of silver. They are the same benefits which accrued to India, and which caused so much jealousy on the part of the manufacturers of England and created so much anxiety and excitement among the farmers and producers of England:

(1) As the Mexican commodities we export, such as coffee, indigo, henequen, etc., are sold in the foreign markets in gold, they command now a higher price at home, where they are bought for silver, which really amounts to a bounty when exported equal to the difference between the actual price of silver at home and their price in gold in the markets of the world, which has been between 25 and 33 per cent. This bounty has produced the effect of considerably increasing the production and exportation of commodities which could not be exported before.

That is precisely the way it operated in India. Before silver depreciated they never exported wheat, and they now export between fifty and sixty million bushels annually. It is so with cotton fabrics. Formerly they could not supply themselves, and now they are exporting sixty to seventy million dollars worth of textile fabrics which go to China and Japan. The production of tea and other products has also been stimulated. For a long time the question was discussed whether they could bear the additional load of debt occasioned by the discount they had to pay to convert their silver into gold, in order to pay the English debt, than they could with silver and gold at a parity, and the Royal Commission demonstrated that they could carry the debt now easier than they could if the two metals were at a parity.

There were, however, other causes which brought about the demonetization of silver in India, to which I shall allude later on. England was barred out from trade in India. India was supplying the Asiatic trade and cutting England entirely off, and Manchester and Leeds and other manufacturing centers

of Great Britain protested that gold and silver must be equalized or they would be excluded from the trade of Asia. The same principle operates in Mexico.

(2) And perhaps the most important advantage has been to keep in Mexico a very large amount of money which formerly used to go out of the country as soon as coined, it being the only article of export with which imported foreign goods were purchased, thus leaving a very limited amount to transact the business of the country. The reason why this money does not go out now is because it has become more profitable to export commodities in the place of silver, which remains in the country in the form of coin, to the great benefit of business.

It is natural that when the Mexican dollar loses from one-fourth to one-third of its value in Mexico by sending it abroad, that it should be kept in the country, and that in its stead other articles should be exported, thus considerably increasing the circulating medium in Mexico, to the great benefit of all; and the country, therefore, is perfectly satisfied with the present condition of things.

(3) A great many rich men in Mexico, both native and foreign, used to realize on what they had in the country and send the proceeds to Europe, where they found a safer, if not a more profitable, field for investment. But they can not afford to do so now, because their capital would be reduced one-third or one-fourth; and as, besides, there is now perfect security to life and property in Mexico and a large field for profitable investment has been opened by the building of railways and the consolidation of peace and order in the country, capital is entering instead of leaving Mexico.

I traveled through Mexico last summer, and I know that all Mr. Romero says is true. Take, for example, the reduction works for silver, lead, copper, and other ores. Some of the ores were formerly shipped to this country, but they are now reduced in Mexico. Five very large establishments have been erected by Americans there in the last three years, involving an outlay of many millions of dollars. I conversed with some of these gentlemen, and they told me that they could carry on any kind of manufacturing in Mexico much more advantageously than in the United States; that money was plenty; that there had been no material changes yet in wages; that there was plenty of labor they could hire, and that prices had not advanced very materially, but just enough to stimulate business; and the people having plenty of money, they were able to conduct any kind of business there with more profit than they could in the United States.

Mr. PALMER. If the Senator will allow me, as I understand him to be speaking from his own personal knowledge of matters in Mexico, I ask if it is not true that the wages in that country are much lower than in the United States?

Mr. STEWART. Yes; it is true that the wages are lower in Mexico than in the United States; but they are higher in Mexico than they were a few years ago; there has been a rise in wages all through that country, and there is great activity and prosperity there in consequence of their having plenty of money. Money in that country performs the same service that it does everywhere else. An abundance of money is followed by prosperity.

I inquired into the cotton industry in Mexico, and I found a large number of cotton mills had been built, and that they were supplying themselves with cotton fabrics and manufacturing other things, although it is a country which has just emerged from revolution. The Mexicans have been a very nonprogressive people. The country has been subject to discord and revolution. But on my last visit there I found everywhere evidence of enterprise. I saw the fructifying effects of plenty of money, and the same can be seen in any other country where there is an abundance of money. We can not manufacture now in competition with Mexico as we formerly did. We could if we had the same kind of money, but a country with dishonest, appreciating money can not compete with a country which has honest, stable money. For that same reason England could not compete with India. India has honest money. The "perverse rupee," as it is called, does not change in value, and India was fast supplying herself with manufactured products. She has closed the looms of England, and compelled England to take some action, and this action was forced by the public opinion of the manufacturing industries of England.

The agriculturists, the boards of trade, and the manufacturers of England are bimetallists, and they held meetings and petitioned that silver must be restored, and they appealed to the fact that they would be excluded from the Asiatic trade unless silver could be restored; but the money kings said "No"; London said "No, we will not restore silver money for you, but we will destroy India for you, and you can do what you please with her." That is what they have attempted to do. When that was done the bimetallists said "You have not done enough, you will probably encourage manufactures in China and Japan."

In reply it was said they were slow-moving countries, that it would be a long time before they could become competitors and supply the demand. Then it was said "Suppose, after all, the official information which you have acted upon and which you think is certain, that the United States will repeal the purchasing clause of the Sherman law, should prove to be a mistake, and the United States should open her mints to free coinage, then we should be cut off from the trade with all the silver countries." They admitted that, and consequently they have made extraordinary efforts to accomplish their purpose here.

The edict comes with a command from the bankers of London and New York, and through the newspapers and officials, that Congress must repeal the Sherman law or they will destroy us. They have the power to destroy a great many people. We owe England probably $2,000,000,000. They have their hands on their debtors and make them labor, and make them appeal to us. The English gold trust are in partnership with our banks, and the 3,500 or 3,700 national banks are all agents for this gold ring—this gold ring which would not allow England to have bimetallism to relieve the English manufacturers, but which put India on the gold basis, and now they must put us on the gold basis or they will be excluded from the silver-standard countries, because there is nothing better established than that no country with appreciating gold can compete with a silver-standard country.

Silver remains stationary; it measures property; it has kept pace with the general range of prices. In silver-standard countries you can pay contracts in the money of the contract, while in gold countries you have to pay in appreciating money more than you contracted to pay. You dare not go into enterprises because property is falling on your hands and stagnation and hard times exist; but prosperity exists where honest silver money is used, and Mexico is a good illustration of what I am speaking of.

I wish to say that Mexico has a very intelligent administration, a strong administration, it is true, but that is necessary for that country. It has a patriotic administration, and the President of that Republic is the peer of any president or any ruler in the world. He is a man of character, a man of heart, a man of nerve; and he has for twenty years, in a country which had been in revolution for fifty years previously, established and maintained peace and secured prosperity. It is true that the fall in silver cuts off its export and produces some distress there and makes it difficult for Mexico to pay her interest on her bonded debt due to foreign countries. She has assumed a vast responsibility in subsidizing railroads, but the burden is borne with ease. Everybody thought it was the wildest thing in the world for Americans to invest the large sums they have in that country on the vast subsidies which Mexico promised, because everybody thought that Mexico could not fulfill its obligations; but the prosperity of that country up to this time has enabled her to meet all her obligations. She may not be able to continue doing so now with the present price of silver, but she will be able to do it soon.

Mexico has great natural resources. She could supply this country with all the coffee and all the tobacco which we require, and her tobacco is just as good as that of Cuba; in fact, it is said that it is sent to Cuba and exported from there to other countries with a Cuban name. Experts say it is equally as good as the tobacco of Cuba.

As a coffee country Mexico has no superior. Her coffee is equal to the best produced in the world. The people of that country are developing those industries, and I think is is a matter of congratulation that our neighboring sister has emerged from fifty years of revolution, has had twenty years of peace, and is governed by a patriotic administration which has given her prosperity. If we had an Administration which would do for the United States what the administration of Diaz does for Mexico, we should have such prosperity as the world has never seen.

Mr. Romero, from whom I have read these extracts, is a man of great experience and judgment. Before I went to Mexico I conversed with him about the conditions there, but I had no conception of the great advantages that country was realizing from the free and unlimited coinage of silver.

I shall proceed with the quotations I desire to make. After considerable discussion as to the adoption of an international coin, they gave it up and adjourned, accomplishing nothing. I desire to read a paragraph from the statement of the delegate from Bolivia with regard to the disadvantages of trade: and it is only one among many facts, which I think equally important. When no resolution was reached and the question was referred to England, there was great gloom among the Pan-American representatives. The delegate from Bolivia explained his vote as follows:

Before voting, the honorable Mr. Obarrio, delegate from Bolivia, sent to the chair the written expression of the views upon which he founded his vote, requesting at the same time that the document be read and annexed to the minutes as an appendix.

The document appears as Appendix No. 2. The following notice was read by the Secretary:

Whereas, after animated discussions, we have been able only to reach the conclusion to put an end to our work without any practical result, owing to the difficulties which at the present time appear to oppose the establishment of the projected international American monetary system, and being in full accord with the report of the special committee, I shall support it, sincerely regretting that that other world beyond the seas, which was formerly en-

tirely ignored, should be an obstacle to the realization of the purpose which brought us together.

The original idea was the adoption of a silver dollar, exclusively American, which, uniform in design, fineness, and weight, should serve as a common unit and should circulate freely, and with the same value in all the countries of our continent, each of which should coin a proportional quantity. A monetary type having these conditions could not but assist and expand our commercial transactions, increasing at the same our social and political relations. And, as in the majority of the American countries, the silver dollar is the monetary unit, although with some differences as regards design, fineness, etc., many of those countries being in fact monometallists on a silver basis, since they have no other monetary type or circulating coin, the possibility, not without foundation, of making them uniform was thought of. But here another unforeseen obstacle presents itself, which appears to have been overlooked, rendering the proposed unification impossible for the present. This obstacle is the difference in the relation between gold and silver, which in all of the American countries is uniformly that of 1 to 15½, except in the United States, where it is 1 to 16. The perhaps not improbable adoption of the common type is the only way the desired unification of our monetary system can be secured, making New York, according to the opinions of competent persons, the American clearing house, as London is that of the whole world.

To form a complete idea of the difficulties presented by the diversity of coins in our continent, I shall limit myself to a relation of my personal experience. Upon returning from my country, at the end of last year, I took charge of some young men who are being educated in this country. To pay their passage and my own from the port of Mollendo to Panama in Peruvian *soles*, I suffered a discount of 30 per cent, giving 2,400 *Bolivianos* for 2,000 *soles*. I was compelled to bring the money for the tuition and expenses for a given time of these young men in draft on London at ninety days' sight, the only way some of our countries have for locating funds in these markets. I secured these drafts at a discount of 40 per cent, for the rate of exchange was then at 30 pence for a Bolivian dollar, a rate which fluctuates between 29 and 32 pence. These drafts negotiated here at $4.74 per pound sterling suffered another discount of 5.20 per cent, the total discount reaching the enormous figure of 45.20 per cent, thus reducing every 100 *Bolivianos* to only $54.80 American money; that is, almost half their value.

If to this be added the fact that the transportation rates for passengers and merchandise are extremely high, and prevent our sending our varied products in exchange for the manufactures of this country we consume, which on reaching Bolivia are trebled in value, it can easily be understood that the commercial relations between this country and mine can not be expanded.

Bolivia takes from the United States petroleum, white and colored cotton stuffs, in great quantities; hardware, agricultural implements; some machinery, carriages, and vehicles of all kinds, miscellaneous small articles of metal and glassware, plated ware, pianos, fine furniture, printing materials, etc.

We can not, as already stated, pay for these manufactures by exporting our products, owing to the high transportation rates, and we are forced to have recourse to the ruinous system of drafts, which, did the American silver dollar exist as a common unit, would not cost us more than 3 or 4 per cent for exchange rates for the accommodation of having our money in the form of a piece of paper easily carried in the pocket.

To-day that forced accommodation, for the reasons already expressed, reduces the value of our money nearly one-half.

The Bolivian commerce is not so insignificant as is generally believed. If Bolivia has not figured and does not figure in statistics as a commercial nation; if the figures ascribed to her therein do not correspond to her population, area, and varied resources, it is because all her trade is carried on through foreign ports since she lost her coast. Before this loss she imported and exported nearly all she consumed and produced through the Peruvian port of Arica, her natural outlet; therefore the statisticians considered as the foreign commerce of Bolivia merely the little she imported and exported through her lost coast. To form an idea of our foreign trade it will be necessary only to consult the official statistics of the Argentine, according to which during the first year of the war on the Pacific she exported through Rosario in silver ore alone over $15,000,000; seventeen millions during the second year, and nearly twenty-one millions in the third. All this from the departments bordering on the Argentine alone.

I only read that as a sample of the views of the delegates who were invited to adopt a common silver coin which should be a legal tender in all the American States. Other delegates spoke in like manner of the inconvenience and difficulties of the trade in consequence of their not having a coin common with us and of having to get their exchange through London. But nothing could induce the delegates of the United States to yield. They did not respect the law of Congress or the rights of our guests. Is it important for us to trade with them? Is it important for us to cultivate commercial relations with them?

I have in my hand an official memorandum from the Bureau of Statistics showing the trade with them during the last year, the articles, and the balance of trade. From that it appears that the balance of trade against the United States was $144,084,262, and the trade was in articles that we must have, that we can not get elsewhere.

Imports and exports of merchandise into and from the United States from and to Bermuda and countries south of the United States during the year ending June 30, 1893.

Bermuda and countries south of the United States.	Merchandise.				
	Imports.	Exports.			Total imports and exports.
		Domestic.	Foreign.	Total.	
Bermuda	$759,846	$943,602	$18,514	$962,116	$1,721,962
Mexico	33,555,090	18,991,714	676,920	19,568,634	53,123,733
British Honduras	155,171	301,106	14,062	495,168	560,339
Central American States:					
Costa Rica	2,309,358	1,178,301	32,439	1,210,740	3,520,098
Guatemala	2,554,710	1,713,142	50,720	1,763,862	4,318,572
Honduras	684,912	442,907	28,788	471,695	1,156,607
Nicaragua	1,400,236	812,654	125,205	937,859	2,338,095
Salvador	1,355,730	1,118,054	20,376	1,138,430	2,494,160

Imports and exports of merchandise into and from the United States from and to Bermuda and countries south of the United States, etc.—Continued.

Bermuda and countries south of the United States.	Merchandise.				
	Imports.	Exports.			Total imports and exports.
		Domestic.	Foreign.	Total.	
West Indies:					
British	$16,028,592	$7,912,341	$132,505	$8,044,846	$24,073,438
Danish	547,626	600,804	3,519	604,323	1,151,949
Dutch	271,594	747,589	5,114	752,703	1,024,297
French	8,340	1,799,097	19,858	1,818,955	1,827,295
Haiti	736,021	5,170,634	301,406	5,472,040	6,208,061
Santo Domingo	2,206,315	1,108,735	34,746	1,143,479	3,530,794
Spanish:					
Cuba	78,705,506	23,604,094	553,604	24,157,698	102,864,204
Puerto Rico	4,008,623	2,502,788	7,819	2,519,607	6,519,230
South America:					
Argentine Republic	5,239,095	4,786,567	193,129	4,979,696	10,218,791
Bolivia	5,470	24,849	.....	24,849	30,325
Brazil	76,222,138	12,339,584	48,540	12,388,124	88,610,262
Chile	3,995,441	2,971,341	9,490	2,980,831	6,976,272
Columbia	3,572,918	3,047,620	108,157	3,155,777	6,728,695
Ecuador	960,228	815,839	1,586	817,425	1,777,653
Guianas:					
British	5,029,178	1,953,012	47,662	2,000,675	}
Dutch	1,079,710	364,725	8,634	373,359	} 8,632,240
French	35,965	108,004	5,349	113,353	}
Peru	819,168	635,135	1,586	636,721	1,455,889
Uruguay	1,623,380	902,144	58,462	960,606	2,583,986
Venezuela	3,625,118	4,142,051	65,610	4,207,661	7,832,779
Total	247,686,494	101,028,431	2,573,801	103,602,232	351,288,726

WORTHINGTON C. FORD,
Chief of Bureau.

TREASURY DEPARTMENT,
Bureau of Statistics, September 15, 1893.

Balance of trade against the United States, $144,084,262.

So far as Europe is concerned, she produces not one article that we must have. But we must buy the coffee and the different spices and productions of the South American States. We will buy them. We sell our commodities to Europe and pay the South American States in drafts on London for the commodities we buy. We have a very small direct trade there. Whereas, if we had a coin common with them, and had a common prosperity with them, they would take our manufactured products and our farm products in payment of what we buy of them. We ought to send our manufactured products to the less advanced nations, where they have more of the raw material and less of the manufactured articles. It is with such nations that we ought to cultivate trade. Europe has only manufactured articles, which we ought to manufacture ourselves: but if we increased our trade with Mexico and South America we should get the raw materials for our manufactures, and we should be able to send them our manufactured articles and get raw materials that we must have.

We invited Mexico and South America to come here under a pledge to establish a common coin which should be a legal tender in all the American states. But when they came here we treated them with the utmost contempt, kept them here for awhile, and then let them go back under the promise that we would do better another time, but when they came a second time we refused altogether. All this matter has failed because we would not comply with the invitation that we sent out. I was talking with the Mexican officials last summer and they said that when the United States invited those nations to come, and then refused to confer upon the most important question that was contained in the invitation, it was a sad day for all Americans. Now, I propose that we invite them back, and put a provision into the law that we will be bound by the conclusion arrived at. We were in every moral sense bound before.

Suppose we had established a coin common with them and with our people, what would be our situation to-day? We would have good money, rising prices; we would be mining and coining our own money, and our trade with Mexico and South America would be growing. As the delegate from Bolivia said, New York would be the clearing house for all America. We have it in our power to do it; but England says we shall not.

Before I proceed further I want to call particular attention to the disadvantages that England labored under before she put India on a gold basis, to show why she did it; the disadvantages of dishonest money, the disadvantage of money that will steal every day and every night by growing more and more valuable. Gold is the worst thief in the world.

Mr. DOLPH. Are they putting India on a gold basis?

Mr. STEWART. They are putting her on a gold basis.

Mr. DOLPH. I thought they were putting her on a silver basis.

Mr. STEWART. They contemplate putting her on a gold

basis. I have heard a great deal about that. That gives me an idea that I will elaborate.

Mr. DOLPH. Then I will withdraw it.

Mr. STEWART. No; the Senator can not withdraw it, because the idea has reached me. It is too late to withdraw it. I hope I shall make it reach my friend from Massachusetts [Mr. HOAR], so that he may understand it before we get through. The idea will not hurt him if he gets it.

What is the proposition? The proposition is to repeal this act and go to a gold standard, and make all silver money and all paper money redeemable in gold. Nothing will be real money of ultimate payment but gold. Then you will have $82,000,000 of gold, of real money in the country, in the Treasury. That is all you have. Then you will have of stuff to be redeemed, over a thousand millions. They say, "Very well, we will strengthen that and buy more gold." If you buy more gold you will put up the price. All stuff, both silver and paper, is just the same as paper; it is not standard money at all; and the great trouble with the whole country is that we have got too much stuff to be redeemed and not enough money with which to redeem it. They are talking of redeeming this with standard money. They say silver is not to be standard money. It must be maintained by redemption in gold.

The Treasury Department has said that we will keep silver at par by redeeming all this in gold. If you do, you have only got $82,000,000 of money in the Treasury. If standard silver dollars are not standard money you are on an inflated basis, and you are liable to have a panic any hour. You will have to buy several hundred millions more gold, and must keep it on hand constantly to keep afloat the thousand millions of promises. This will be the case when you reduce silver by this bill and by the ruling of the Secretary to a promise to pay gold. If silver is not to be standard money, the Treasury is now bankrupt.

Mr. DOLPH. I think the Senator's colleague has contended that it does not make any difference what kind of money it is so that it has the stamp of the Government on it; that makes it good money.

Mr. STEWART. The Senator from Oregon did not understand my colleague at all. He ought to listen to him a little more, and then he will know more about it. My colleague said that the amount that you can keep afloat determines prices. He did not say it was safe to float $1,000,000,000 of credit on $82,000,000 of real money. There is a difference between money and a promise. You are reducing this entire stuff to promises, and how are you going to keep them out? You must continue to buy gold, and that will keep up the price of gold. See how you stand. The gold is now cornered. You can get no gold from Russia, because she has been wise enough to give her people fiat money that does not have to be redeemed. So you can not produce a panic in Russia, because their money is not redeemable. It is irredeemable money, real money. Credit money depends upon promise of redemption in some other money.

France protects her gold by paying silver when gold is asked. So with Germany. France has $900,000,000 and Germany has some $300,000,000 or $400,000,000. Austria has about $150,000,000. She bought this gold ostensibly to redeem her paper, but if she should commence paying it out to redeem her paper money she would lose it all. Exchange between Vienna and London is about 20 per cent.

Great Britain is the only country in the world in a position to have international money. She has an income of $500,000,000 a year in interest from foreign countries. The other countries have to pay her. So that she has command of all the free gold of the world. She generally takes her pay in produce at a very low rate. Consequently she can pretend to have an international money; but she has raised the rate of interest three or four times in the last few years to keep her gold.

Our Treasury is open to all the world. Every kind of money we have is liable to be redeemed in gold. So that whenever any combination of men feel disposed they can take our paper there and draw gold. Then you must buy more gold. Then they can draw it out again and keep putting up the price in that way. They can force the issue of any amount of bonds they desire. The United States will be in their power. They can make the public debt higher than it was during the war. If you undertake this foolish game of repudiating the standard money you must keep buying gold to sustain the credit of the Government.

The free gold passes from nation to nation. No nation can have more than its distributive share, unless it is hoarded. More than half of the gold in the world is to-day hoarded, either for war or extortion. The balance is cornered by a few banking institutions in London and in New York, so that they have the power of creating a panic at any time; they can knock down your stocks and buy them in at their pleasure. The whole property of the United States is at the mercy of this gold ring, which controls the gold which floats according to the laws of trade.

What I want is more standard money, good money that will take care of itself, money that is not a promise to pay, money that redeems itself. That is what I want. When we have destroyed the standard money that has been coined under the Bland act, and which is a legal tender for the payment of debts—when you say silver must be redeemed in gold and you have the gold basis, then this country is bankrupt. Thus you give to the gold ring the privilege of buying gold and putting up its price, while in putting up its price they put down the price of commodities.

They have not yet undertaken to redeem rupees in India in gold. When they attempt that they will bankrupt India. It will destroy India financially, the same as it will us. They are treating the rupee now as fiat money. Suppose that Russia should say that her circulating medium shall be redeemed in gold; Russia would be a bankrupted country in one year. Suppose France and Germany should change their policy and say that all their money outstanding shall be redeemed in gold; it would make the same trouble for them.

We are the only gold country in the world, a debtor nation, that allows speculators to draw our redemption money from under our circulation. Why is it necessary to pass this bill and bring ruin upon the United States? That is the intention. The combine intend to rob us and we help them do it. They have no other intention.

I now want to read a little from the testimony of Maj. Gen. Phelps, a prominent Englishman, describing the effect of the gold standard in England and the silver standard in India:

Maj. Gen. PHELPS. The gold price of articles is falling because the price of gold has risen much higher than the price of silver. Now, there is another point on which I hope Mr. Cotterell-Tupp will allow me to ask him, whether he has really considered that bimetallism would cost no man a farthing. I am inclined to think that the owners of fixed gold incomes, those who are paid in gold, would find that their outlay would steadily increase from the time of bimetallism being introduced; the owners of consols, the owners of railway debentures, would find that their sovereign would no longer purchase 20*s.* worth, but would sink down to its price of 20*s.* All consumers would suffer from the rise in wages, which would inevitably follow from bimetallism, which would increase the wage fund enormously.

The Indian mill-owners, who are now cutting the throats of the unfortunate people in Manchester and Lancashire, would find that their profits would dwindle, and instead of having the monopoly of the Eastern supply of coarse yarns, they would find that Lancashire was again competing with them and probably beating them out of the field, both in East Africa and in Japan and China. Then the Indian tea-planters would find that their tea was no longer so profitable; in fact, all the persons who export from India make the greater part of their profit from the fall in exchange. If they send their goods to England when the exchange is at 1*s.* 4*d.*, and before they are paid it goes down to 1*s.* 3¾*d.*, then that farthing is an item of profit which they can not calculate upon.

I now come to the last portion of Mr. Tupp's pathetic appeal to John Bull, and I feel that he has got that large and powerful animal entirely by the wrong limb. He appeals to John Bull to take pity upon Anglo-Indian losses. Now, if all the Anglo-Indian wives died to-morrow John Bull would not turn a hair; he would not trouble his head about it; he has his own poor's rate, his own paupers, his own misery, his own back slums, his own labor question, and he does not care anything about the Anglo-Indians and their unfortunate family affairs. I therefore think that this appeal *ad misericordiam* is rather unfortunate. What we wish to show to John Bull is that he is injuring himself. If we prove to John Bull that he is injuring his trade, we twist his tail in a very tender place indeed. Suppose we bring to his notice the fact that the cotton industry in Lancashire has in some branches been annihilated by this stupid monometallic protectionist system.

Gen. Phelps continues:

The Manchester people are aware of it thoroughly now. It has taken a number of years to awaken them to it; but when one sees that the export of cotton from Lancashire has remained at one million per annum, while the export from Bombay has risen to, I think, between seventy and eighty millions, that is a fact that comes home to every Lancashire cotton-spinner. I have been among the working classes of Lancashire and Nelson, and elsewhere, and I have found them waking up and rubbing their eyes and wondering how they could be so foolish. Then we have to point out to the landlords of England that the falling off in the value of their estates, which to them is inexplicable, is also traceable to that year when silver was demonetized and the great gold famine was started. It is the gold famine that has destroyed the value of English estates. Once get the landlords to understand that and you will find that the British lion will be very wide awake in another tender part.

Then look at the farmers, who from the same date have been losing enormously, the whole of their working capital. I have seen it estimated in some review at £300,000,000 since bimetallism ceased. It is a deadly disease that is destroying the whole of the profit of the tenant farmers, swept off their income, and left many farms mere heaps of weeds. Get the tenant farmer to understand that that is due to this selfish protectionist policy, and he will soon cry out for free trade in both metals, and he will be noisy enough until the noble animal works up. The farmer grumbles at the continued fall in the prices of wheat. It is rather, perhaps, teleological. He will not be able to connect the cause and effect; but he sooner or later will see that whenever there is a fall in exchange, whenever the value of the rupee drops, immediately there is an increased quantity of wheat sent over from India. The native exports his wheat on a silver basis, and gets paid on a gold basis.

Of course, as long as that continues the unfortunate farmer will see the price of wheat continually dropping away. Impress these facts upon the English public, and you will find that the British lion will wake up. But talking to him about the Anglo-Indians, and about their wives, and about the little visits to the hill stations, and about sending their children home, you will never get him to understand why the children should not stay with their parents and be sent to the board school in the cantonment. That is the idea of the average Englishman. And also you should get him to understand (and this is a very important matter) that if bimetallism were restored and perfect free trade were restored at our English mint, the result would be that the center of all the exchange operations of the world would be more and more in London. Therefore you may reasonably appeal to the merchant, to the banker, to the farmer, to every person in England, and show him that bimetallism is to his interest: that I beg respectfully to sug-

gest to my friend, Mr. Cotterell-Tupp, would be the point of view that he should lay before the British lion.

That point of view has been presented in England until it has been understood, until it has driven the English statesmen to thinking about the matter.

I produce other reports to show that notwithstanding our McKinley bill their trade increases here, while it has fallen off in the East in consequence of the free silver there, on account of having a currency there cheaper than gold. But it was not cheap comparatively. Dishonest gold could not compete with honest silver, and they had to commence the destruction of honest silver in India in order to destroy Indian manufactures and Indian competition. We are to be served in the same way. I have other documents showing their anxiety for fear we will not repeal the Sherman law, but will open our mints to silver and come in competition with them in the Asiatic trade.

[At this point the honorable Senator yielded to Mr. FAULKNER, on whose motion the Senate took a recess.]

Tuesday, October 24, 1893.

Mr. STEWART. Mr. President, I believe that agitation and discussion, where great questions are involved, are most beneficial. In looking over the United States and communicating with citizens of various States, I find that where the slavery agitation was most violent there is the most activity of the human intellect. I find that in Kansas and Missouri, where the agitation was greatest, a much higher average of intelligence and a broader grasp of public questions are found than in any other part of the country. I find in those sections they appreciate danger to the Republic more quickly, and are more zealous of the rights of American citizens than in other sections which are not so violently agitated. It makes no difference on which side of the original contest the parties were, their intellect was manifestly brightened, and was even enlarged by the violent contest they had

I have before me two letters, written by a Missourian by the name of James H. Birch, which show a grasp of the situation which is remarkable. I will read a portion of them, and I think any Senator who will read these two communications from this Missourian will appreciate the fact that he is not only a patriot, but that he is a man of broad and comprehensive vision. The first is dated July 6, 1893, published in the St. Joseph Herald, right in the center of the original conflict. He says:

GOLD OR SILVER—AN IRREPRESSIBLE CONFLICT—UNDER WHICH KING?

St. Joseph Herald, July 6.

When Abraham Lincoln in 1858, in his debates with Douglas announced the fact that there was an "irrepressible conflict" between freedom and slavery, and that this nation could not endure half slave and half free, he but uttered the convictions of a philosophical mind filled and illumined with the conflict and compromises on the slavery question, as shown by our history since the formation of the Government, to the last act in 1854, which uprooted the first compromise of 1820. He saw that the question of compromise was but a makeshift for the hour, while at the bottom was a fundamental principle, which, like Banquo's ghost, would not down, and that the time would come when either the Union would be dissolved or slavery destroyed. His prophetic genius withheld from him the fact that he himself was to be *quorum pars magna fui*, and that, Sampson like, when it was destroyed by his own hand he would be its victim.

The day came, and from the conflict of arms the Union emerged stronger than ever, with slavery destroyed—and to-day every one rejoices both that it came and so ended. The greater question of the rights of the States and the perpetuation of the Union was the real issue, but, when the States went under, the subordinate factor which incited their acts went down forever also. Since when the question of "compromises" has ceased, and that disturbing element no longer raises its angry face.

To-day we are in the midst of another "irrepressible conflict," not whether Senator Toombs shall call "the roll of his slaves within the shadow of Bunker Hill monument," but whether the gold oligarchy shall call the roll of their slaves for all time within every cotton, wheat, and corn field in this great land, from which, after such heroic struggles, personal slavery was finally banished forever.

How truthfully he states the present question! It is whether we shall be ruled by a moneyed oligarchy, the like of which was never seen, a fabric which challenged the admiration of Gladstone, a power which he was proud to serve, a power whose leading idea was and is to absorb the labors of all men. Ten thousand million dollars from foreign countries and the annual contribution of $500,000,000 is a colossal fabric, and when that colossal fabric announces its policy to be aggrandizement for itself, degradation and slavery for the masses, well may this author say that the question is not whether Senator Toombs shall call the roll of his slaves on Bunker Hill, but whether this colossal combine shall call the roll of their slaves in every cotton, wheat, and corn field in America. He proceeds:

The conflict of this day as compared to that one, had this much in favor of the former: The Southern man believed slavery was right; he believed it was the best condition for the slave; he fed him, clothed him, and housed him in return for his labor, and took care of him in sickness and old age—while the men of to-day who are attempting to establish the gold king under whom to rule the world are guiltless of a conscience that reaches beyond the advancement of their own power as "money-getters." Like the slave oligarchs they have picked their time, when they have a President who will assist them, as James Buchanan did the Southern men, and they feel through the action of Mr. Cleveland and his Cabinet that their hour of triumph is at hand, and with such help they can dethrone silver, and crown their golden god as the future king. The majestic presence of the United States, risen as it were in a night, from the lost Atlantis, has filled Europe with consternation. Through liberal laws we have reached a point that our very existence threatens theirs. Unable to control or destroy our intelligence, genius, or enterprise, culminating as it has in the most remarkable spectacle the world has ever witnessed—now in progress at Chicago, and fearing the influence which it will spread over the world—they have marshaled their forces for a final battle. Knowing how easily they had controlled the eastern hemisphere through their financial ideas of strength, they feel that unless they can shackle the freemen of America with their golden rivets, the battle for supremacy is lost to them forever.

Alexander Hamilton wanted a government stronger than theone our fathers made, but failing to get what he wanted, he loyally accepted it, and said, "That a system of government which controlled the Army and purse of the people was strong enough to perpetuate its own existence." And so it has proven.

Charles Parsons, at the bankers' congress at Chicago, said, "The banks virtually controlled the purse of the nation." Through that purse they propose to control the people as well as the nation. And the assertion by the people of late years that they have the supreme right to control that purse and to declare what that purse shall be filled with, has aroused this congress of bankers, who, under the lead of Mr. Cleveland, have thrown off all disguises, refuse all compromises, and demand that silver be demonetized and gold enthroned as king—and they, as a self-existing, moneyed oligarchy will rule the world.

An oligarchy of brains coupled with integrity has always been a model government, and yet our fathers, in framing ours, refused to permit anyone to make laws or direct their enforcement, except those which they selected for themselves, by their votes. And now an oligarchy of "money-getters" ask that they be entrusted with the powers under a golden king to control the purchasing power of the greatest productions of this, the greatest of modern nations. The very statement of the proposition is enough to raise the spirits of those who fell on the battlefields thirty years ago, whether of the blue or the gray, and forces them to raise their voices in protest against such desecration, and to inquire for what they fought and died, if in the end their children and friends were forever to be enslaved.

Look at the history of the last four months. What better evidence of the power of this golden king do we wish? Fifty millions of gold exported, and the country trembling on the verge of bankruptcy, and those men who organized and assisted in bringing about this condition of affairs demanding that they shall have full and complete control, and then they will placate this "movable king" in consideration of transferring to them full power over the purse of the nation.

I have but stated the issues involved. Every one can work out for himself the condition of affairs should the people surrender to this oligarchy of "money-getters." Our people have settled all questions of government until the only practical question left is, "Shall man be free to get the full benefit of his labor?" There is not gold enough in the United States to pay the interest on the railway bonds of the United States for one year, to say nothing of the enormous indebtedness carried by the people in other ways. And it is a standard made of this metal, that is sought to measure the valuation of the product of the labor of the people of the United States. A product the deportation of but fifty millions of which has plunged us into our present condition, and which only promises us relief by unconditional surrender, thus trying to force the people through the distress which it has produced to sell their birthright for a "mess of pottage."

"Fling me," said Rhoderick Dhu when a prisoner to King James, to his minstrel who had reached him, "the picture of the fight. How met my clan the Saxon might." Just so, the people are watching and waiting to see how their representatives will meet this "Saxon might." How shall it be done? There is but one way. The day of compromise is past—thus sayeth the bankers' Congress, and so said the Southern leaders in '61. Then let us accept the gage of battle and declare all compromises off. This country can not endure part gold and part silver. The conflict is irrepressible. One or the other must go—but which? To surrender to gold means eternal tribute—and what is tribute but slavery. A joint reign means the return of our present condition, whenever the powers of gold are able to organize it. The horrors of the result of the consolidation of $1,700,000,000 of greenbacks into 6 per cent gold-bearing bonds from 1866 to 1873 can never be forgotten—and he who forgets that recent history of his country is one who is satisfied with his daily wages, however small, and will only fight for wages.

What line of battle do you propose? Let it be one, which, when won, will bring us to an end. Were I to make it, it should be the Treasury note redeemable in silver. This, while not demonetizing gold, would supersede it. Let it seek its abode in Europe. What use have we for it, except to pay off the hundred millions of gold-bearing bonds. With this discharged we are free from Europe and making our own standard, can do business among ourselves with it, never fearing that in the dead hour of the night this congress of bankers will seek and plot measures to rob us of the wealth of the furrow which, while being turned up to the sun, is fertilized with the sweat of the farmer's face.

Is there no Blaine now living? Who can call another Pan-American congress, and consolidating the two Americas on this question agree to make the American dollar and stand behind it in opposition to the European dollar. The western hemisphere against the eastern hemisphere. To-day we are but the political antithesis of the monarchies of Europe. We have fought our way from their relentless grasp until we are free. Are we not strong enough to fight this new battle and add another chaplet to the helmet which adorns our goddess of liberty?

But some of our gold friends are prepared to shriek: "Why, gold will go to a premium?" Well, let it go. Who is hurt by it? Wasn't it 200 per cent premium during the war? Was not every reverse of the Union armies seized hold of by the patriotic gold gamblers of that day to send the price of gold higher, and greenbacks lower, just as the present gold gamblers are doing to-day with silver. And yet with not a single gold dollar, not a single silver dollar, the soldiers went on fighting at $13 a month until the Government reigned once more supreme. And then these great financiers who love gold so well, got Congress to pass a law to turn the 2,000,000,000 paper dollars which had been sold at 3 to 1 into 6 per cent gold-bearing bonds. Let gold bear a premium. Then gold will buy more silver, but there its power ends—it can neither oppress nor terrorize the people. The gold standard in Europe sets the price of wages. The price of wages sets the price of food—therefore, with the gold standard alone in the United States, we would have gold wages and consequently gold prices for everything else. Our farmers and mechanics, who are complaining of wages and prices to-day may figure on what their condition will be in the hands of these men who forced the Government in 1866 to consolidate their 40 per cent greenbacks into 100 per cent gold-bearing bonds. Let the gold go. It was a traitor to us in the days of the war. It has no sympathy with the sufferings or misfortunes of the people. With self-righteousness it pours out its Pharasaical cant denouncing the Publican because he can't pay his taxes like it can.

This article is already longer than I contemplated, and yet I have entered into no detail or argument—only presenting the lines of the fight. I may do this later.

J. H. B.

He wrote another article, after having stated the issue, and

stated it fairly, stated it as Mr. Gladstone states it, stated it as every historian knows. He then in his next article points out the remedy, a Pan-American union, a monetary union for the silver producing countries, independence of Europe altogether. But here in the Senate while we are discussing this same issue we are called obstructionists, and it is said we are thwarting the will of the majority. I deny that we are thwarting the will of the majority.

The will of the majority is with us. It has been with us all the time. It was with us by 19 majority last February. It is with us to-day. It is the Administration and the gold ring that are thwarting the will of the majority. Even the senior Senator from New York [Mr. HILL] has declared over and over again that he is a bimetallist and for the use of both gold and silver as money. That is his will, but his will is thwarted by the London combination with our Administration. There is a large majority in the Senate who still say they are bimetallists and want free coinage; and that is their earnest desire. If their will was not overcome by the money powers and by the Administration, we would have no difficulty in passing a free-coinage bill.

Both platforms and all platforms for twenty years have declared in favor of bimetallism and made the people believe that they were honest in it, and the people voted for the candidates honestly on that belief. The will of the great majority of the American people has been unequivocally expressed. Who has thwarted it? Who are the obstructionists? Was it the will of the majority that struck down silver in the act of 1873? Was it the will of the majority that prevented the passage of the free-coinage bill in 1878? Ah, no; there was a majority of nearly two-thirds in favor of free coinage in both Houses in 1878, but it was the will of the Administration that thwarted the will of the majority. It was the loaves and fishes and the power of money that obstructed legislation.

In the last four or five years, when we passed through this body three free-coinage bills and other measures in favor of silver, who has thwarted that will? Has it been done by the people? Has it been done by those who are called the minority here now? No; it has been done by the money powers and the cohesive power of public plunder. That is the way the will of the majority has been stifled. Never in all the history of the world was such a bold, such an aggressive attempt made to thwart the will of the majority of the people of the United States as expressed at the ballot box as the effort to destroy silver at this extra session of Congress.

Who are the filibusterers? The Administration have for twenty-five years filibustered against legislation to allow the will of the majority to be expressed. They have trampled upon the laws of Congress. They have gone upon the stump, and said the money that Congress ordained was not good money. They have used the most corrupt, the most aggressive, the most outrageous means, secret at first, public now, to enslave the majority. Let the Administration take off their hands, and let the majority express itself in this Chamber, and we are two to one in the majority.

I am opposed to stifling the will of the majority, but thank God the rules of the Senate allow us to hold out a little and point out that the majority is being coerced; that the majority is being obstructed; that the majority that they claim is a fradulent majority, and was not sent here for such a purpose as they are now attempting to execute.

This arrogant gold ring tell us that we are thwarting the will of the people. Let them bring the platform. Let them bring the platform in any State that declared for gold monometallism.

I say there was never such an outrageous, bold, and corrupt organization to thwart the will of the majority of the American people as this gold ring now doing its worst, now trampling upon the rights of the people, this colossal power of England supplemented by the bankers of New York—the oligarchy that seeks to rule this country in place of the Constitution and laws, and to deny to the people the right to speak for themselves as they have spoken for twenty years. I believe in the rule of the majorities, but I do not believe in the rule of corrupt money oligarchies that seek to enslave the majority.

[At this point the honorable Senator yielded to Mr. POWER.]

Mr. STEWART. Mr. President, I now call attention to another article by James H. Birch in which he suggests a mode of relief which I think is the true mode to adopt.

THE IRREPRESSIBLE CONFLICT—THE AMERICAN VS. THE EUROPEAN DOLLAR.

[Written for the St. Joseph Herald, July 20.]

In my first article I took the position that there was an irrepressible conflict between gold and silver, using the words of Mr. Lincoln on the slavery question. This conflict has been brought on by the gold trust of Europe, aided by its adherents in this country. It is not the result of circumstances as a consequence of the great disparity in value between the metals to-day, but of conditions forced upon the people by the acts of the gold trust itself. In 1873, when it first secured the demonetization of silver, it was worth a premium over gold, thus proving beyond question that the conspiracy intended its removal from circulation as currency in order that it should be able in the future to control the money supply and wield its great power for their own benefit. The success of the gold trust has been so complete that it now openly demands that which it secretly accomplished in 1873.

Its success in thus advancing the purchasing power of gold to double what it was then, aided by the election of Mr. Cleveland with his well-known views on the subject, has made it so insolent in its demand that it now openly and arrogantly demands that silver again be demonetized, and that the whole question of the currency be committed to it. Thus we have the issue fairly tendered to us by the gold trust. It claims that it is impossible to make silver equal to gold by simply enacting a law to that effect, so long as the gold dollar will buy more in the markets of the world than a silver dollar can. It admits that we can make it a debt paying token among ourselves, but that in foreign countries it is bought and sold at its commercial value. That by increasing the ratio we add to its intrinsic value, but its commercial value abroad will be simply its bullion value. Why does not it also state that in foreign countries the stamp of the United States on our double eagles is discredited and that it is only receivable at its bullion or commercial value, exactly like our corn and wheat and cotton?

Having, therefore, by its own acts during the last twenty years reduced the value of silver from a premium to 23 per cent below, it seeks now to avail itself of its own crimes and to entirely annihilate silver after thus discrediting it, and offer as their chief reason the fact that it no longer has a money value. Confronted, therefore, with this condition, and seeing no escape therefrom on the principle of ratio, let us therefore accept the fight on the issue tendered and declare ourselves monometallists with silver as a single standard, buying and selling gold as we do our cotton and wheat, and thus rid ourselves of this everlasting strife between the two metals.

I would say in regard to that matter that every country is practically on one standard most of the time, but that soon regulates itself, because they use the cheaper metal, which soon brings it right up to par, and then the other metal becomes cheaper, when they use that; so they vibrate back and forth. That is the double standard. It is the right to use either metal and make it money.

People are scared about the single silver standard, but the world has been on that standard more than half the time, because during all the ages it has been the more plentiful metal, and it has been more frequently used than gold; but money can be made of the two metals, and it is that which has made the automatic theory tolerable, otherwise it would have been abandoned long ago, and no fanatic would be crazy enough to advocate the more treacherous of two metals where there is not enough to maintain civilization. I proceed with the reading of the extract:

Let gold be the European standard and silver the American standard, and the end will reveal who has the best of the fight. The people of the United States will never submit to the single gold standard, thus giving to the gold trust the power to settle the value of the productions of our people, with its capacity at any time to transfer gold enough to Europe to paralyze business, destroy confidence, and bankrupt the country, as it has done in the last four months. A people who would thus voluntarily relinquish such power into the hands of the most soulless trust in the world or ever conceived of, either in or out of Tartarus, will in the end be slaves, as they would deserve to be. In fighting such a Tartarean scheme wisdom dictates that we do as our fathers did, and set up its most perfect antithesis, for we are fighting a people who, having failed to subjugate us with arms, are now seeking our destruction through the powers of gold. Let us therefore make the silver standard pure and simple—our standard—eliminating entirely gold from our currency—for we know it is both traitorous and treacherous, and therefore unfit to be in partnership.

Europe would uphold and maintain the gold standard, and the people of the United States, by putting themselves behind silver alone, would make it their standard. What, therefore, would be the logical result of our action? With such nations as would likely join us in maintaining the silver standard the forces would be nearly equal. The frightened cry would go up again that our mints would be the "dumping ground of the world." Admit it, the more they would dump the better. The uncoined silver in the world would not give us a per capita circulation equal to one-half now enjoyed by France, which would be less than we needed, while the annual production of the world—estimated at 150,000,000 ounces per year, would not keep pace per capita with our yearly increase in population and wealth. The logical result would therefore be that the silver product would be wholly absorbed and it would regain in a very few years the same value in the markets of the world that it had when the gold trust in 1873 sought its destruction and stealthily secured its demonetization. It was then worth a premium; why should it not be so again?

Whether it will be depends entirely upon whether we abandon it and deliver ourselves body and soul, as well as our children, for all time to this soulless creation, the gold trust. The effects of such a result upon the prosperity and happiness of the people of the whole world can not be calculated. It would be like opening the prison houses of the millions who earn their bread in the sweat of their face and inviting them out to enjoy the sunshine and breeze intended for all. Accompanying such an act by an assemblage, not of a monetary conference to settle the question of ratio, but of the representatives of all the governments in North and South America to agree among themselves in the coinage of an American dollar, would place silver as the American financier's king and a full rival in power and influence to the European golden king, whose palace is to-day in Lombard or Thread Needle street in London. This issue presented by such a combination could not be doubtful. The emancipation which would follow would be hailed as the blessings of a second Magna Charta, and its results follow us forever. The United States, with its superiority in wealth, manufactures, enterprise, and intelligence, would direct the commerce of the entire western hemisphere, and New York would be the financial center of the western world and the rival of London.

'And the people of the western hemisphere, freed from chains once before broken by their courage, but now riveted by the moneyed power of Europe, would, under its inspiring influence, be beyond all future attempts at subjugation and our enfranchisement fully achieved. We would, of course, hear the old stale cry that the people could not absorb the silver. The fact is that the people to-day do not absorb the gold supply. It is only found in the banks and the great vaults of the great cities, or, when plenty, in the Treasury of the United States; they preferring its gold certificate to the gold itself. The simple Treasury note, issued in lieu thereof by the Government of the United States, exchangeable, not redeemable, at all the subtreasuries, would give it additional strength, for while it would represent the silver token, it would carry with it the power, strength, and dignity of the United States with its great people and their immense yearly productions of wealth behind it. Surely they would be the equal of the clearing-house certificates of New York and Boston, which alone saved those cities from a fate equal to the fate

of Sodom and Gomorrah. It would have solved the currency question forever.

The power of the gold trust would be forever broken. Money would, to a great extent, lose its incentive for evil and recognized but as the handmaid of agriculture, commerce, and manufacture it would go hand in hand with these three great avenues to prosperity with smiling countenance, a companion in sunshine, and a friend in adversity. Again we would hear the pitiful cry of inflation. Oh, yes! I said the gold trust was soulless, but even their triple-plated armor would be pierced and the place where th soul once was would give evidence of their agony, when confronted with the idea that the people were no longer dependent upon them for relief, and that they would be forced to loan at reduced rates of interest or use it in legitimate business, drawing but one percentage instead of loaning it to others to use—thereby forcing the people to pay two percentages for its use.

Inflation! of course. It would carry stability, friendship, and courage with it, and, as a logical sequence, prosperity to every community and the enhancement of the prices of labor as well as the products of labor. How beautiful are those laws which double the value of gold, beside the infamy of those which double the value of labor and property. This is the marrow of the entire controversy. The one side fighting for mastery and the other for freedom. Whether the value of gold shall continue to increase or the homes and the products of the great toiling millions who own this magnificent country. To this end we shall finally come. It may be deferred, but it will come. It took our English ancestors hundreds of years with many wars to permanently establish the principles of the Magna Charta, but to-day it is the very breath of our political existence, just as the enactment of the principles I thus foreshadow will be of our financial freedom.

The task before us is formidable in the strength of our enemies; but not more so than that of our forefathers when they undertook to break the shackles which bound them to England; and, following their example, every nation of this hemisphere finally accomplished it, and to-day the Monroe doctrine is a "fiat" which no European monarchy dare to infringe, receiving its final crown when the French troops, under American orders, left Mexico. Having thus achieved our freedom and maintained it in connection with our glorious unity and history, who but those who are cowardly at heart, traitorous in mind, or corrupt in finance will say that in our matured strength we can not free ourselves from this impending catastrophe, if we so desire it. Who can contemplate with serenity the results that would follow the success of this last most fearful and fatal blow to the liberties of our race.

Forty-five years ago I was one of 76 backwoods Missouri boys, under command of Lieut. (now Col. William B. Royall of the regular Army) encamped on the Arkansas River, near Coon Creek. We were attacked by 800 Comanches and Apaches, and after two hours' heavy fighting, repulsed them with a loss of 63, whom we buried in the sands. They were armed with bows and arrows and lances. We were armed with breech-loading carbines, and superior arms alone saved us from destruction. Thirty years afterwards the gallant Custer with his splendid dragoons met Sitting Bull with his warriors armed with Winchesters, and but one man got away to tell the tale. It was simply a question of weapons. The "semibarbarians" of the West are fighting with bows and lances, while the gold trust uses breech-loading carbines. Arm us equally and the Custers of finance will meet a similar fate. If we surrender our weapons to the gold trust we may be thankful if we get decent burial in the sands. If, however, we choose our own weapons, as we have the right and power to do, we can successfully resist the most powerful assailants of the monied powers.

Let us not underrate or mistake the purposes of the gold trust. It is buttressed by the monarchies of the Old World, and behind them are the gold Warwicks who uphold their thrones. They mean absolute power and control. They will admit no partnership, no membership, that hesitates in absolute obedience. England feels that with this question settled in her favor she is more than compensated for the loss of her colonies in America, for she regains in rich and powerful subjects a hundredfold more than she would have had, had she held possession of them. The scheme is worthy of her greatest statesmen, who find that she can conquer and subject countries through her financial policies, upon whom she could make no impression with arms. She has changed the policy with which she opened the ports of China for easier and more powerful methods, for she finds in the United States men who are ready to open the "gates of Troy" and invite her with songs and music to take possession. The powers of government are but spider webs in their sight, for their golden king rules the world by humoring all shades of political authority, taking care, however, that the tribute exacted, without which it can not exist, is rendered with thanks.

The silver party are men like Putnam, who left his plow in the furrow to fight for the liberty of his race. The one is a rich, powerful, and compact army, ready for the fight, and, conscious of their powers and their opportunity, are pressing it to a finish. The other is but the undisciplined militia, betrayed and surprised, with no coherence of action, but with the common impulse of the men of '76 and determined to maintain their inheritance. Accepting the gage of battle, they writhe in spirit, because they are forced by the forms of law to await the ides of November, '94, when, with serried lines and unbroken ranks, they will be ready for the conflict. The grandest sight upon earth is a body of freemen gathered in their strength for the defense of their inheritance. What matters it that the gold trust has been preparing for this for years.

What matters it that every nonproducing section or self-constituted body is arrayed on that side. The great chambers of commerce of every great city; the national banks all over the land and almost every private one, all the great dailies of the metropolitan cities; the President and his Cabinet, with their enormous patronage, subsidizing Senators, Congressmen, newspapers and everything else that is purchasable, assisted by every money dealer and money lender, make up the personnel of this great army of uniformed knights. They feel themselves capable of overthrowing every opposition, and once secure in their schemes, with a two-third Presidential veto in their favor are confident of their power to defy the "silver barbarians." History, however, is full of such examples, but in the end the people lived, and the English race were never conquered when great questions involving their liberties were at stake.

Just so in the present case. Our fathers planted wisely when they placed the purse of the nation in the hands of the representatives of the people and reserved to them the freedom of electing them every two years. Executives, Cabinets, Senates, are but their dependents, and only live because they permit their existence. No power can thwart their will when thoroughly aroused. Even England's Queen bows her haughty head before the demands of the House of Commons, and the full power of our House of Representatives has never been tested. Therefore let there be no heart failure in consequence of this terrible array, with their Chinese gongs and carpet knights, but at the same time let us not underrate the strength, nor be misled as to the purposes of this culminating criminal of the present century, the gold trust.

"Truth crushed to earth will rise again,
The eternal years of God are hers."

J. H. B.

That is a voice from Missouri, a voice from the borderland of Kansas, a voice from one of those men who lived through those perilous scenes of conflict forty years ago. It can be seen how patriotic a man can become who has lived in excitement and seen the approach of danger. He understands and points out to you the exact situation, and tells you the exact question: which is, shall this colossal gold trust of Great Britain, with its emissaries in this country, rule the people of America, or shall we strike for financial independence?

To speak of financial independence and be on the gold standard, is absolutely absurd and ridiculous in the estimation of any man who has studied the question. One-half of the gold is already hoarded for war purposes and for plunder; it is pooled. No countries in the world have any loose gold which can flow from them to others without obstruction, except the United States and Great Britain. Every other country is protecting its home circulation in some way, and even Great Britain protects hers by raising the rate of interest and by favorable rates of exchange.

Even Great Britain, with an income from other nations of $500,000,000 a year in interest, can not maintain an international gold standard; and yet it is said that the people of the United States must maintain an international gold standard, and buy gold so that the speculators may have it at their will. With only eighty-two millions of gold and one thousand millions of stuff to be redeemed, we are told that all this stuff, silver, paper, and all, must be redeemed in gold, that it must be first reduced to credit money sustained by this eighty-two millions of gold; that we can strengthen it; and it needs strengthening every day and every hour. To do this you have to buy gold.

What is the result of going into the market to buy gold? Every gold king in Europe knows that there is going to be a great advance in gold if the United States carries out the plan that is proposed, and Europe in newspapers every morning speak of the advance in the price of gold if we undertake to buy it. We shall have to pay a large price for it. You will not get gold bonds at par for 3 per cent; gold will go higher than that, because other countries are seeking it and are holding it. Russia will not give up her gold, because she is holding it for war purposes; France will not give up her gold, because war is imminent between France and Germany.

Germany, for the same reason, will not give up her gold. You can not get gold from any nation except England, and it is estimated that in all the British Empire there is only about three or four hundred millions. There is a dispute as to the exact amount, but that is all they have there. They are not going to give up much of that. We can not get it from that country without paying a high price, and they have a constant call upon us for interest and can call it back whenever they please. They say that we must go on and load up this country with more debt and taxes and raise the price of gold, which rules the price of products. What is that but slavery—slavery at the hands of those who control gold? All money but the $82,000,000 is to be destroyed by reducing it to credit money.

This bill means to strike down the standard silver dollars, so that they shall not be capable of redeeming themselves, so that they shall not be real money. That is the object and that is what the gold ring claim they will do, and that we shall find ourselves on the gold standard. That means that everything must be redeemed in gold; it means bankruptcy, and poverty, and oppression. That is the object of it, and so a few men, having cornered all the gold, can draw it out and produce a panic at any time.

What is to hinder the gold trust if we buy gold and put it in the Treasury, taking greenbacks, silver coin, or anything else, and drawing the gold out? The Department is administered on this theory. You draw out your gold and have to buy more. They keep playing that game with you. They get all the bonds they please for any purpose. England needs good investments for this vast accumulating interest. There is an accumulation of $500,000,000, or probably $800,000,000 a year in England, because foreign countries pay $500,000,000, besides what the colonies and the empire pay, amounting to seven or eight hundred million dollars a year. They have that for investment, and they would like to have United States bonds to invest that money in.

With wheat and cotton and farm products at reduced prices and with property discounted 40 per cent, yea 50 per cent, now to buy this gold in that way makes slaves of the people. To-day there are many districts in this country where the farmers are so poor that they can not clothe and feed their children and send them to school. There are plenty of districts in that condition in the surrounding country, and not very far from here. Go 20 miles from the cities in any place and you will witness poverty among the people. Their products are selling for next to nothing, and yet it is proposed to buy gold and make this a permanent policy.

I have the proof right here that silver is the better money; that silver comes nearer the maximum of stability, which is the end and aim of all financial legislation. I suppose those who print such information do not know what it means. Of course they do not know what it means, because they have to wait

until some gold man tells them. Here is proof that silver is a stable and an honest metal.

Mr. VOORHEES. From what does the Senator read?

Mr. STEWART. I read from the Washington Post of this morning. I suppose they would not have printed the article if they had known what it meant; but accidentally the newspapers print dispatches which tell the truth when they do not know what is meant. Plenty of the gold papers print the truth in this way, not understanding it.

The heading is "Silver in India." The article reads as follows:

THE PURCHASING POWER OF THE WHITE METAL HAS NOT DECLINED.

The Treasury Department has received a report made by Acting Consul General Jamieson to the Earl of Roseberry, on the effect of the fall of silver on prices of commodities in China.

The Earl of Roseberry is a member of the English cabinet, and he is a brother-in-law of the Rothschilds, if I recollect aright.

Mr. McPHERSON. He is a son-in-law of one of the Rothschilds.

Mr. STEWART. The son-in-law of one of the Rothschilds. He was a good man to make a report to, an able man undoubtedly.

The report was made on August 5, from Shanghai, and the object, as stated by Mr. Jamieson, is to show the "position which China occupies in regard to the silver question."

Discussing the purchasing power of silver in China, Mr. Jamieson says: "In other words, the purchasing power of silver has not declined in respect to any of the classes of commodities, and has even considerably increased in respect of the first and last classes—food stuffs and articles produced abroad and consumed in China. The purchasing power of gold, on the other hand, that is, its local market value, has steadily advanced with every successive fall in the sale of exchange on London, till now 4 shillings will purchase what formerly required 6 shillings and 6 pence, or 60 pounds will now do what used to require 100 pounds."

He summarizes his conclusions: "China has not been within the memory of the present generation a great absorber of silver. The fall in the gold price of silver appears to have produced no effect on the general level of prices of articles produced and consumed in China. As regards articles produced in China and commonly exported to gold-using countries there is a slight tendency to a general rise. The fall in the price of silver has stimulated exports."

Does not that little report sent to your Treasury Department and printed here this morning speak volumes? It shows that the purchasing power of silver remains in Asia what it was; that there has been a slight rise in the prices of exports, which have been stimulated, and that they have had an advantage. There have been no hard times in silver countries. The great thing, in order to allow men to trade with each other, is to have an honest measure of value as a medium of exchange, so that neither party will be swindled by time contracts. That has been the condition with silver, and that is its condition to-day. In the United States silver bullion will buy as much of any commodity as it would twenty years ago. If you want an honest measure there can be no doubt that silver is that honest measure, and if you want a dishonest measure there can be no doubt that gold is that measure.

Under the gold standard the manufacturers of England, as I have before stated, were compelled to close because they could not compete with the manufacturers in India and other silver-standard countries, and great suffering was the result. The recent effort in England, in conjunction with our Administration, was to destroy silver and to quiet the clamor of the people of Great Britain which came up and which proved that India had such an advantage in manufacturing and in commerce that she was monopolizing the trade of the Orient, and that very soon English manufacturers would be excluded from that trade.

Hence it was necessary to destroy India. They were then warned of our rivalry, but they were confident that they could control us, being aided by the national banks, a subsidized press, and an Administration elected as bimetallists, who are willing to change front at the bidding of the gold trust. They were confident that our Administration would turn against our people, and they claimed to have official information in advance that the Sherman law was to be repealed. They predicated their action in suspending coinage in India upon that information. Witnesses stated before the English commission that the Treasury Department would stop buying silver, law or no law. Law or no law, the Treasury Department would annul the Sherman act by refusing to purchase silver bullion. They then suspended coinage in India to silence the clamor in Great Britain which was fast overrunning parliament.

England has not yet been able to put India on a gold standard, nor can they in the sense that we are on the gold standard. They can not allow the rupee to be redeemed in gold; it is simply fiat money as they hold it there. England can no more put India on a gold standard than she can put Austria on a gold standard to stay; that is, they have failed to be able to redeem the paper of Austria in gold. They have gold, but they dare not pay it out. It is held there, and it is for the interest of the gold trust to store it away there, because it is easier for them to control the balance of the gold. It is, in fact, a part of the gold pooled. A thousand millions of stuff to be redeemed, we are dependent upon borrowing from England the money with which to redeem it. No country was ever placed in a more humiliating and disgraceful position.

Mr. DOLPH. Will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Oregon?

Mr. STEWART. Yes.

Mr. DOLPH. It seems to me that the Senator speaks very disrespectfully of all our currency but gold by calling it "stuff."

Mr. STEWART. Yes; I call it "stuff," in the language of one of your Cabinet ministers. He called it "pig silver." That is what they call it, "stuff," "pig silver;" and I call it, in the language of the gold ring, "stuff," and you are making stuff of it, which will breed panics, because you are making it credit money and reducing it to stuff. You are denying it the virtue of the stamp of the Government, although Congress declared it was standard money. You say it must be redeemed; so says the President; so say the entire Cabinet; so says the gold trust; and so say those officials who betrayed the people by getting elected on one issue and then doing another thing.

The situation is further illustrated, and you will find it in all the press, that England, on the gold standard, can not compete with silver countries. In proof of that assertion I read the following from a China paper:

There was a rumor in the bazaars of Bombay when the mail left that government intended to levy very shortly an import duty of 17½ per cent on silver imported into the country. The rumor, which was entirely unauthenticated, has caused a panic in the native commercial circles, where it was feared that the adoption of any such measure would be productive of a further loss being sustained by the Bombay spinning and weaving mills, which are worked at present without any profits, and in some cases at a loss. The native mill-owners are of opinion that, should the rumor prove true, all that they could do to prevent themselves from incurring any further losses in their trade, would be to entirely close their mills for three months or even a longer period. They are also of opinion that by the levying of the duty, Lancashire and other cotton-manufacturing districts of England would be in a position to compete with India and find a market for their goods in China. They believe that the rumored course might be beneficial to government and to merchants and tradesmen of Europe, but would be a sort of deathblow to the mill industry of India. However there is at present no confirmation of the rumor. On Saturday last the Russian minister of finance issued an order directing that the prohibition against the importation of foreign silver coins shall come into force on September 13 next.

Now, this is what I said and what I have been contending for all the time. The object was to put them on a gold standard to reclaim the Indian trade. I saw an article this morning discussing the question in regard to putting on a duty upon silver imported into India for the purpose of increasing the value of the rupee, and thereby crushing these Indian manufacturers.

Mr. McPHERSON. I wanted to make an inquiry of the Senator, but I see that the Senator has already answered it.

Mr. STEWART. Here comes the Pall Mall Gazette of August 31, 1893, after giving the figures as to our money, discussing the affairs of the United States, which I will not read, but will print, as the first part is in figures, speaking of our currency and what we are doing. This is instructive and shows just where our Pan-America might be if we had the independence to relieve ourselves from the shackles of England.

UNITED STATES FINANCES.

The recent diminution of the resources of the United States Government can not be too fully recognized, especially as it has been of such an extent, financial position would in itself be a sadly interesting object of consideration, and so rapid, as to be quite phenomenal. The sudden dissipation of a strong even if it did not possess so much practical importance. The case is concisely put in the official report from which we quoted yesterday. The principal features of the last four financial years, that report says, have been the gradual shrinkage of the surplus and the increase in the Government expenditures. In the spring of 1889, when the Republican party came into power, there was a surplus in the Treasury of upwards of $100,000,000. Last year it was barely $10,000,000. This year it will hardly reach $2,000,000, and next year there will probably be a deficit. The chief causes of this change have been the extravagance of the Fifty-first and Fifty-second Congresses, the reduction in revenues due to the McKinley act, and the enormous increase in the payment of pensions. From 1872 to 1879 the sum annually paid for pensions by the United States Government did not exceed $30,000,000. In 1891 it had risen to $124,415,000, and during the present fiscal year it reached a total of over $160,000,000. Fifteen years after the war there were 250,800 pensioners on the roll. Four years ago there were less than 500,000, and this year there are over 900,000.

ARGENTINE AGRICULTURE AND THE PREMIUM ON GOLD.

We are so accustomed to looking upon an advance in the premium on gold at Buenos Ayres as an unmixed evil, leading to depreciation of securities and disturbance in finance, that we seldom regard the matter from the other point of view—the point of view from which the Argentine agriculturists and other local producers regard it. Among the circumstances which have combined to favor agriculture in Argentina in recent years—and the strides which the country has made from the pastoral to the agricultural state are remarkable—one of the most important has been the high premium on gold. This is made quite clear in a foreign office report just issued. The premium on gold has conferred a distinct advantage on the local producer who supplies articles for which there is either a demand abroad or which compete with a similar imported article. For either of these two classes he obtains a price based on the gold value of either of those two classes of articles in European markets. In the case of the former class, or exports, the produce sells for the value in foreign markets, and in the case of the latter class, or imports, the produce will fetch a price which is sufficiently low to undersell the similar foreign article, which pays a very heavy duty. The producer thus practically obtains a gold price, whereas he pays all his labor and current expenses in depreciated paper currency, thereby realizing an extra large profit. Hence the possible doubt as to the continuance of agri-

culture on its present large and rapidly increasing scale and of many now flourishing Argentine industries, should the premium on gold fall greatly and again approach par.

We have been saying all the time that they have had the advantage over our agriculture, that we were supplanted in the European market by the wheat and corn of India. Russia has the same advantage, because while she does not coin silver she keeps enough paper money out to keep it on a par with silver. Her rouble is on a par with the rupee all the time by the issuance of fiat money, and consequently the productions of Russia and of India are supplanting those of the United States in the markets of Europe. This gold scheme is fastening the chains of slavery upon our people and reducing them to abject poverty and misery. We understand it.

Here is a very able article from the North China Daily News, of May 12, 1893, with a table, upon this same question. The question is so little understood—the advantages of an honest silver currency are so little understood that I must be pardoned for calling the attention of the Senate to matters that they will not read, to matters that the press will not publish, to the facts as they exist elsewhere.

THE GOLD QUESTION,

To the Editor of the North China Daily News:

SIR: In my letter on this subject, which appeared in your issue of the North China Herald of the 17th of March last, I wrote:

"If it can be established as a fact that an ounce of silver will now purchase or exchange for as much on the average of certain articles (whose value has not been materially affected by other causes than those connected with currency) as it would have done twenty years ago, then it must be apparent that its purchasing power, that is, its value, has not diminished in that time.

"Believing as I do that this point can be most readily determined here in China, where silver is the standard of value, and gold but an article of commerce, and where the productions of the soil, and of manual labor have not been so much affected by extrinsic causes, such as cheaper transportation and improved methods of cultivation and manufacture, as in western countries, I venture to ask for a little space in your columns to bring forward such facts bearing upon the question as are readily available."

Since writing that article I have been more than ever impressed with the superior advantages offered by this country for investigating the subject, for the reasons above stated, as China is essentially a silver-standard country, and its financial system of the simplest character—free, except to the most limited extent, from all the complications connected with heavy loans and their attendant issues of Government obligations; and, furthermore, as the methods of agriculture and manufacture are practically the same as they have been for hundreds of years. In the matter of transportation, too, there has been no change, except on the coast, while the interior traffic is carried on in the same manner as it has been for generations past. It must be evident, therefore, that the cost of production here has not been influenced as it has been in the western world, by recent improvements in machinery and increased facilities for transportation which have altered from year to year the prices of commodities there, thus rendering them less suitable for purposes of comparison than those of this country, where the principal fluctuations in value are chiefly due to the vicissitudes of climate.

Since writing this article, moreover, the matter of currencies has formed the subject of debate in the House of Commons in England, and the appreciation of gold has been called in question there, as it was at the Brussels conference, by members who evidently have not given such careful attention to this point as its supreme importance most undoubtedly merits; so that it seems to be one's duty to aid in uprooting this financial heresy, by bringing to light the data procurable here, which I am certain are quite sufficient to open the eyes of all but those who will not see, to the fact that silver has not as yet, at all events, depreciated in its purchasing power; but that gold has appreciated enormously, and that all the disturbances of exchange and values in the gold-standard countries have been caused by the constantly increasing capacity of that so-called standard itself.

I have, therefore, availed myself of the rich mine of statistical information contained in the official publications of the returns of trade, made annually by the imperial maritime customs of China, to prepare a table of index numbers of twenty of the principal articles of production of this country, which I trust you will be able to find a place for in your paper. With regard to the articles selected, I would remark—

First. That they are taken from the returns of the northern ports of China, Newchwang, Tientsin, Shanghai, Chinkiang, Kiukiang, Hankow, and Ningpo.

Second. That they are productions of the country in the neighborhood of the ports from the returns of which they are respectively taken, and are among the most important articles of trade at those ports, many of them being such as are exported chiefly if not entirely to other parts of China for consumption.

This table is prepared on the same principle as are those in use in Europe for demonstrating the course of the market values of different articles of trade for a series of years, and, for the benefit of those who may not be familiar with it, I may explain that the initial values (in this case those of 1873) are taken as a standard at 100, or par, and those of succeeding years at the decimal equivalent of the average value of each article for any given year. Thus the values of all the articles are reduced by the decimal system to a uniform basis, and the course of each can readily be followed from year to year, as well as that of the aggregate value of all the commodities; so that it is very easy to determine at a glance whether any individual article has gone up or down, or whether the aggregate is increased or diminished as compared with the standard or starting number 2,000. The values of the commodities selected are, of course, on a silver basis, in the equivalent of taels, and, taking the par value of the aggregate at the decimal 2,000 in 1873, and following the line of aggregates for the ensuing years, it will be seen at a glance that, after a few variations, in none of which do the totals rise materially above the standard (2,000), prices settle down in 1892 considerably below the starting point, in 1873; which demonstrates that on the whole prices here in taels are lower than they were in 1873, or that the purchasing power of silver is certainly as great, if not slightly greater than it was then; as it is evident that 1,761 taels, the total for last year, would buy as much on the average of commodities generally as 2,000 taels would have done in 1873.

An examination of the table will show that the several articles have fluctuated considerably in value, from year to year, owing to natural causes—supply and demand, etc.; but there has been no general movement at any time in sympathy with the variations of exchange, and in particular in no article has there been a tendency to a regular advance in value such as must necessarily have taken place had there been any decline in the value or purchasing power of the standard, silver. Two or three of the articles stand at a higher level in 1892 than at the starting point; but a glance backward along the lines will show that this is simply a recurrence of high prices which has repeatedly taken place during the twenty years covered by the table, and which is chiefly due to droughts that have at times prevailed more or less extensively over the whole of Northern China, and very severely last season. On the other hand, there are several articles, and particularly teas, that have been affected in the opposite direction, and have suffered a reduction in value owing to a greater or less extent, probably, to a falling off in the demand; but, if the total of all the deficiencies on such articles were added to the aggregate for 1892, it would not bring the amount up to the par value, 2,000, of 1873. In other words, if the decimals for each of these articles were taken at 100 in 1892, the same as 1873, the aggregate would not be brought up to 2,000.

In China, as is well known, gold is in no way connected with the currency, and is simply a commodity, in every sense, as much as are teas or silk. No one here would think of offering a bar of gold in payment for any ordinary purchase, nor is it, or any other form of gold bullion or coin, ever seen in this country in circulation. Taking it, therefore, as a commodity, as it actually is, a reference to the commercial circulars, where it is regularly quoted, will show that it has advanced from 162 taels of silver per bar of standard weight and fineness since 1866 to 261 taels (the highest point touched) in March last, or somewhat over 60 per cent. That the advance from 1873 to 1892, inclusive, may be properly appreciated, I have given the silver equivalents of gold in each successive year in the horizontal line under that of the aggregates of commodities, adopting the same standard, 2,000, in 1873, as the starting point, and it will at once be seen how the commodity, gold, has advanced above the silver plane, 2,000, which silver, and all commodities, including gold, occupied in 1873.

That this enormous divergence between the values of gold and silver is entirely owing to an advance of the former and not, at all, to any decline in the latter, is, I think, abundantly proved by the attached table; for if silver had really gone down, even 5 per cent, then the aggregate value, for 1892, of the commodities specified would have been more instead of less than 2,000, and, with a decline equal to the difference between the two metals, instead of 1,761, as it now is, it would have been at least as high as the other commodity, gold, which stands, as shown in the table, at 2,950.

I am, etc.,

W. S. WETMORE.

MAY 11, 1893.

Table of index numbers for twenty Chinese staple commodities.

[Compiled by W. S. Wetmore from the returns of trade of the imperial maritime customs of China.]

Commodities.	1873.	1874.	1875.	1876.	1877.	1878.	1879.	1880.	1881.	1882.	1883.	1884.	1885.	1886.	1887.	1888.	1889.	1890.	1891.	1892.
Alum, white	100	88	96	73	100	109	95	95	119	118	119	121	96	93	98	106	101	94	88	94
Beans	100	93	105	128	139	110	113	99	98	105	105	107	109	123	111	129	129	119	109	113
Cotton, raw	100	67	85	90	88	81	91	82	90	91	88	67	81	82	77	83	89	83	80	73
Cuttlefish, dried	100	60	94	91	163	183	112	117	108	146	118	92	81	74	88	96	149	140	80	87
Hemp	100	101	99	120	124	118	111	116	111	122	118	106	101	100	86	84	88	75	76	76
Liquorice	100	40	40	40	50	60	77	41	57	73	70	94	95	81	62	64	40	72	86	86
Oil, wood	100	97	88	97	100	93	99	98	103	103	105	99	110	108	88	78	65	76	85	87
Paper, second quality	100	112	90	108	98	112	107	100	127	107	115	110	130	*130	*130	*130	70	70	63	66
Rice	100	119	88	91	91	138	119	100	100	104	119	118	105	119	129	110	91	119	119	119
Safflower	100	99	90	123	125	112	103	101	102	104	103	98	100	100	102	103	104	104	88	84
Silk, raw	100	60	57	87	67	64	62	59	68	60	62	53	52	56	61	62	64	61	57	61
Tallow, vegetable	100	85	80	87	131	116	107	87	88	89	90	81	88	82	72	60	81	79	75	75
Tea:																				
Black	100	111	99	99	84	85	91	82	67	70	69	57	63	73	54	58	73	81	96	66
Brick	100	123	112	102	99	95	78	120	87	78	86	82	67	77	62	65	83	67	74	104
Green	100	97	76	73	64	75	74	70	60	66	53	57	61	58	60	66	59	53	51	52
Tobacco, leaf	100	84	75	79	76	83	91	83	72	77	72	63	91	79	65	65	75	62	75	74
Wax, white	100	105	104	106	102	104	112	121	127	121	110	114	93	104	93	84	74	75	73	97
Wheat	100	93	114	143	171	171	160	144	126	114	118	161	131	113	113	113	143	157	137	143
Wool:																				
Camels'	100	87	108	113	106	133	161	163	158	156	143	140	140	139	157	148	157	158	160	136
Sheep's	100	93	*87	80	53	60	60	47	72	82	53	63	60	67	66	57	68	63	76	68
Aggregate values of commodities in silver	2,000	1,814	1,787	1,930	2,031	2,101	2,023	1,925	1,940	1,986	1,916	1,883	1,854	1,858	1,774	1,761	1,803	1,808	1,748	1,761
Silver value of gold	2,000	2,029	2,078	2,160	2,159	2,215	2,301	2,275	2,322	2,307	2,336	2,376	2,425	2,571	2,648	2,730	2,746	2,539	2,621	2,950

*Assumed, returns of the article referred to not having been made.

SHANGHAI, *May 11, 1893.*

This has not been brought forth here. Here is a table showing some statistics of a country that is stationary. Much has been said about our improved methods of production, and that the advance in the price of gold was imaginary and not real, owing to natural causes that had reduced the average range of prices. We have frequently heard that statement, but when it has been investigated, that theory has been discarded by all philosophers and writers on economics. Even the great monometallist of Europe, Mr. Giffen, the great statistician, admits that there has been a very large appreciation in gold. But here we find a disturbance of 60 per cent, when gold has gone up in purchasing power 60 per cent, where you have had none of these improved methods, and where silver has advanced slightly in its purchasing power.

I regard the labors of this man as very valuable, as throwing light upon a disputed point.

How important and valuable it is to know which is the honest measure. It was a dishonest measure that closed the factories of England. Why could not robbery compete with the honest silver of India without the interference of the Imperial Government? If we open our mints and join the silver-money countries we shall have the trade of those countries and shut out Europe, and she will be brought to her knees; then she will have to open her mints to equalize; there will be no way by which she can destroy the prosperity of any civilized country; she can not lead us if we are represented by true Americans, if we are not betrayed. She can not continue to do to us as she has done to India, and as she is doing to us now.

Here we are commanded to change our policy, to have no money except what we borrow and what we pay for by such sacrifices as the world never before saw in wheat and cotton; that we shall carry on this policy of buying gold and putting it in the Treasury, and saying that the standard silver dollar shall be treated as credit money, and that prices shall fall and crush our finances and impoverish our country to buy gold.

Who makes the demand? Those who have gold to sell, those who have got the call on gold for $800,000,000 annually which is to be paid from the products of all the world. They ask us to enhance the value of their gold, to plunge this country in debt, to crush it by taxation, for the purpose of giving them a place to invest their annual interest income in safe bonds and for the purpose of enhancing the value of those which they hold.

Yet a subsidized press has the audacity to call this public sentiment, to call it the demand of the country, when the country has demanded the exact reverse, and when this gold ring would no more dare to submit the question to the people than it would to face the cannon's mouth. Submit it to them! No, they would never submit such a question as that. They play their tricks in the dark. They deal with marked cards and with loaded dice. They deal with members of Congress after their election. They nominate Presidents on false platforms to deceive the people. They can afford to spend a great deal of money for this purpose when the whole world is working for them.

I now read an extract from the London Standard to show the alarm which was then in existence. This was reprinted in the Chicago Inter-Ocean. The comments of the Inter-Ocean precede the article, which is headed "The London Standard's warning." It is taken from the Chicago Inter Ocean of Friday, July 28, 1893:

After explaining to its readers what has been done in India on the silver question, explaining the matter somewhat fully, the London Standard, the leading organ of British conservatism, winds up its editorial with the following "succedaneum" remark:

"What if the United States joined Mexico in declaring for 'free coinage of silver,' throwing over gold as too dear? What if the two American continents held out the hand to further Asia, and said: 'Let us have the white metal for our standard'? Chile, now hard hit, would eagerly respond, and all the crippled States of South America, and Mexico, and Japan, and China, and Java—all that mighty East, which cares little for Simla. It is a great danger, to which the present outburst of alarm and fear must not render us oblivious."

A great danger! I wish my friend from Maine who favors the passage of this bill would listen to that language. This Pan-American scheme may be regarded as a great danger! To whom? A great danger to British control. The bimetallists pointed it out when they suspended coinage in India. They pointed out to the British Government that it had not done enough. China and Japan may establish factories, but they reply and say: "They are slow countries." But they say, "Suppose the United States should adopt free coinage and join these countries, then that would be ruin to Europe; Europe would be shut out from the entire silver-standard countries and from our large trade." They understand that perfectly, and that is why the British Government, the British papers, and the British representatives in this country, and in this capital are so anxious to consummate this crime and do it quickly. They are anxious to have this giant bound and gagged so that it will not rise in its might and shake its fist at the tyrant. That is humiliating to our people.

Here is an interview with a very intelligent Mexican as to the effect of an international congress. It is an interview with Señor Don Alvarez, a merchant of the City of Mexico, and published in Our Republic, Oakland, Cal.:

CITIZENS READ THIS—WHAT A PROMINENT MEXICAN SAYS OF OUR TRADE POSSIBILITIES UNDER A FREE SILVER POLICY—VAST COMMERCIAL RELATIONS WITH MEXICO AND SOUTH AMERICA—BRAZIL, BOLIVIA, ARGENTINE REPUBLIC, CHILE, URUGUAY, AND PARAGUAY WOULD ALL TRADE WITH THIS COUNTRY INSTEAD OF GOING TO GREAT BRITAIN.

In order to reach all the business men of Oakland and San Francisco we print the following article:

[Denver (Colo.) Road.]

Señor Don Alvarez, a gentleman doing business in the City of Mexico, called on us this week.

He conducts a large mercantile business in that city and is visiting America for the first time.

"You have a grand country," said he. "I have been in New York, Boston, and other cities and visited the World's Fair at Chicago. I never dreamed your country contained such a progressive, inventive, and pushing people. I wish I could do business with your people, but I can not. I buy your cotton goods through London and Liverpool brokers and pay them in silver bullion, which they carry to India to coin into rupees that pass in India trade at par with gold. By this means they do by my country as they are doing by this beautiful nation of yours, namely, ruining our farming industries. By the way, I cut this article out of one of your Denver papers this morning, and I wish you would read it."

After looking over the numerous other newspaper clippings, he at last found what he wanted us to read. It read as follows:

"NEW YORK, *July 20.*

"The Evening Post says: 'The effect of the proposed closing of the large Amoskeag cotton plant in Manchester, N. H., during the month of August, it is asserted, has been generally overestimated. This, at all events, is the view of many of the leading cotton merchants here. It is regarded as probable that many other mills in New England, such as the Manchester mills, the Pembroke, Webster, and China mills, and the York Manufacturing Company of Saco, will shut down, but, nevertheless, the situation is not considered an alarming one by the New York merchants.

"'The closing of the Amoskeag mills will undoubtedly be followed by the closing of other large manufacturing concerns in New England and perhaps in New York. It will be done as a precautionary measure to prevent a large accumulation of goods during the autumn. There is already a large accumulation of ginghams, which will be forced down in price if the production continues at the present rate. A large proportion of these are goods for the spring trade. In view of the present financial disasters it is hardly to be expected that the country will have recovered from the drain by spring, so that trade will then probably be anything but brisk. In view of a smaller demand, therefore, it is but natural that the mills should diminish their output accordingly. This is best done by stopping work altogether and thus saving the heavy expense of keeping up the power, besides a whole month's wages. A month's wages for the Amoskeag operatives, I understand, amounts to as much as $225,000. This is the best time of the year for such a measure, for most of the operatives wish to take a vacation during the summer or can at least in winter when their living expenses are so much higher. If the mills had not decided to close now, they would probably have had to do so in December, when it would have been a very serious matter for the operatives.'"

After we had read it we handed it to him and remarked: "It's sad, isn't it?"

"Yes," said he, "but it is sadder still when one contemplates how utterly foolish it is to permit such a condition."

"How would you remedy it?" we asked.

"Easy enough!" he exclaimed, as he lit a cigarette and settled himself down in our big armchair. "Now listen. I buy thousands of yards of Amoskeag cotton in Europe every year, as all Mexican merchants do. Now, suppose your manufacturers would come to our Mexican merchants and say: 'Here, we have passed a free-coinage bill and can now allow you $1.29 per ounce for our silver against 70 cents per ounce allowed you by England.' How long would your Amoskeag mills be without orders under such a condition? Why, in no time they would be submerged with orders, and we would use Amoskeag and other American made cotton instead of that grown in India and manufactured in England. In fact, America would capture our entire trade, not only in cotton goods but in every other line of manufactured goods. Our people would exchange all their spare silver for American manufactured goods, if your people would declare free coinage for the metal it so abundantly produces, that would enable you to allow us $1.29 for our silver. Not a dollar of our silver would go to England at 70 cents an ounce, or any other price under $1.29 per ounce.

"Such a rise in silver Mexico yearns for. Our agricultural industries would immediately take a step forward and thus relieve the distress that now exists among our peon system. Speaking of peons, your country will have plenty of them in another ten years if during Cleveland's extraordinary session gold is made the sole basis of American prices and values. I can't conceive what your people are thinking about. To the south of my country lies a whole continent of silver nations eager to break away from the slavery of the Rothschilds-Bank of England combine. Your nation could capture the entire trade of Brazil, Bolivia, Argentine Republic, Chile, Uruguay, Paraguay, Peru, Equador, Colombia, Nicaragua, and the Lord only knows where you could reach—why, you could reach into China, India, and Australia by allowing $1.29 for silver."

"Yes," we interrupted, "but that would bring a flood of silver to this country, and we would become the dumping ground for all the silver of the world."

"Ha! ha!! ha!!!" laughed the señor, "suppose you should become the dumping ground for silver, wouldn't it be a blessing compared with the present condition that now faces you? If we dump our silver upon you we would not do so for the fun of the thing; we would buy your manufactured goods, and when buying them we would stimulate your manufacturing interests until the time would come when you couldn't find people enough to work in your mills. Would that be a sad condition?"

"No, but England would withdraw her gold, and——"

"Oh, bosh!" interrupted the quick-witted Mexican. "Suppose she did; what figure would that cut?"

"Our bonded debts," we ventured.

"Were made payable in coin," the señor added, "and silver was coin when the debts were made, besides, by that time England would allow $1.29 per ounce for silver just as quickly as Americans, for she would be fighting for her life to retain her commercial supremacy, and the only way she could hold her trade would be to either allow $1.29 per ounce for silver, the same as America, or order gunboats out and destroy the United States.

"Should she try the latter scheme, she would find the entire western hemisphere helping the United States, besides the nations like France and Russia and the entire Latin Union would be glad to dip into the row and help to

make it hot for the Rothschild family of gold owners. I tell you, my friend, the United States has it in her hands to obliterate the gold corner, and nothing can defeat you but the treachery of your President and the Shylock-owned tools of Wall street, who are backing him. I glory in your spunk when you hoist your black flag and yell 'Free coinage or a free fight.' Keep it up, and if the New England States succeed in killing the great cotton States of the South and your wheat-growing States of the Northwest and Pacific slope, and your mining States, let them do it. Then it will become your duty to boycott the Amoskeag mill and all other mills—usury mills and all, and begin to throw your trade elsewhere—among your own kind of people. By and by the great Pan-American idea of your late lamented Blaine will begin to become clear to you, and when that day comes you silver men will find plenty of friends below the Rio Grande River willing to ride bridle deep in blood with the devil, your Government, or anybody else, in order to destroy the condition of human slavery the Jew gold-metal owners have built up through their control of the monetary system."

That is the view of this Mexican gentleman. Unfortunately we have appeared to very great disadvantage when discussing this question with the representatives of other nations. When the Pan-American Congress was in session here it was humiliating to witness the contrast between our representatives and those of other countries in the arguments made at that conference. They pointed out the magnificent harvest of prosperity that was in store for the western hemisphere if they could declare their independence from English supremacy. They said "We have a magnificent country with its resources untouched, that will produce everything that you require; you now have to trade with us through England, and the balance of trade against you is from $130,000,000 to $150,000,000 per annum. You must have what we produce. You have made the conditions such that we can not trade with you. Break those conditions, brush them aside, give us a common coin, and establish a common brotherhood of nations; and then the western hemisphere will have prosperity. But without the United States we are helpless; without the United States we are subject to be plundered. We appeal to you as the great progressive nation of the western hemisphere to join us and establish a common coin that shall be honest, that shall measure the labor of man honestly, that shall enable us to pay our debts in honest money. Adopt a common standard of money that was the money of the world before gold was coined. Adopt the standard that has been in use among the great masses of the people from the dawn of civilization. Adopt the standard that will furnish money to the common people. Adopt the standard of money that is used by 1,200,000,000 common people. Reject the single standard of money of the rich, which they have cornered and hold, and with which they intend to destroy you if you attempt to get it."

Gold never circulated among the people. It passed with silver as an adjunct, irregular in production, sometimes hundreds of years passing when there was little or none produced; a capricious metal: the output now being consumed in the arts.

I have heard it remarked that if all the people in the world had their teeth filled that ought to have it would ruin England; that that would produce universal bankruptcy under the gold standard in a single day. It is being hoarded in Europe for military purposes. Yet here we are supplicating Great Britain, and there she stands with a string attached to the foundation of our currency, and she can draw it from under us whenever she pleases, and can rejoice in the collapse and the disaster, and can then come back and gather up the harvest.

Oh, if there were patriotism in this country! oh, if there were statesmanship! oh! if they would but hear the voice of the people, if they would obey the majority, if they would not defy the majority, we would have no trouble.

Ah, who are the obstructionists? I say that those who obstruct the will of the people obey the Executive. But those who obstruct the foreign gold trust repudiate the Executive and money control. If we are not in the majority in this Senate in votes, we are in sentiment. If the gold trust were on the other side, we should have four-fifths of the votes of the members of both Houses, on their conscience, on their convictions, and according to the speeches they have made to their constituents for the last twenty years.

[At this point the honorable Senator yielded to his colleague.]

Wednesday, October 25, 1893.

Mr. STEWART. Mr. President, on the 24th day of September, 1892, in addressing my fellow-citizens of Nevada, I used the following language:

How have we been making the fight?—

That was the silver fight—

We have been trying to make it within party lines. There is no possibility of either of the great parties taking up the question of silver. They are both under the control of the gold ring. The platforms of the two parties are written by the same persons. They are substantially the same. These parties are fooling with this question, just as the Whigs and Democrats did with the slavery problem. As many of you will remember, the Whigs and Democrats put in their platforms the same plank and nothing could be done until the third party rose.

Now, when the two parties unite, somebody must protest. They have the whole thing their own way now. The Republican and Democratic parties have united and agreed that there should be no agitation of the silver question. Why, it is a sham battle between them; they are fighting about tariff schedules. Both of the parties are going to raise the same amount of money by a tariff for the operation of the Government, but they allow the people to fight over the manner of raising this money in order to distract their attention from the chief issue, the silver question.—*Chronicle, Virginia City, Nev.*, September 26, 1892.

I read from the New York Tribune of this date, October 25:

Republicans have won, and owe their victory to President Cleveland.

Again, the Tribune says:

Unconditional repeal is exactly the thing which tests the matter, and the Republicans are able to rejoice in the President's recommendation and unwavering support of that solution.

I now read from the leading Democratic organ, the New York Times, of this date, upon the same question:

In the situation at Washington as it has finally developed it is a source of sincere gratification that the Republican Senators, with the exception of the few rabid silver men, have acted in such good faith and with so clear a conception of their real duty. They knew that for the Democrats to refuse to follow the House and instead to adopt any compromise would be fatal to the Democratic party and of corresponding advantage to the Republicans. But they have steadily refused to lend their aid to any form of compromise, and have stood ready to support an amendment to the rules which would bring the Senate to a vote, though they knew that such a change would diminish their own power to resist the legislation of the majority in other directions. In this way the settlement of the financial question becomes, as it should, the work not of a party, but of the truest representatives of all parties.

I knew two years ago that there was really but one party in this country, and that was the gold party. I know it is hard for men to realize that there is a power higher than their party which controls its operations. It is hard for men to break from life-long associations, and it is well that they should hesitate before taking such a step; but, to my mind, it has been as clear as the noonday sun that the gold trust, which has its headquarters in London, is the dominant power, not only in this country but in England, Germany, Switzerland, Austria, Spain, Egypt, India, and some other countries. It is not entirely dominant in France or in Russia. Those two countries have taken every means they can to resist it, and are standing out bravely against this almost omnipotent power, but that it has had control of both political parties in this country I have been aware for a long time.

In the speech I made a year ago last September, from which I have read, I stated in some detail the proceedings which had been taken by the two parties, or rather by the gold party, to place candidates in nomination who would carry out the behests of the gold ring. Some of my friends in both parties read the platforms of their parties and said to me that these were bimetallic platforms, and inquired of me how I could doubt the good faith of these great national conventions; that they would not dare to say to the people that they were in favor of the coinage of both gold and silver upon equal terms, and then repudiate such a declaration. I told them I was satisfied that, as soon as the election was over, they would learn that there was a power greater than conventions, a power that would control the parties and that would bring them together as one party upon the main issue. I was not mistaken.

I am gratified at the patriotic stand taken by the majority of my Democratic friends in this Chamber. They have resisted long and vigorously, and they would have been successful in their resistance if it had not been for the Republican Administration Senators, who are eager to carry out the designs of the gold party and place this country on a single gold standard.

The fidelity of the Republicans to Mr. Cleveland is appreciated by the leading Democratic paper of the United States. I say "the leading Democratic paper," but perhaps I ought to qualify that. It has been for a long time the leading organ of the gold trust—the most persistent, the most consistent, and the most aggressive in the land. It does not forget to extend its thanks to all the true followers of the Administration, while it commends in the highest terms the President of the United States for taking in hand legislation for usurping the powers of the two Houses of Congress and forcing his views upon the country, irrespective of the legislative department.

I find in this morning's Washington Post language which would not have been published by any paper in the United States forty years ago. I read it to show the change of the times and the aggressions of the executive department upon the legislative department of this Government. I read from a description of our proceedings contained in the morning Post:

Unconditional repeal, with President Cleveland in the saddle, after jumping hurdle after hurdle, is at last coming around the last quarter, with the home stretch in clear sight. The race is nearly over. It has not been uneventful, although more than once the interest of the spectators seemed to lag, the old horse moved so slowly. Once, when Compromise was running head and head with the favorite, there was a good deal of shouting and the crowd thought that the race was over. Then President Cleveland showed his opponents how little they knew about jockeying, and now he comes galloping in, an easy winner in the home stretch. More than one rider, however, has been unhorsed, and the track has not been altogether free from mud.

[Laughter].

That is the way the executive department rides over Congress. His opponents sometimes underrate the President's capacity as a jockey, but now he is congratulated for having overridden Congress, as he is on the home stretch and sure of victory.

I find in the editorial columns of the same paper the same spirit of congratulation of the masterly skill with which the President assumes both the executive and the legislative power:

The triumph of unconditional repeal in the Senate, which is now practically assured, is a pronounced and unquestioned triumph for President Cleveland, in the sense that it means the passage, absolute and unqualified, of the legislation for which Congress was convened and which Mr. Cleveland, without the slightest deviation from his original line of policy, and without the surrender of a solitary point, has insisted from the beginning should take precedence of all other legislation.

The President has not lost a point in the game. Congress has been absolutely submissive. The President called Congress to do a thing and commanded it to obey without deviation, without the dotting of an *i* or the crossing of a *t*; and it is said Congress is about to obey. Such editorials as these fifty years ago would have alarmed the country; but now it appears that the entire press representing the gold trust—I mean the press in the commercial centers—are rejoicing at the great and irresistible power that the Executive has over the legislative department.

But, Mr. President, there is another tribunal before which this question may be tried, and when that tribunal understands the real issue to be between the rule of a gold oligarchy, composed mostly of alien enemies to this country, and the right of the people to have and to maintain an independent financial policy for the United States, I think there will not be much doubt what the verdict will be. True Americans can not march under the banner of a foreign gold syndicate; they will not march under that banner when they know that it is unfurled. They have been blinded by the clamor of newspapers and by the sophistry of public men. They have been lulled to sleep by the declarations of the platforms of the parties that bimetallism was the real end and aim, but now they will be undeceived.

Some one has sent me from the office an advance copy of Harper's Weekly, which is dated the 28th day of October, and which would come out regularly on next Saturday. But I presume that some one thought that I should be gratified to have the information early. I will read from that a few sentences to show how this conservative organ of the gold ring, always true to the money power, views the issue now pending:

The country needs to have done with the silver business; but the silver men want to put off the settlement, hoping for a better chance after three or five years. If an arrangement is now made for simply limiting and restricting the silver issues, we shall before long have to fight the same battle over again.

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To repeat, the time has come to be done with the silver issues. The business of the country is depressed and needs the tonic of an emphatic repudiation of the silver schemes. The gold reserve of the Treasury stands at the lowest point ever reached since resumption in 1879, and much below the one hundred millions limit which is rightly regarded as the danger line. The financial position of the Government is further threatened by the serious decline in the revenues, itself largely the result of business depression. Compromises we have had enough to show that they are but patchwork. Compromise now means not only a postponement to the future of a real settlement, but an aggravation for the present of a gravely disquieting situation. Let us have unconditional repeal, cut loose from the drifting policy of the past, and start afresh on a currency policy which shall not have for its basis a depreciated and depreciating coin basis.

Marking out a policy that we shall not have a depreciating coin basis, but that we shall have an appreciating coin basis. Here is some indication as to how that basis, gold, will appreciate. I read from a dispatch in the Washington Post of yesterday morning:

ON THE VERGE OF A PANIC—THE FINANCIAL SITUATION IN INDIA DAILY BECOMING WORSE.

LONDON, *October 23.*

A special dispatch to the Times from Calcutta says: "Money is daily becoming scarcer. The 4 per cent discount rate of the Bank of Bengal is no criterion of the situation, as the bank artificially maintains the rate. The Bazar rate of discount is really 8 per cent. The Englishman (newspaper) advocates a gold loan of £5,000,000, and says that the necessity for this is absolute in order to avoid a panic."

If India is compelled to borrow gold to redeem more than a thousand millions of silver and paper and the United States is also compelled to issue bonds and buy gold to keep afloat over a thousand millions of silver and paper, at least $600,000,000 of gold must be borrowed by the two countries, and borrowed without delay. There is no gold in the world to supply such a demand. The attempt to obtain it would enhance the value of gold more than 50 per cent, or, what is the same thing, would reduce the price of property and services more than one-half. If neither India nor the United States will treat silver as money of ultimate payment, both countries are bankrupt, unless they can secure a sufficient amount of gold to provide for the redemption of their entire circulation.

Suppose India should go into the market for $300,000,000 of gold and the United States should do likewise, what would become of the industries of this country? How can the producer of wheat, cotton, and other farm products endure such an advance in gold, or, what is the same thing, such an enormous fall of prices of commodities? Gold would appreciate every day, every hour, every minute of time. While the laboring masses were struggling to produce property to maintain their families and pay their debts, their obligations would increase and their miseries would multiply, but the owners of gold and gold obligations would increase in wealth and power, whether they engaged in schemes of speculation or devoted themselves to luxuries and riotous living. The colossal fabric of which Gladstone boasted as the most remarkable in any age would expand and grow while the toiling masses would be compelled to struggle against inevitable poverty and misery.

That is the issue, and that is the object desired by our rulers who have agents in this Capitol to dictate legislation; who have elected a President determined to carry out their policy; who have nominated two candidates of the same gold politics, with the same disposition; who have elected one of them and placed him over Congress; he is in the saddle; Congress is helpless.

The union between the Republicans and Democrats is complete. The Republicans were more faithful than the Democrats to their chosen leader. The majority of the Democrats represent the great producing interests of this country. They are in sympathy with the suffering people whom they had left behind; and they have struggled these long weeks for some relief, some measure of recognition. But no recognition has been granted. It remains with them to say whether they will join us and see to it that this scheme shall be defeated, as the force bill was, or whether they will surrender to the colossal power of money and patronage.

As for myself, I would rather sacrifice my life than to see this country placed under the rule of the gold kings. The pretense that we are resisting the will of the majority is too false and flimsy to deceive any one. The majority, aye, all the people who have spoken for twenty years, have subscribed by their ballots to bimetallism. No party has dared to go before the people and ask them to indorse what is now demanded. The parties that have thus dealt treacherously with the people accuse us of resisting the will of the majority. As I said before, if I could have the convictions of the majority recorded in their vote, I would guarantee a two-thirds majority in favor of free coinage to-day in the Senate. I could take their speeches delivered before their constituents and delivered in this body for the last twenty years, and I could show that they are of the same opinion in regard to this question as myself. Nothing has occurred to change the situation.

The same unholy war that has been waged for twenty years, the war which was begun in 1867 at Paris, when by the influence of Great Britain and our delegation nineteen States were swung into line to declare that gold alone was money, has been waged from that day to this. The issue has never been changed. It was then and is now, shall a money oligarchy control the civilized world and create a favored class to rule the masses, or shall the people be free? That was the issue then; it is the issue now. It will remain the issue.

The time may come when these money anarchists may meet with a rebuke from the people which they do not anticipate. It is dangerous for capitalists to become anarchists. But if there ever were anarchists they are the parties who are revolutionizing the monetary system of the world and laying violent hands upon the metallic accumulation of all the ages, who are destroying the metallic basis which regulated the volume of money and which has been eulogized and pointed to as the great conservative element which could not be rapidly increased or diminished by the accidents of mining.

But the greed of the creditor class, disregarding all property rights, determined to change the basis, to change all contracts, and to remove from the foundation of circulation and credit one-half of its base. They are now about to consummate that scheme. The scheme was undertaken after the world had become vastly in debt on the basis of the two metals. The creditor class was not satisfied with the discounts, it was not satisfied with all the extortion that had been practiced upon failing governments and failing individuals; it was not satisfied with all these advantages of extortionate interest; but it determined that those who had the option to pay in either gold or silver should be deprived of that option and compelled to pay in gold alone; that the entire demand for money should fall on gold, knowing that gold, like all other commodities, is governed by the law of supply and demand. They knew what the result must inevitably be. They have not been disappointed. Thus far they have enhanced the value of gold at least 50 per cent.

The document I read yesterday showed the advance of gold in China, where the appliances of production have remained stationary. The same mode of agriculture is pursued in China to-

day which was pursued there a thousand years ago, and they have the same methods of transportation and the same methods of production. Still gold has appreciated in that country 60 per cent, while silver has remained almost stationary as compared with commodities. There was no decline in the value of silver. Silver does not decline there when measured by property and wages. It had appreciated slightly in the last few years, and gold had gone up more than 50 per cent. When we reflect what that means, when we reflect that there was more than a hundred thousand millions of indebtedness resting upon the civilized world the time this changed was made, we can have some conception of what is meant by making the purchasing power of that hundred thousand million 50 per cent greater than it was when the contract was made. But so it is.

This legislation will add to that percentage of appreciation probably 50 per cent more. The result will be seen all over the land. The result is now seen in suffering everywhere. The result is seen in the poverty of our farmers, who are supposed to be the bone and sinew and the reliance of this Republic. The result is seen in the fact that they are hardly able to clothe and send their children to school in many sections of the country. A short time, and only a short time, and the youth of this country, on account of their poverty, will be denied the privilege of a common-school education, as they are in all lands where this gold ring has complete sway.

This is the issue to be presented to the people. This is the issue which the President and the gold kings have made. This is the issue that neither of the great parties can escape, because the gold ring demand it.

Look at the condition of the parties in New York. They are told in New York that thirty-six electoral votes will be given to the party most faithful to the gold oligarchy. They tell one party that this is Republican rule; they tell the other that it is Democratic rule.

I deny that it is either Democratic or Republican rule. I affirm that it is the rule of the gold trust and nothing else, disguise it as you will. These two parties are turned over to the gold trust. Unless the people stand up for their own rights and their own manhood they will get no relief. Party platforms have become a mockery. They insult the intelligence of the American people.

The spectacle here presented is humiliating. After having claimed to be bimetallists before the country for twenty years, after having claimed that the silver question was not the issue, but that the issue was something else, to be brought here in the dog days to strike down silver and enthrone the gold trust, is a spectacle which the American people will not relish. Mind you, the American people have been equal to all emergencies. They love their country, they love liberty, they love independence, more than they love party. They have shown this in all great emergencies. They will show it now. I say to my friends—you who are true to the cause of bimetallism, you who have sympathy with the people you represent—you must stand with them and let the gold ring take care of itself.

Whenever the issue is fairly presented between the English gold ring and the American people there is very little doubt about the result. That issue will be made sooner or later. You are now about to take a step which will be an object lesson, which will make plain the designs of this gold oligarchy, which will make it so plain that a wayfaring man though a fool need not err, and the people are not all fools.

Now, I return to the importance of a union with the silver-standard countries, the countries which desire to be free and are willing to stand with us and strike for freedom, the countries with whom we trade, the countries to whom we become in debt many millions each year, countries whose trade is cut off from us except through London. Mexico and South America, with a balance of trade against us last year of $144,000,000, with China and Japan, with vast obligations against us each year where we have to buy the things we can not produce, are holding out their hands to us and say, establish with us an honest measure of value and we shall be independent of British rule.

Here is an interview with the Secretary of the Treasury of Mexico, printed in the Post of to-day:

MEXICO'S SILVER VIEW—MINISTER OF FINANCE JOSE I. LIMANTOUR ON THE MONEY SITUATION—LOOKING TO THIS COUNTRY—UNCLE SAM HOLDS THE KEY TO THE PROBLEM AND THE SOUTHERN REPUBLIC IS AWAITING WITH MUCH CONCERN THE ACTION AT WASHINGTON—A PAN-AMERICAN UNION AND ANOTHER MONETARY CONFERENCE URGED—A NEW ISSUE OF MEXICAN BONDS.

[By Pan-American Press Association.]

CITY OF MEXICO, *October 18, 1893.*

"Mexico is looking to the United States for a practical solution of pending financial problems."

The speaker was Senor Jose I. Limantour, Secretario de Hacienda, in an interview given your correspondent. By the words of its minister of finance the Mexican Government thus officially voiced its views on the financial issues of the hour, and in the course of the interview also made public for the first time the plan which has been adopted by the administration to tide over the financial stringency by a new issue of $15,000,000 in bonds.

While courteously declining to discuss the course of President Cleveland and the special session of Congress, the Mexican minister of finance said:

"I consider that with the United States, through its chief Legislative Assembly and Executive, rests the key to the silver situation. What is done by the United States now is what will largely shape the financial policy of the other American republics, and of the world in the future. I want to see the United States declare itself either one way or the other on the silver question, and the sooner a definite understanding is reached the better I will be satisfied.

"I do not believe in temporary measures or compromise. If the United States Government purchases 3,000,000 ounces of silver, or any other amount to cover Mr. Cleveland's Administration, merely as a temporary measure, I would not consider that anything definite has been gained for the cause of bimetallism. Especially do I think so if this amount of bullion were allowed to remain uncoined in the vaults of the Treasury building, as has been done in the past. What the world needs now is silver in circulation and not in storage. Idle bullion will do no good unless it is coined and put into the channels of trade, where it is so badly needed at present.

"I have no faith in the issue of more gold bonds by the United States, that the circulating medium may be swelled by this means. Increasing the national debt of any country by the issue of additional securities, except under extraordinary conditions, is like a man putting another mortgage on his real estate, or going to a pawnshop. The relief thus gained is only temporary, and the day of reckoning generally shows a worse state of affairs than before. No, I want to see the American people face this issue squarely and decide the fate of silver in a manly way.

"If the United States declares in favor of silver and proves its declaration by work, I would then favor the calling of a Pan-American conference on the silver question. On behalf of President Diaz and the Mexican Government, I will say that Mexico will do her part in arranging this conference and that our Republic will be regularly represented in it. The chief measure before this Pan-American convention for consideration by the government of the three Americas should be the establishment of a common coin of exchange which will pass in trade at par among all the people of the Western world. Probably the plan of the late Mr. Blaine on the Pan-American dollar of silver is as near to my ideal as anything I could name. This dollar of the Americas ought to be, as nearly as I am able to judge, nine-tenths of silver and the remaining portion made up of the customary alloys. Just the proportion and the number of grains of silver which would be equitable for all could be easily determined."

"Mr. Limantour, do you think a change in the ratio between gold and silver is one of the necessities of the day in the financial world?" was asked.

"Yes; the present ratio of 16 ounces of silver to 1 of gold in valuation is not just. Silver must be increased if the white metal is to be on a stable basis," he replied. "Just what this new ratio ought to be I am not prepared to say, but I am very sure a change is needed.

"After this Pan-American conference had outlined a general Western policy dealing with silver as money, I would favor holding another world's monetary conference. I believe the European powers are just as anxious as we that silver remain as a medium of exchange, that they may be ruled no longer by the money kings, when in need of funds for special usages. The military operations and prospects of the Old World compose a feature of the present question, which ought to favor silver as a means for increasing the available means for declaring and carrying on war if necessary.

"The trouble is that the people of the United States and of Europe do not altogether understand the current financial issues and are too inclined to take the word of the gold advocates as their guidance in looking at the matter. The governments of the world, I believe, understand the value of the double monetary standard, and will in time act accordingly. All of this would, of course, be determined in such a conference as the one of which I speak."

"Mr. Limantour," asked your correspondent, "what have you to say regarding the effect of the late depression of silver on Mexico, and the reports which are flying around regarding the dire financial straits in which your Government finds itself by the great premium on gold, with which you have to pay the interest on the national debt? Is it not true that you are holding secret meetings of the cabinet to devise ways and means by which to tide over the straits in which Mexico finds itself?"

"No," he replied, "there have been no cabinet meetings on this subject for two months, nor will there be within the near future, or until needed. The financial affairs of the republic are left in my hands and the President has asked no special cabinet action. It has been decided, however, to issue new government bonds to the amount of $12,000,000 to $15,000,000 to provide for present necessities. Please understand that this is not an increase of the Mexican debt, but it is merely the substitution of obligations from one form to another. In other words, we will sell these bonds to liquidate claims shortly due. The new issue will be placed in London."

The minister of finance is inclined to take an easy view of matters financial within his jurisdiction and thinks the large issue of bonds which has been recommended by some is not necessary. The suggestion as made is that the Government of Mexico render a statement to the nation of the exact amount of the foreign debt, giving full particulars, and that it call a financial congress to meet in the city of Mexico on the 1st of November.

This congress would be composed of ten representatives taken from among the principal merchants, agriculturists, manufacturers, and miners of the chamber of commerce of Mexico, and of a representative from each of the States of the Union; the ten representatives from the capital to be paid by the national treasury $500 apiece as fees, and the remaining each $1,000. The congress would close its sessions on the 31st day of December of this year, and could only postpone its sessions at the cost of the representatives themselves.

The object of the congress would be to study out and propose a law authorizing the Government to call upon the nation for a loan to be invested in the payment of the national debt in full. Supposing this to amount to $100,000,000 in gold, or in Mexican silver to $160,000,000, $1,600,000 in bonds could be issued of $100 each, bearing 3 per cent interest. These bonds would be placed at par throughout the republic by means of committees of representative persons to be formed in the capitals of the States, with branches in the towns.

"I do not believe the plan is a practicable one," said Mr. Limantour. "Even if it were necessary to issue this large amount in bonds, I do not believe the securities could be placed here at home. Money in Mexico returns a much higher rate on investments than the 6 per cent which the bonds would pay, and the capitalists would hardly incline to buy the bonds at this rate, so they would need to go abroad for sale anyway.

"The discount on silver has, of course, caused a great falling off in our customs revenue, but this is offset by the income derived from the new federal stamp tax now in successful operation in all the republic. It has been feared by some that the Government is considering still further taxation, but I assure the people through the press that their burdens will not be added to by any increase on taxes, according to present plans. As a matter of fact, Mexico is not hurt so much as the United States by the decline in silver. Our mines are operating at a far less expense than are those in the north, and

while I read of scores of properties in Colorado, Montana, and the other silver-producing States being closed, I have yet to hear of the suspension of any Mexican mines of importance from this cause. What slight loss may be encountered from this source will be more than made good in the increased prosperity to the country by the exportation of agricultural and other land products made possible by the present premium on gold.

"If the United States removes the duty on Mexican lead ores, which it now seems favorably disposed to do, Mexican mining will be greatly stimulated by the outlet thus given. The American smelting interests which have located at Monterey and elsewhere in Mexico by reason of the Windom ruling will not necessarily be sufferers. I think if the United States import duty is finally removed, Mexico will protect all her industries possible, and probably in this case grant other concessions which would easily offset any loss to the smelters now in Mexico."

Here is another interview with a very intelligent Mexican:

[The Road, Denver, Colo., October 7, 1893.]

Señor Don Terraszas, the wealthiest and most prominent merchant of Northern Mexico and formerly governor of the State of Chihuahua, in speaking to your correspondent to-day regarding the latest silver compromise proposed by the protected manufacturers of Pennsylvania, to coin silver free under the conditions proposed, said: "I regard the proposition as narrow and descending to simply benefit the silver-mine owner and no one else, while on the other hand the absolute free coinage of silver would redound to the prosperity of every dollar in your country. I will illustrate:

"AN ILLUSTRATION.

"Our (Mexican) trade with the United States as compared with that of England is almost nothing. We go to Europe for all our manufactured fabrics and nearly all our mining and agricultural machinery, in fact nearly everything produced by industrial labor. This is absolutely true of Central and South America. Now, sir, I can not but deplore the blindness of your manufacturers, legislators, and capitalists in clamoring for monometallism, for, look, sir, is it not a fact that can not be controverted, that were the United States to-morrow to adopt the free and unlimited coinage of silver at the ratio of 15½ or 16 to 1, thereby making every ounce of silver worth $1.29, would not Mexico, Central and South America, in fact every silver-producing country in the world become at once the consumer of your products, and we in turn sell you our raw materials.

"DUMPING-GROUND NONSENSE.

"I have heard your citizens say that the United States would become the dumping ground for silver. Now then, in the first place, it would be impossible for you to get an ounce of silver into the United States except in exchange for your products. In the second place, the Central and South American countries are free-coinage countries, and have the silver standard. That being so, England, in her present attitude toward silver, will only allow us the present London market price (the market price being made by England). No sane importer would buy her products, but instead, the United States, which is a nation that can rival the old country in manufactures, would receive the entire trade of pan-America. In other words, the traffic which is now being carried on between this continent and Europe would be swept from the seas, and instead you would do the trafficking of this western hemisphere. Why, sir, in a few years the United States would be the greatest producer and the financial center of the world.

"THE TRADE OF MEXICO.

"We would go to your capitalists and bankers to take our national, State, municipal, and industrial bonds, and other securities to the exclusion of the foreign powers. Our industries would look to your investors for financial aid as the entire American continent has heretofore to Europe. Europe is compelled to look to this continent to consume the product of her industries, and if she were shut out, her industrial classes would sink to abject poverty. Speaking figuratively, were Uncle Sam to stick his thumbs in his vest holes, and say to Europe in a Monroe doctrinal sort of way: 'Old lady, I see through the trick, you want to double your income and loan it to me. You double your money, and double my debt. I can no longer tie to your apron strings, but instead give my attention to the prosperity and happiness of my children and myself.'

"EUROPE WOULD BEG.

"Then Europe would beg for mercy and prosperity would reign. This hemisphere produces the silver and nearly all the gold, and I ask why one-half the developing power of the world, which it has taken centuries to produce, should be destroyed. Mexico, Central America, South America, and your own Western States are undeveloped and silver is the motive power needed to do the great work. I regard the present opportunity as the grandest ever offered a nation situated as is the United States to make the most advantageous move ever made on the political and financial chessboard of the world to her everlasting glory and prosperity."

That the silver standard is the only standard in the world under which the producing classes can have honesty and prosperity, can have an equal chance, there can be no doubt. That is demonstrated beyond peradventure. And when the gold men say you will go to a silver standard I reply, if we can get there we shall have prosperity. There is no hope of prosperity with the gold standard, with all the nations of the earth struggling for gold, most of it hoarded, and with Europe having the power at all times to draw it from under the foundation of our superstructure of finance and produce panic at pleasure.

I read from a market letter of Watson & Gibson, of New York.

[Watson & Gibson, 55 Broadway, N. Y. Daily market letter.]

NEW YORK, *Tuesday, October 3, 1893.*

DEAR SIR: We have just received from the foreign office in London the report of the British consulate in Mexico, dated in Mexico August 4, and presented to Parliament in September. First, we would call attention to the fact that consular reports made to our Government are not issued, as they should be, with anything approaching the promptness of British publications of the same class. Our reports are old before they are printed and given out. Now as to this British consular report, which is "On the effect of depreciation of silver in Mexico," we may quote the two concluding paragraphs:

"In striking a balance between the advantages and disadvantages arising to different interests in Mexico from a depreciation of silver, it must be borne in mind that the losses which would be sustained by the Government and the railway companies are essentially limited in their amount, whereas the benefits which would accrue to certain of the productive industries are susceptible of indefinite extension. Moreover, an increase in the productiveness of the country would make itself felt at once in an increase in the revenues of the Government, as well as of the railways.

"The only conclusion, then, at which it is possible to arrive is that a low price of silver, if permanent, would not only not be prejudicial to Mexico as a whole, but would conduce to its ultimate benefit by the stimulus it would afford to the development of its immense agricultural resources."

This recital by an Englishman of the advantages of a silver basis to a nation may be profitably perused by the Government to which it is addressed as apropos of the action of that Government in stopping free coinage in India, with the avowed purpose of ultimately putting it on a gold basis. The argument in favor of silver for Mexico would certainly apply to India.

I will say that putting India on a gold basis was not for the purpose of benefiting India, but it was for the purpose of breaking down the prosperity of India—breaking down her manufacturers so that she would be compelled to receive the manufactures of Great Britain. Furthermore, it was to enhance the value of bonds which England holds. India is now required to pay $80,000,000 per annum in gold, interest on bonds that are held in London, and by putting her on the gold basis and compelling her to buy gold it will advance the price of gold and the purchasing power of gold, and enhance the value of the obligations which Englishmen hold against India. There was no thought of benefit to the people of India in this cruel act of suspending the free coinage of silver. It was an act of confiscation and plunder, and was not disguised by the Herschell committee.

The Herschell committee in effect admitted that it would break up the manufactures of India and cripple the commerce of India. They admitted that, but they were attempting to answer the argument that the prosperity which India had enjoyed would be transferred to China and Japan, and they said those countries were slow and that they would not for a long time interfere with the trade of their own manufacturers. It was not to benefit India, but it was to destroy India for the benefit of the bondholders of England, and to stop the clamor of the manufacturers who had been driven out of India by the fact that India used honest money that measured time contracts fairly, while England used dishonest money which prevented production, crippled manufacturing, and made it impossible for her to maintain the trade of the Orient.

Here is an article from The Manufacturer, of Philadelphia, July 29, 1893, showing that some of the manufacturers in this country are beginning to realize the aim of the money power:

[The Manufacturer, Philadelphia, Pa., July 29, 1893.]

The assertion made in these columns lately that the movement for the complete demonetization of silver was the result of a British conspiracy to obtain from us at unnaturally low prices the cotton, wheat, silver, and other commodities produced by us, is fully sustained by the following letter, written to an American in New York by Mr. Robert Lacey Everett, a member of the British Parliament:

"The one great supreme aim of the moneyed classes and the London press is to restrict the supply of money so as to enrich the owners of it at the expense of the raisers of produce and the owners of land and other real property. We hope that the sharp intelligence of your people, in the main a nation of producers and landowners, will see through this cruel game of the moneyed classes and frustrate it. The miseries of the agricultural classes here are indescribable, but they do not clearly see why it is that their prices are forced down to their ruin, so that it is difficult to get them to move. The wits of the American farmers are sharper. I hope our salvation will come from you."

I hope so. I hope the salvation of the world will come from the free American people. It can come from nowhere else. Although the spirit of liberty was born in England, it developed and grew to manhood on the fertile soil of America. It has been crushed in its birthplace by the money power. That same power is attempting to crush it in its manhood on the American continent, and the question is, will it succeed? Its apparent success by taking advantage of the people in this extra session of Congress is no guaranty of its ultimate success. This is not the first time that efforts have been made by Great Britain to control and subjugate the United States. They have been persistent and constant from the time we were colonies until now.

I would weary the Senate if I were to detail the long cabal and intrigue to which British statesmen and British financiers have resorted to destroy liberty on this continent. But this last grand effort is sufficient. It will be an object lesson before it is done. I think what is occurring here and now is an object lesson. The convening of Congress in an extra session to legislate upon a question which was not in issue in the campaign, the persistent dictation of the gold press and the Administration to the two Houses of Congress, the subjugation of those Houses to the will of the Executive, are object lessons of which the lovers of liberty must take notice if they would preserve their independence in this country.

I will continue reading the article published in the Manufacturer:

Whether "the wits of American farmers are sharper" or not may be uncertain. It is difficult, upon any other hypothesis, to account for the fact that Congress has steadily resisted for years the clamor for abandonment of silver. But either the wits of American editors are not sharp, or these persons have deliberately lent themselves to promotion of the British purpose to feed Englishmen and to run English cotton mills at the expense of the American people, and to enhance the value of every debt owed to Britain by Americans. Gold monometallism and free trade, both are devices prepared by Englishmen for injuring other nations for British advantage, and so eager

are the plunderers for their prey that they are willing even to sacrifice their own agricultural population and their own agricultural industry that they may filch from their American victims the substance of the latter.

Though they say the times are good and the condition of the people of the Old World is improving, it is not true. My colleague gave a graphic picture of the sufferings of the people of England, of the starvation and misery of the lower classes, who are treated worse than brutes, who can not be raised to the level of the hackney horses in the streets, who are dying of want in its most hideous forms. He gave us that picture. I quote from the New York Sun a statement with regard to Italy:

[New York Sun, October 1, 1893.]

The fact should be recognized that Italy is an extremely dangerous element in the present situation. The country is in a pitiable condition. Things are so bad that a catastrophe of a violent nature is inevitable unless relief comes speedily. Silver disappeared from ordinary circulation months ago. Even copper is now vanishing. The premium on silver coin is now 10 per cent and on copper coin 2 per cent. The correspondent of the Sun writes that even when buying stamps in the post-office it is impossible to obtain change. Churchgoers have adopted the practice of putting pledges into the contribution box and redeeming them when they reach the amount of the smallest bank note. The money famine will not be tolerated much longer. It is openly asserted that war is the only desperate resource which can save the present Government. If the idea of war becomes tolerable to the Italians as it already is to the French, the situation could hardly be more ominous.

The great factor for peace is, of course, the financial power in other countries. This power was never stronger in Europe except in Italy, where it is reduced to impotence. It is taking alarm in other countries, and it will soon bring to bear all its influence to offset the dangerous tendencies of the day. Then the question of peace or war will be decided, and we shall have the answer next spring.

The money powers are exerted to prevent war. The masses of the people are starving and ready for anything. They would prefer to sacrifice their lives in war to the endurance of the present appalling condition which the money powers have placed upon them. Italy is on a gold standard. England put her there; and her people are crying for bread. Fifty years ago the whole continent was in a blaze on account of the starvation of the people, and revolution broke forth everywhere. Do the gold kings think that they can hold the masses of the world in subjection?

It is true they have enormous armies which furnish more bonds and enrich the gold ring, but the colossal military power of Europe will crumble. It is now a military camp. They can not discuss the question that we now discuss. They have no dictator as powerful as our President; but they have the traditions of monarchy and the immediate power of the gold ring to rivet the chains of slavery upon the masses; and they have an army of occupation more colossal than the world ever saw before, all to keep the masses in subjection. Although our executive department is more powerful than theirs, still we have not yet an overshadowing standing army. We have yet the right to go to the ballot box; we have yet the right to discuss these questions without being dispersed, as the people were in Germany on the pretext that they were disorderly assemblies. Bimetallists in Germany and Italy have been dispersed under the pretense that they were anarchists and disorderly assemblies.

Who are anarchists? Not those who toil, not those who are willing to obey the laws and work for bread. There may be a few, and they are very few, desperate, ignorant people so crazy as to raise their hands against law and order; but the great mass of the people of the world are law-abiding citizens and will observe the law to the last extremity. But the great anarchists are those who break contracts and confiscate property. It is dangerous for the money power to become law breakers in any land; oppression and tyranny breed revolution.

Stop it; submit to honest laws. Stop changing your contracts; because upon the faith of contracts and honest laws governments stand. This gold ring is sapping the foundation of the Government and the respect of the people for the laws. How can an honest farmer respect the law that doubles his mortgage after it has been made and drags him from his home? We plead for justice. If we have justice the majesty of the law will always been throned in the United States. It is only injustice and wrong that create danger. I say there is danger in invoking British rule; there is danger in enthroning the gold trust in this country. We plead with Senators to lay no more heavy hands upon the people. We plead with Senators to relieve the unjust burdens that have already been placed upon them by unjust legislation in these halls.

Think not that this question is not understood and can not be understood by the masses. The time might have been when it was safe to presume on the ignorance of the masses, but they were not the American people with whom they had to deal. I read from a paper published in Chicago. The daily papers that I read come teeming with abuse of those who resist tyranny of the gold ring.

[From Farm, Field and Fireside, Chicago, Ill., September 30, 1893.]

WHY TIMES ARE HARD.

Whatever it may be to others who through the sudden agency of the panic are made to feel its heavy hand, the story of hard times is no new tale to the farmers. They are the first to feel the tightening of the coils of selfishness and greed, which in the midst of plenty alone has the power to make hard times. The farmer has been battling for years against a gradual shrinkage of the prices of his products, wondering why it was so, and chafing at the ever tightening coils which every year, though crops were abundant, made it still more difficult to keep up his expenses, to say nothing of paying off the mortgage.

If he could have had the same prices for his 1893 crop as prevailed during the period from 1866 to 1870, before silver was demonetized, while the two precious metals—gold and silver—were at a parity, the American farmer would have had $1,463,000,000 more money to spend than he now has. With such a sum he could have paid off his mortgages, surrounded himself with comforts, educated his children, and in many ways made life pleasanter and work lighter. The following table, compiled from statistics which are as correct as such statistics usually are, will show the gradual diminution of the average price of an acre's product of corn, wheat, oats, hay, and cotton during six periods, viz, 1866 to 1870, 1871 to 1875, 1876 to 1880, 1881 to 1885, 1886 to 1890, all inclusive, and 1893. The values in this table are based on gold in all cases.

Here he gives the table summing up:

Product.	Value of an acre's product in—					
	1866–'70.	1871–'75.	1876–'80.	1881–'85.	1886–'90.	1893.
Corn	$12.84	$11.30	$9.62	$10.25	$8.81	$8.35
Wheat	13.16	11.90	12.00	10.20	9.07	9.00
Oats	10.92	9.81	8.58	9.17	7.50	5.75
Hay	13.23	14.38	11.57	11.15	10.19	10.00
Cotton	28.01	28.55	17.65	15.63	13.84	10.65
Total	78.21	75.94	59.45	56.40	49.44	40.75
Average	15.64	15.19	11.88	11.28	9.89	8.15

The value of his products being reduced nearly one-half with the continued decline in the price of property.

In this shrinkage of value as compared with gold is found the cause of hard times. The farmer gets nearly one-half less dollars for his products and consequently has one-half less dollars to spend.

It is useless to say that he is just as well off because the things he has to buy have also fallen in price in like proportion so that a bushel of wheat will buy as much clothing and other necessaries as formerly. If this were wholly true as applied to other commodities it would not be true as to his indebtedness if he owes anything, or to his share of public indebtedness such as school, town, county, State, and national bonds; also the salaries of public officials and public expenses are no less. So that his taxes, measured by the standard of dollars, are just as high as formerly.

As between 1870 and 1893, however, it takes nearly twice as much labor on has part to pay them. Railroad stocks and bonds also represent so many dollars, not so much in commodities; therefore the railroads must keep up freight and passenger rates, so as to pay dividends. To do so they can not reduce rates to correspond with the lower prices of farm products, so that with shrinking prices as compared with gold the farmer is caught at a disadvantage on every hand.

On the prosperity of the farmer, in this nation at least, largely depends the prosperity of all other classes except the security holders. If the farmers had that billion four hundred and sixty-three million dollars to spend it would give a tremendous impetus to all other lines of trade.

There is a reason for this terrible depression, or perhaps we could well say oppression, as all effects have a cause, but what that reason is and how to remedy the evil is a problem which will have to be solved before prosperity will be fully restored.

When we find popular journals that are circulating among the farmers express the situation so clearly as that paper does we had better take warning that what we do here will be understood elsewhere.

There is an admirable article in the New York Press, and inasmuch as it appeared in the great center of speculation, oppression, and fraud, I will ask that the Secretary read it. I do not think there are enough Senators in the Chamber to object.

The PRESIDING OFFICER (Mr. GALLINGER in the chair). Is there objection to the request of the Senator from Nevada? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

[New York Press, October 4, 1893.]

WHY PRICES DECLINE.

In an article in the October Forum upon "The Downfall of Certain Financial Fallacies," Mr. David A. Wells denies that the appreciation of gold has caused the general decline of prices of commodities. It is hardly necessary to explain that a certain theory is not a "fallacy" because Mr. Wells gives it that name, or that a theory has encountered "downfall" simply because he thinks he has disproved it. In this particular case some of the highest authorities maintain the doctrine repudiated by Mr. Wells. Mr. Goschen, late chancelor of the British exchequer, for example, said, so long ago as 1883: "The fall of prices comes from the rise of gold." Lord Beaconsfield said in 1879: "Gold is every day appreciating in value, and as it appreciates in value the lower become prices." Sir W. Houldsworth, British delegate to the Brussels International Monetary Conference, said: "It is said that the appreciation of gold has never been proved. If there has been a general fall of prices that is proof." Columns of this paper could be filled with such expressions of opinion from high authorties. The most respectable economic sentiment of the world is dead against Mr. Wells. But probably he does not mind a little thing like that.

The fall of prices which has been continuously operating for twenty years began when silver was demonetized in 1873. It is at least remarkable that the beginning of the downward movement should have been exactly coincident with the world-wide rejection of silver. From 1849 up to 1873 prices of staple commodities appreciated about 30 per cent. The rise stopped when silver was thrown out as a money metal by the civilized world.

Mr. Wells and all of his friends, we believe, admit that full remonetization of silver would be followed by an advance of prices. They complain of remonetization upon that ground, because, as they say, it would be unfair to creditors. But if remonetization will put up prices, is it not equally certain that demonetization must have put them down? How is it possible to

accept one conclusion and to reject the other? Mr. Wells contends that overproduction and mechanical improvements account for the depreciation of values. But in that case values would not be seriously affected by restoration of silver. The gold monometallists can not contend against such restoration as unfair to creditors if improved processes and excessive production depressed prices, because the improved processes will still be employed under bimetallism.

Will Mr. Wells seriously assert that prices would not fall if half the gold in the world should be thrown out of use? Every intelligent grown person knows that when the volume of money shall be reduced one-half the value of everything measured by money will fall. The reason, of course, is that money will then become scarcer, and any man who wants it must pay for it with an increased quantity of commodities. No other result is possible Now, in 1873 one-half of the money metal of the world (the silver half) was thrown aside and the consequences which might have been predicted at once appeared; the prices of commodities began to fall. As the commerce of the world, expanding vigorously in time of profound peace, required continuously increasing amounts of gold, the metal steadily appreciated and other values as steadily declined. Theory and fact exactly fit each other in this case.

That which is true of the precious metals is true o other commodities. Annihilate the cotton crop of the world and the price of wool will rise as the price of gold rose when silver was discarded as a legal-tender metal. Forbid the use of beef as food and mutton will have enhanced value. Stop the culture of the sugar beet and cane sugar will double in value. Dry up the petroleum wells of the world and all other kinds of oil will gain in price. Stop making bricks and every stone quarry will have higher value. Close the coal mines and firewood will bring huge prices. Plant no more wheat and the growers of corn and rye and rice will obtain more money for their products. The abundance of cotton keeps down wool. The cheapness of bricks cheapens the stone that the builders use. In precisely the same manner silver, used as a full money metal, would bring gold down to a lower level than that upon which it is now found.

Thus not only are the high authorities in opposition to Mr. Wells upon this question, but he has arrayed against him the experience of the world, and the theory which is based upon common sense and upon experience. It is, however, not surprising that Mr. Wells should struggle hard to make out a case against the appreciation of gold. When the wealth producers of the world fully realize that the demonetization of silver robs them by forcing down prices they will put an end quickly to gold monometallism and bury Mr. Wells and the other men of his school deep under the waves of their indignation.

Mr. STEWART. That is a very clear statement of the case. It has to be stated often in view of the fact that our rulers, the money kings, continually prate about intrinsic value.

I was peculiarly struck by some remarks made by the late Director of the Mint, Mr. E. O. Leech, at the Chicago Bankers' Assembly. I should like to call particular attention to this language, because it shows that the reasoning of writers upon economic science, the facts of every day, produce no impression upon the judgments or the opinions of those who defend gold monopolists. They all sing the same song, from the President down to the smallest newspaper advocates of the gold ring. Mr. Leech says:

How beautifully and truthfully Secretary Windom expressed in almost prophetic language the evil which lay at the root of our troubles when he said with dying lips before the New York Board of Trade and Transportation in January, 1891: "The quality of circulation is even more important than the quantity."

The quality of the circulation is even more important than the quantity! The quality depends upon the quantity. If the quantity is unimportant, why do the gold ring advocate the issue of bonds to buy gold? If quantity is unimportant, the $82,000,000 in the Treasury are as good as a thousand millions. Does anybody suppose that the quality of those $82,000,000, so far as it affects prices, does not depend upon the quantity? Suppose you had a thousand millions of gold there, would it not affect the quality of the money; that is, would it not be cheaper, would not prices go up?

The price of each unit is determined by the number of units in circulation at any time. My colleague has elaborated on that. Others have elaborated on it. It is an axiom in finance. Still here is an ex-Director of the Mint who is so much devoted to the gold kings that he repeats this as a beautiful thing! Nothing more absurd was ever uttered. It is well answered by what I have in my hand, another extract from the Farm, Field and Fireside, entitled Products against Dollars.

[From Farm, Field, and Fireside, Chicago, Ill., September 30, 1893.]

PRODUCTS VS. DOLLARS.

Are farm products and other commodities cheap, or is money dear? is the first question to settle in solving the problem why times are hard. Intrinsically farm products are worth as much now as at any time since 1866, yet the price, measured by the standard of dollars, has fallen $7.40 per acre; the average value per acre in the period from 1866 to 1870 being $15.64, while in 1893 it is only $8.18, nearly one-half less. It takes just as much labor to produce an acre now as then, the demand is no less, and the power of such products to support life has not diminished.

Nor is the diminution in price to be charged, as many suppose, to an increased production; the increase in the world's annual supply has not been more than to keep pace with the increased demand. The real value of farm products, then, has not diminished, but they are worth less in dollars only as compared with the artificial standard of gold.

If we compare farm products with other articles of real value, such as the products of the mines, iron, copper, lead, silver, etc., we find the ratio of decrease about the same. Silver, for example, since it was demonetized and compelled to take its place as a commodity, has shrunk in value as compared with gold from about the ratio of 15 to 1 in 1870 to 28 to 1 in 1893, thus keeping pace with wheat in almost an exact ratio.

There are some exceptions to this rule in certain manufactured articles which are controlled and the price artificially maintained by the standard of dollars through the agency of powerful trusts, strong enough to stem the tide of decline. Labor, also, through strong organizations into trades unions, has, up to the time of the panic, maintained its price, getting as many dollars for a day's work as in the period from 1866 to 1870, although the dollars have nearly twice the purchasing power in supplying the necessaries of life.

In the panic, however, labor has received a setback and the price of labor will probably now fall to the standard of commodities. The salaries of public officials, ministers' and teachers' salaries, doctors' services, and railroad freights—aside from these and a few more all things of real value have suffered together. It is therefore reasonable to conclude that as all articles of real value except such as are artificially maintained stand together, it is gold and all money and other articles of artificial value based on gold that have advanced, and not commodities that have diminished in price. By articles of artificial value are meant evidences of indebtedness such as bonds, notes, mortgages, etc., which are not intrinsically valuable in themselves, but receive value through legislation.

By influencing legislation, basing all these on gold only and demonetizing its sister money metal, silver, the owners of and dealers in such securities have made a master stroke of policy, giving them an immense advantage over the producing classes and all dealers in articles of real value.

The world's supply of gold is very limited, and its price dependent upon the exigencies of supply. Not of supply and demand, for the demand is always greater than the supply and is insatiable, but on supply alone. Knowing this, and being well posted on the intricacies of finances and legislation, the great financial institutions, aided by the holders and dealers in securities, acting on a common impulse of self-interest and greed, have quietly secured the demonetization of silver in all the great commercial nations of the world, thus greatly increasing the demand for and enhancing the value of gold. Thus by one master stroke they have in a few years nearly doubled the purchasing power of the securities they hold, based on gold.

For example, the holder of a Government bond can sell it for as many dollars to-day as in 1870, and with the dollars can purchase nearly twice as much of the necessaries of life. The interest, also, which he annually receives on the bond, has about twice the purchasing power as formerly. A farm mortgage contracted in 1870 would require nearly twice as much of the products of the farm and nearly twice as much labor on the part of the farmer to pay it off in 1893 as in 1870. The same is true of all securities of whatsoever nature. School, village, city, county, State, Government, railroad, and all other bonds and evidences of indebtedness are all payable in gold or legal-tender money, which is itself based on and exchangeable for gold.

England, the great creditor nation, which holds a large part of the securities of the world, seconded by the bondholders of Europe, and those of Wall street and the East, who have also vast sums loaned on Western securities, is the prime mover in this oppressive movement. England receives hundreds of millions, perhaps billions, of dollars annually for interest and dividends on investments abroad. By this master stroke of policy the purchasing power of this interest in procuring the necessaries of life has nearly doubled. It will be seen that the hypocritical cry of "honest money" as used by this class and that portion of the press which supports them is only the old cry of the thief crying "stop thief."

The remedy seems to lie in restoring silver to its former place as money, or in issuing greenback dollars based on the credit of the Government, rather than gold in the Treasury vaults. Whether the United States can maintain such money against the enmity of the bankers and England, and force England and the other European nations to the double standard, is a question for serious discussion. Something of the kind must be done to restore prosperity to our farmers.

I hold in my hand a very instructive document, an editorial from the London Times of September 29, 1893, on President Cleveland's letter to Governor Northen. It commends and criticises the President's letter in a sort of fatherly way, but on the whole appears to approve of it. It criticises a portion of the letter, which it regards as insincere and which it thinks should have been left out, but on the whole it is rather commendatory of the President's letter as being in line with the British policy of enslaving mankind.

The letter addressed a few days ago by the President of the United States to the governor of the Democratic State of Georgia is evidently intended to be a political manifesto.

There does not seem to be any doubt about that, for it was evidently intended to stampede Congress.

If the meaning of this utterance remains somewhat ambiguous it is not, perhaps, altogether the fault of Mr. Cleveland. An American President, like an English prime minister, sometimes finds himself in a position in which he has to use language in order to disguise thought.

That suits the English financiers.

Our kinsmen beyond the Atlantic may be congratulated on the fact that this feat is performed for their benefit in five paragraphs of a letter, instead of five columns of a speech. Nothing can be clearer than the general principles laid down in the President's letter to Governor Northen, but as a practical guide to legislation on the silver question it leaves something to be desired. Mr. Cleveland declares—and every sane American might do likewise—that he wants a currency that shall be "stable and safe"—

That every sane American might do likewise. An Englishman would not do that, because an Englishman wants a currency which grows dearer every day—

that shall secure for all kinds of dollars "equal purchasing power at home;" that shall demonstrate abroad the "wisdom and good faith" of the people of the United States; and that shall establish a "condition of confidence" which will bring capital into use for purposes of investment, instead of causing it to be hoarded uselessly through fear of varying values. All this, we repeat, is most excellent, if somewhat elementary, doctrine, though we are a little surprised that it should be necessary to preach it in a country which boasts itself to be so advanced as the United States. But Mr Cleveland goes on to add some observations which become intelligible only when we remember that the Democratic party includes a "silver wing," and that the silver-purchase repeal bill is met in the Senate, not so much with direct opposition as with ingenious devices of so-called compromise. "Within the limits of what I have written," the President says, "I am a friend of silver, but believe its proper place in our currency can only be fixed by a readjustment of our currency legislation and the inauguration of a consistent and comprehensive financial scheme." We do not think the "friends of silver" generally will derive much comfort from this vague promise, which, nevertheless, may encourage hopes that can not be realized, and ought not to be fostered.

The editor thinks that the President has gone too far when he

is encouraging a hope that can not be realized and ought not to be fostered. He ought not to encourage hopes that can not be realized, that silver will be restored to the people of the United States, and in that way give them relief, because Great Britain says no. That is the reason.

The silver purchase repeal bill has been passed by the House of Representatives, but it has encountered in the Senate a resistance which Mr. Cleveland forcibly denounces. It may, he says "be the cause of plunging the country into deeper depression than it has yet known," and he wishes to set the Democratic party free from any share of responsibility for a such a catastrophe. In Mr. Cleveland's opinion, no practical measures for the rehabilitation of silver can be entered upon until the ground has been cleared by sweeping away not only the compulsory purchase provisions of the existing law, but the alternative proposal that the United States should, "alone and independently," undertake the free and unlimited coinage of silver. We are entirely in agreement with Mr. Cleveland on these points, and we are only surprised that, appreciating, as he does, the imperative conditions of the case, he should be capable of encouraging delusions among some of his supporters by putting himself forward as "a friend of silver."

With all their admiration for Mr. Cleveland they have to condemn him for pretending to be a friend of silver, when the passage of this bill is doomed, as everybody seems to know. It is intended by the interests which the editor of the London Times represents to doom silver, and that is their scheme, and they are disgusted with Mr. Cleveland's suggestions, holding out any hope to the American people for silver. He ought to have known, then, that the intention is to rivet the chains of slavery on us so strongly that they can not be broken. That is what he ought to have said to the American people.

The British lion does not want the question discussed any more; and the President is criticised for even saying that he is a friend of silver. They say, in effect, that "he is a real enemy of silver and not its friend; that he is a real enemy of the debtor class and a friend of us, because we are the creditor class; he is really in accord with Mr. Gladstone, who desires to increase the income of the bondholders of England, the creditors, and to increase the burdens of the American debtors. It is true that Mr. Cleveland comes up to our standard so far, but we are disgusted that he should even say that he is a friend of silver, because he is raising hopes which can not be realized and may revive agitation by using such language."

The editorial in the London Times continues:

The opposition to the repeal bill is very determined, and many competent authorities believe that it will succeed, in the absence of any rule of closure in the Senate, in forcing a compromise upon the majority. The President's letter, while holding out a hope of future concessions to the silver party, opposes any such compromise on the basis of free coinage. A few weeks ago the "friends of silver" appeared to have abandoned the struggle even for this object. Mr. BLAND, the author of the silver-coinage act of 1878, spoke despairingly of the outlook. The excitement, he said, among the business community was so great that nothing could be attempted; "they would run over you like a herd of stampeded buffalo." But when the storm had passed, he added, "we shall give them another whirl at free silver."

We infer from the President's letter, and from the dilatory proceedings in the Senate, not, indeed, that the storm has passed, but that it has in some degree abated. The silver party are making a desperate fight for their monopoly, and Mr. Cleveland considers it necessary to conciliate them with a promise of future favors. Meanwhile it may be asked what ground there is for the President's declaration that the resistance to the repeal bill "may be the cause of plunging the country into deeper depression than it has yet known." The answer is furnished in Mr. Michael Herbert's report on the finances of the United States, which the British ambassador at Washington has recently transmitted to the foreign office, and which has just been published as a parliamentary paper. In 1878 the Bland act came into operation, under which the Secretary of the Treasury was directed to purchase every month, for coinage, not less than $2,000,000 worth nor more than $4,000,000 worth of silver.

In 1890, under the Sherman act, the monthly purchases were increased to 4,500,000 ounces of silver, but the amount to be coined was left, after July, 1891, to the discretion of the Treasury. The net result is that from February, 1878, to June, 1893, silver was coined to the amount of close upon $420,000,000, "or more than fifty times as much as was coined during the previous period of eighty-one years," while nearly 124,000,000 ounces of fine silver remained in the Treasury uncoined. The loss to the Government on the coined silver, from the difference between the market price and the nominal value, was estimated, down to the close of the last fiscal year, at $128,000,000. Moreover, the notes issued by the Treasury in payment for the silver purchased can not be redeemed in silver, and no provision has been made for their redemption in gold. From this and other causes "the gold reserves of the Government have been rapidly diminishing, while the gold obligations, through the issue of the coin notes, have been as rapidly increasing."

Just before Mr. Cleveland's inauguration in 1885, the Treasury stock of gold stood at $125,793,000; in 1888 it had risen to $218,818,000; on Mr. Harrison's inauguration in 1889 it had fallen to $197,874,000; on the passing of the Sherman act in 1890 it was $187,380,000; in June, 1892, it had sunk to $114,342,000; and at the close of the last fiscal year it was barely over $95,000,000; that is, nearly five millions below the reserve line. In the past five years the net loss of gold by the United States is estimated at $256,421,000. Silver and silver notes have been gradually substituted for gold in the home currency. For example, "the gold receipts of the Government, which in July, 1890, amounted to 95 per cent of the total receipts from customs, have fallen to less than 1 per cent." These facts have excited alarm among business men all over the world. Distrust in the ability of the United States to maintain gold payments has been aroused. American securities have been largely sold, and the flow of foreign capital into new enterprises has been checked by the doubts hanging over American credit. The recent depreciation of securities on the New York Stock Exchange has been computed at no less than $700,000,000. During the first six months of the present year the liabilities involved in the business failures registered were nearly three times the amount of those recorded during the same period in 1892. It is not surprising, therefore, that President Cleveland deems it necessary to speak in tones of grave warning. But nothing is to be gained by paltering with theories that are unworkable, or by endeavoring to square the "friends of silver." The disasters resulting from the Sherman act have been brought about, as Mr. Herbert's report shows, "by the attempt of Congress to compromise an economical principle."

I have read this article for the purpose of showing how critical the organs of the gold trust in London are against any intimation that there shall be a future rebellion against the imperial rule of the gold kings, and that they tolerate nothing of the kind. Absolute dominion is their ultimatum, and absolute submission is the end that they command. Congress may submit to that command sent to us by the Executive, but the people never, never.

But the gold advocates say that public sentiment is with them. I have shown that the public will of the nation is against them as expressed at the ballot box. I deny that public sentiment is with them. The public sentiment which comes to us through the commercial press is the public sentiment of the gold trust and those dependent upon them.

The New York World has all along been very confident about representing the people, but it has sometimes been forced to admit that it had not got the people up to the point of public sentiment, that the public sentiment which the World declared existed was not fully indorsed by the people, which means that the people were not fully up to the public sentiment of the people. I find in the World of September 24, 1893, the following very curious statement:

A good many of the friends of repeal are basing their hopes on this agreement concerning the duration of the daily sessions. They argue that if Mr. VOORHEES and Mr. GORMAN are intelligent and earnest men, it is incredible that they should have entered into an agreement to give their silver Senators another week to debate without receiving some compensation.

It is natural for the miser and the money-dealer to think that nothing should happen unless by a trade with them, and they get something in return; and this is the difficulty with the money-dealer. He must have something before he lets you have anything in return; he must have an equivalent, and he thinks the Senator from Indiana [Mr. VOORHEES] and the Senator from Maryland [Mr. GORMAN] were very foolish to let the silver Senators have the privilege of debate if they would not give something in return for it.

The only compensation that they could receive would be an agreement that a vote should be taken at the end of the ten or twelve speeches which Mr. VOORHEES said still remain to be made on the antirepeal side. Perhaps the argument will hold good. It is certainly a sound argument from the premises assumed.

Senators, however, who are near enough to leadership to be consulted on such an agreement aver that the duration of the daily session was the only subject of the understanding. If this is true, leadership on the repeal side has been absurdly weak. The strongest men in the Administration on the repeal side in the House and Senate do not believe that it has been so weak.

Any change from the situation of yesterday must necessarily be in the direction of hopefulness. What change there is is of the smallest, but it shows how much may be effected by well-directed public opinion. The rise in the price of foreign exchange to within 1 cent in the pound sterling of the shipping point of gold has had something to do with the change. The silver Senators have shown a distinct sensitiveness to public opinion. It is almost certain now that a vote will be reached if the country once more arouses itself from the apathy which followed the passage of the bill in the House.

If the country once more arouses itself from apathy, they can get some expression from the country which they have not got! The idea that a public sentiment which is so rampant can not be aroused from its apathy, a public sentiment that is so apathetic that it can not be aroused! When once aroused it will be an all-devouring fire, according to their editorials.

Whether the vote is taken before the end of next week or a month from now depends entirely upon whether the silver Senators are sooner or later convinced of the earnestness of the people.

Mr. Pulitzer, of course, can not get the silver Senators to believe that the people are earnestly on his side when Senators are receiving from the people letters and telegrams every day and every hour to resist the perpetration of what they term a crime. Our correspondents and our masters live in America, and not in Europe; they are farmers and producers, not idlers about European courts, not speculators engaged in dealing in bonds and stocks.

It is the climax of absurdity for Mr. Pulitzer to talk about public opinion in America. He may know about public opinion around the pleasure resorts and clubs in Europe, if he is admitted to them; but he knows very little about America. He has not been here for several years.

I have received a great many letters about this matter of public sentiment; and I think it is due to ourselves to let the country know that we are receiving them. These letters come from every part of the United States, and the information should go out to those who write them that nearly all the people are of the same mind, and are appealing to us in a similar way.

[Union Savings Bank. Union Safe Deposit and Trust Company, 233 Summit street.]

TOLEDO, OHIO, *September 27, 1893.*

SIR: I suppose the New York Herald will have to-day, to-morrow, or very soon a lot of telegrams showing public sentiment on the Sherman bill, etc.

I saw a telegram yesterday from the paper to its correspondent here, telling him it wanted interviews showing that the delay in repealing the Sherman act in the Senate was harmful to business. As I was not of that mind he said he could not use what I said. This is "public sentiment" with a vengeance.

Respectfully, yours,

WM. H. MAHER,
Vice-President Union Savings Bank, Director of Holcomb National Bank.

Senator STEWART.

That is the way these things are gotten up that are piled in here as public sentiment.

I read now a letter from New York City. Nearly every one of these letters come from persons who are absolute strangers to me:

NEW YORK CITY, N. Y., *September 22, 1893.*

DEAR SIR: Why not call down those men who are demanding that "the people demand unconditional repeal" by proposing to submit to the voters at the next Congressional election the three propositions, of free coinage, no coinage, and restricted coinage of silver. That which justifies obstruction is the fact that not two voters in ten would vote for the suspension of silver coinage, and I hope that your ultimatum will provide for the continuance of the present volume of silver currency until directly or indirectly the people have had a chance to express themselves on the question.

Yours, very truly,

CHARLES B. SPAHR.

Senator WM. M. STEWART.

AURORA, ILL., *September 9, 1893.*

Senator STEWART:

* * * Outside of the banks and a few capitalists here I do not think there are any who favor the demonetization of silver in any degree. The people would rather have a money that has some intrinsic value than paper currency with no intrinsic value behind it. The people have not been heard from yet, but it looks as if they might be smothered.

Truly, yours,

N. L. ROOD.

WAVERLY, MORGAN COUNTY, IND., *September 23, 1893.*

DEAR SIR: I am 64 years old, and have lived on the same farm for 33 years. I have taken no active part in politics for the last 15 years, but have been a close observer and taken a deep interest in the affairs of our country.

Never in all my life have I seen or known such colossal misrepresentation and impudence as is now witnessed by the daily press of all our great cities in the treatment of the monetary question and of the attitude of the Senate of the United States.

They assume, with the impudence of the devil, that the whole country is demanding immediate action by the Senate for the unconditional repeal of the Sherman law, and vilify and abuse individual Senators and the Senate as a body in a manner the writer never saw before; and the demand is so vicious and persistent as to lead me to believe that it is manufactured to order, and that behind it all is some gigantic, powerful conspiracy to utterly destroy silver as money.

Being a farmer and knowing that not one in every hundred thousand ever expresses himself to Congressmen or Senators, I write to say to you that the assumption that the great body of the people are making this demand is a stupendous fraud, unprecedented in the history of our country. The very opposite of this is true. Ninety per cent of the people of Indiana are opposed to national banks money and in favor of the free coinage of silver supplemented by full legal-tender paper money issued direct by the Government.

We are in a terrible crisis. Whilst you silver Senators are in a minority in the Senate you represent an overwhelming majority of the people. Stand fast. Use every means in your power to defeat the repeal of the Sherman law without enacting something better.

Yours, truly,

E. A. OLLEMAN.

Senator STEWART.

I do not know the gentlemen who write these letters, but from the way they write, I think they know what they are talking about.

THREE RIVERS, MICH., *September 23, 1893.*

DEAR SIR: Permit me to thank you for the noble stand you have taken in behalf of the people. I think I can safely say that nine-tenths of all the people in this part of the Union are in favor of the free coinage of silver.

Yours, truly,

E. L. LENHART.

Hon. Senator STEWART,
Washington, D. C.

Here is a telegram from the Knights of Labor of Toledo, Ohio, under date of October 18, 1893:

TOLEDO, OHIO, *October 18, 1893.*

To WILLIAM M. STEWART,
United States Senate, Washington, D. C:

District Assembly, No. 72, Knights of Labor, in regular session at Toledo, Ohio, sends greetings to the men fighting for America. Resistance to tories and British gold was and is patriotism. Stand for 16 to 1.

C. R. MARTIN, *Secretary.*

NEW YORK CITY, N. Y., *September 14, 1893.*

DEAR SIR: * * * The leaven of such speeches as yours is gradually doing its work, and one of these days you will be astonished at the result even in the Empire State, which is erroneously believed by the single gold-standard shouters to be solidly in favor of gold alone as money.

The spectacle of a United States Senator, walled up in the Senate Chamber, pleading for liberty and prosperity while a misleading and misrepresenting press, controlling the telegraphic communication of the country, is holding him up to ridicule and garbling and suppressing his utterances, I repeat, this spectacle is going to cause the popular condemnation of the unscrupulous newspapers who are, with such sublime impudence, endeavoring to whip the United States Senators into cowardly cringing to the hysterical and absurd parrot-like cry of those newspapers, of "repeal the Sherman act; stop buying silver."

Yours, truly,

RICHARD LACEY.

Hon. WM. M. STEWART,
United States Senate, Washington, D. C.

KANSAS CITY, MO., *September 5, 1893.*

DEAR SIR: * * * The great mass of the people of this section are with you in your grim fight against the great odds of the creditor class against the debtors.

Yours, truly,

E. M. HOLMES.

Senator STEWART, *Washington, D. C.*

HAYESVILLE, N. C., *September 6, 1893.*

DEAR SIR: The people here are in accord with you in your monetary views on the subject of silver, and I do not think they will brook the action of their Democratic Congress on this matter; or at best such is the current expression of opinion now.

Yours, truly,

T. J. HERBERT.

Senator STEWART, *Washington, D. C.*

DEMOPOLIS, ALA., *September 28, 1893.*

DEAR SENATOR: * * * Ninety per cent of the people of this State are with you and believe in free coinage.

Yours, truly,

F. L. FOSCUE.

DECATUR, GA., *October 2, 1893.*

SENATOR STEWART: * * * You are making a great fight for mankind and their liberties. I commend you. God and the people are with you. Contest every inch of ground. Free coinage and no bonds. Eternal war upon the Shylocks who are trying to destroy our Government.

Respectfully,

M. C. FULTON.

ALMO, KY., *October 4, 1893.*

SIR: I can not refrain from writing you, and saying that nine out of ten of the intelligent farmers in this section of Kentucky indorse your manly course in the Senate in defending the rights of the people against the mercenaries of England; and I will say further that the present members of Congress from Kentucky owe their seats in the House to the fact that they declared to the people that the platform of the Democratic party was for the free coinage of silver.

Respectfully,

B. C. KEYS.

Hon. WILLIAM M. STEWART,
Washington, D. C.

WEST MILFORD, W. VA., *October 5, 1893.*

DEAR SIR: * * * The people of West Virginia are for free coinage, and will hereafter send men who shall represent their views in Congress.

Truly, yours,

THOS. J. WEST.

Hon. WILLIAM M. STEWART,
United States Senate, Washington, D. C.

COLUMBUS, OHIO, *September 11, 1893.*

DEAR SIR: If there ever was a time since the days of Joshua of old when the sun should stand still and your hands be upheld while you and your compatriots fight the battles of the toiling millions against an aristocratic oligarchy intrenched behind their bags of gold it is now, when they are attempting to pull down the last barrier between their selfish greed of a single gold standard and drive the last nail in the coffin of our legal-tender silver dollar. God grant that you may have strength and endurance to head off the damnable scheme, unparalleled in legislative councils since the perfidious atrocity of 1873, when the silver dollar was clandestinely struck from our list of coins.

Yours, truly,

S. S. BURROWS.

Senator STEWART, *Washington, D. C.*

NEW YORK CITY, N. Y., *September 16, 1893.*

DEAR SIR: Your action in working for the people of the whole country is greatly appreciated by thousands in this city, all reports in the subsidized gold-bug press to the contrary notwithstanding. I can see considerable change in the sentiment of the people. Very many of those who were for unconditional repeal of the Sherman law are now coming out boldly for the free coinage of silver at the ratio of 16 to 1.

* * * * * * *

If you can possibly prevent repeal until after the November elections, I believe you will find that the people will sustain you.

If this bill goes through there can be no hope for the people during the reign of Cleveland. We must have more money. Do not allow the lies in the subsidized press to deceive you. The people are with you. You are gaining converts every day. Wall street and Rothschild must be suppressed.

Yours for justice,

RUFUS BATCHELER.

Senator STEWART.

LINCOLN, NEBR., *September 27, 1893.*

DEAR SIR: * * * In your fight for silver the people are with you. I believe this is true of the people of the East as well as of the West and South. The gold-bug press is making a great hue and cry, but it does not represent the people.

* * * * * * *

I want to emphasize a fact which you well know. You only hear from a few of the people. The gold bugs through their boards of trade and their vilely corrupted hireling press are making a great noise. But the people are behind you in irresistible strength and will prove it at the ballot box. The assertions of such sheets as the New York Times that the people demand unconditional repeal is unconditional rot.

Fight, fight till you die in your tracks, but never surrender, and God bless you.

Yours, very respectfully,

J. BURROWS,
Editor the Alliance Leader.

Hon. WILLIAM M. STEWART.
United States Senate, Washington, D. C.

[The Arena. Editorial department. B. O. Flower, editor. Pierce Building, Copley Square.]

BOSTON, MASS., *August 10, 1893*

MY DEAR SENATOR STEWART: I am delighted to see by the morning papers that you propose to stand by the guns and not allow a subsidized press and a conscienceless band of usurers, who are bent on further reducing the industrial millions to a condition of absolute servitude, to frighten you into anything like a stampede. I hope that the friends of free silver will stand solidly against the infamous proposal made by Congressman HARTER, published in yesterday's dispatches, in which he fully discloses the hand of the gold conspiracy. They aim to deal a final deathblow to silver. But in order to do this they will try to win over some weak-kneed persons by holding out alluring prospects for the future, such, for example, as HILL holds out in his hot-and-cold bill, the absurdity of which is only equaled by the surprising lack of common sense on his part in imagining that he can deceive anybody by trying to ride two horses going in opposite directions.

HARTER, as you have doubtless seen, declares that the repeal of the Sherman bill would not help matters materially, unless—and then he displays the full hand of the gold party when he says: "Unless the issue of bank notes be increased to the par value of the bonds held, and furthermore, unless additional bonds be issued," or something to that effect.

It seems almost incredible that the patriotism and conscience of the metropolitan press could be so debauched by gold as for one moment to applaud a proposition to resort to the war measure of borrowing money and issuing bonds in a time of profound peace, when the nation is richer in money's worth than ever before. I do not remember in the history of republics since the time when Rome fell into the hands of the patricians, of an attempt to perpetrate such a monstrous crime against the people as the measure proposed by the gold power through their talking machine.

I am thoroughly convinced that if the debate can be prolonged so that the public may be further educated on the subject, the enemy will be forced to accept some compromise which will be more favorable than the Sherman bill to silver. That they recognize this fact is shown in the extreme anxiety on the part of the Administration and its representatives in Congress to hasten a settlement.

I wish it were possible for indignation meetings to be held throughout the country some week within the next few weeks to come, wherein resolutions could be passed, and they could be poured into Congress, to the Senate, and to the President, together with individual letters.

I trust you received the August Arena. I mail you to-day a copy of the September issue. By it you will see that we have some strong articles on silver in the body of the magazine; also Mr. St. John's letter to Congress and other items of interest in our notes and announcements department.

Cordially yours,

B. O. FLOWER.

Hon. W. M. STEWART,
Washington, D. C.

ESOPUS, N. Y., *August 27, 1893.*

SIR: * * * If an issue of debtor and creditor is forced on the people, the debtor class, though half in amount, are five times the number and voting power. They will not stand idle when their debts are doubled on them and their homes taken from them.

To you and the sharers of your opinion the attention of the country is directed. If victory crowns your efforts the plaudits of a grateful majority of the people will place you among the famed.

Yours, truly,

R. P. LIVINGSTON.

Hon. WILLIAM M. STEWART,
United States Senate.

WILBER, NEBR., *August 25, 1893.*

HONORED SIR: We all feel the most intense anxiety about the final result of the great silver battle in Congress. No language can express the gratitude we feel toward you. TELLER, WOLCOTT, VEST, BRYAN, and others working with you. But the most annoying thing about this business is the condensed reports of speeches which are dished out by wooden-headed reporters to us. All of the fascination and charm of language is eliminated from your speeches (I mean you and your colleagues), and we get the skeleton with the flesh torn off.

Yours, respectfully,

GEO. H. HAMMOND,

Hon. WM. M. STEWART,
Senate Chamber, Washington, D. C.

NEW YORK CITY, N. Y., *August 2, 1893.*

DEAR SIR: * * * Be firm. By every lawful means in your power strive to prevent the repeal of the Sherman act of 1890 unless a better one can be enacted in its place. There never has been such a conspiracy to enslave the masses since monetary laws were first enacted. This is a battle for the rights of humanity. The whole race is interested.

Yours, respectfully,

J. C. BRIGGS.

Hon. WM. M. STEWART,
Washington, D. C.

EUREKA, KANS., *August 22, 1893.*

DEAR SIR: * * * I thank Providence for such men as yourself, BLAND, PENCE, BRYAN, and a host of others in Congress, who stand firmly for the people's interests, regardless of party affiliations.

I am not interested in silver mines to the extent of 1 cent, but, like other farmers and stockmen here, believe that the demonetization of silver will cause our people (and the great mass of farmers, laborers, and business men) untold loss and suffering. We are in favor of the free coinage of silver at the ratio of 16 to 1.

Yours truly,

FRANK DIBERT.

Senator WM. M. STEWART,
Washington, D. C.

CONTINENTAL, OHIO, *October 12, 1893.*

Senator STEWART, *Washington:*

Don't give up the "ship." "Boards of Trade" may pass half-hearted resolutions under the bank influence, but the millions are with you. I know because I travel over these States.

Can't something be done to compel the purchase of 4,500,000 ounces of silver monthly, as the law commands.

Yours truly,

L. E. BILLOU,
331 Crawford, Cleveland, O.

PRICHARD, LUZERNE CO., PA., *October 12, 1893.*

Senator STEWART:

"Hold the fort." Thousands of Pennsylvanians are watching with bated breath. "Hold the fort."

WM. W. PRICHARD.

HAMILTON, OHIO, *October 12, 1893.*

DEAR SIR: You and your compatriots are to be congratulated for your devotion to the people's cause; and future generations will, in my judgment, honor your memories for the grand fight you have so ably conducted in defense of honest money and constitutional government.

Trusting that your voice will always defend the rights of man against the greed of the few, I am,

Respectfully yours,

DAVID PIERCE.

Hon. W. M. STEWART,
Washington, D. C.

MORGANTOWN, KY., *October 10, 1893.*

DEAR SIR: I want to say that I am satisfied that the great mass of the people indorse the determined stand taken by the silver Senators in opposition to unconditional repeal and that the most extreme action that can be legally taken to defeat the measure will be heartily indorsed by the people. I am satisfied that the Admin stration is much weaker with the people than it was a few weeks ago. The Republicans of this county almost unanimously condemn the action of Republican Senators who advocate repeal.

Of course you understand how easy it is for bosses to suppress the voice of the people. Don't give up the ship.

Postpone repeal till 15th November if not forever.

Yours, truly,

B. L. D. GUFFY.

NEW YORK, *October 11, 1893.*

DEAR SIR: We, the undersigned, beg leave to tender to you and the other true friends of bimetallism in Congress our hearty congratulations upon the brilliant success which has attended your efforts to protect the interests of the people of the United States against the vicious policy of gold monometallism, a policy which had its origin among foreign money changers who have no sentiments in sympathy with American institutions.

The heroic and patriotic action of those true representatives of the people who have stood out against the unconditional repeal of the Sherman law and voiced the popular will for the continuation of the use of the money of the Constitution elicits enthusiastic expressions of approval from a large majority of those of our own fellow-citizens with whom we daily come in contact.

We have the honor to be, sir, sincerely and gratefully yours,

JOHN G. BOYD.
HENRY NICHOLS.
EDWIN V. WRIGHT.
JOHN W. KEOGH.

Hon. WILLIAM M. STEWART.

ELKHART, IND., *September 6, 1893.*

DEAR SIR: * * * We get but one side of the question in the metropolitan press, but if the expressions one hears from farmers and the rest of the laboring classes is of any use in forming an opinion as to their wishes, they are entirely in sympathy with the Senators who are acting with you in their effort to prevent the banishment of silver from the markets of the world as a medium of circulation.

Yours, respectfully,

HENRY C. WRIGHT.

Hon. W. M. STEWART,
United States Senate, Washington, D. C.

NORTH PLATTE, NEBR., *September 7, 1893.*

DEAR SIR: I congratulate you on your fight in Congress in favor of free coinage. The people in the West and South are with you, and will be heard from at the next election.

Yours, truly,

WM. WOODHURST.

Hon. WM. M. STEWART,
Washington, D. C.

INDEPENDENCE, IOWA, *September 4, 1893.*

DEAR SIR: The great Northwest, the West, and a part of the South are now looking to you and your coworkers—PEFFER, WOLCOTT, TELLER, and other equally honest, fearless, intelligent, patriotic, and humanity-loving United States Senators—as the only hope of relief for the mass of the people. May the Almighty God bless you with continuing courage, foresight, and power to keep the House repeal bill from coming to a vote for sixty to ninety days yet, because the British money kings can not hold the millions of gold they drew out of our country for that length of time on any pretext whatever.

* * * * * * *

God Almighty help you in this critical hour. Win for the people and humanity, and the people and humanity will forever bless you and your memory.

Yours, very truly,

L. H. WELLER.

Senator STEWART.

KNOXVILLE, IOWA, *August 18, 1893.*

DEAR SIR: Allow me to ask you a question. If every other place fails can we depend on the Senate to stand between us and ruin until we can get another vote from the people?

Yours truly,

H. I. WASSON.

Hon. WILLIAM M. STEWART, *United States Senate.*

COLUMBUS, OHIO, *September 15, 1893.*

DEAR SIR: In order that you and other friends of the people in Congress may correctly know where the laborers and producers of Ohio stand on the silver and banking questions now before Congress, I mail you resolutions passed by Phœnix Assembly, Knights of Labor, of this city.

A few evenings later the same resolutions were taken up by the Columbus Trades and Labor Assembly, a body composed of representatives from all the organized labor societies in the city, and were unanimously adopted.

These are the sentiments of three-fourths of the organized labor and of the farmers of Ohio.

Copies were mailed early in August to Representative J. H. OUTHWAITE and Senators SHERMAN and BRICE, but we have no positive knowledge that the resolutions were given publicity in House or Senate.

Yours respectfully,

P. J. FISHBACK.

Hon. WILLIAM M. STEWART, *Washington, D. C.*

FREE AND UNLIMITED COINAGE.

The following resolutions were unanimously adopted by Phœnix Assembly, No. 2960, Columbus, Ohio, at its last regular meeting:

"Whereas silver and gold have both been equally the money of the United States from the formation of the Government until 1873, when silver was secretly demonetized through the conspiracy of English and American bankers and capitalists; and

"Whereas silver, equally with gold, is the money of the Constitution, and no Congress has the right or the power to in any way abridge its free use as money without directly violating the plain provisions of the Constitution; and

"Whereas the present deplorable financial and industrial conditions of the country are largely the results of unwarranted, unnecessary, and unpatriotic attacks upon our silver currency by foreign and American bankers and money-lenders, and from purely selfish motives, in that they may unjustly and greatly enhance the value of their securities at the expense of the already overburdened and oppressed laboring and producing classes of this country; and

"Whereas the organized labor of the country placed itself emphatically on record as favoring the money of the poor man and the people, the silver dollar, by the efforts of its accredited representative, Ralph Beaumont, esq., in his zealous and successful work to have the Bland silver bill passed in 1878, thereby partially restoring silver to the people and temporarily relieving the financial and labor distress then prevailing in the country: Therefore

"*Resolved*, That we demand from Congress that from now and hereafter the laboring and producing classes of this country shall receive equal consideration in all financial and other legislation with the banking and fund-holding classes.

"We further demand a financial policy distinctively American and for the interests of Americans, independent of the dictation of the tyrannical and despotic monarchies of Europe, and that no longer shall a system of finance be tolerated by Americans which permits the social, industrial, and commercial interests of our people to be dominated by foreign governments and foreign capitalists for selfish ends.

"To partially further this purpose, we demand that the full and unlimited coinage of silver be restored to the people and to our monetary system as it existed prior to 1873, and on the basis of the ratio of 16 to 1 with gold.

"We further demand that under no conditions shall Congress permit the issue of any more bonds that may be used to continue the present national-bank system.

"The power to issue or control the money of a country is too great a power and too dangerous to be placed in the hands of private individuals or corporations.

"We therefore demand that the present national-bank system be abolished at the earliest possible moment, and that thereafter banks of issue, whether national, State, or private, shall forever be prohibited; and the issue of money, which is a sovereign prerogative only, be exercised exclusively by the General Government, to whom it only legally belongs.

"*Resolved further*, That we pledge our united votes and efforts, irrespective of party affiliations, to hereafter defeat for any office any member of Congress, be he a Democrat, Republican, or Populist, who by his vote refuses to give the relief demanded.

"*Resolved*, That a copy of these resolutions be at once forwarded to our representatives in Congress."

OSCAR FREER,
Recording Secretary, Columbus, Ohio.

Now, when people are talking about public sentiment I defy them to present a petition from any labor organization in the United States. They have not been heard from through these papers. But one class has been heard from; that is the money class and its dependents.

We saw in the papers a few days ago that the Democratic convention in Nebraska had declared in favor of the gold standard, and that Mr. Morton's views had been fully indorsed by the Democrats of his State. I read from a communication in the Atlanta Constitution on that subject, October 10, 1893:

STOCKED THE CARDS—NEBRASKA'S STATE CONVENTION WAS PACKED WITH CANDIDATES—MR. MORTON'S SCHEME WAS SMART—APPLICANTS FOR FEDERAL OFFICES WERE CLUBBED INTO SUBMISSION—EACH MAN RECEIVED WARNING—HE HAD TO GIVE HIS VOTE OR GET NO OFFICE—DELEGATES BULLDOZED BY PATRONAGE—THE PEOPLE FOR SILVER.

This is very interesting. I wish more Senators were in the Chamber to hear it.

[At this point the honorable Senator yielded to Mr. ALLEN.]

Mr. STEWART. I consented to the call for a quorum on account of the interesting document that I have here. It has been published perhaps sufficiently to prevent anybody from copyrighting it and checking its circulation, but I want to make it perfectly sure that its circulation shall be free, because it is a unique way of promulgating and advancing sound financial gold views.

[Special.]

LINCOLN, NEBR., *October 9.*

This is from the Atlanta Constitution that I read—

Naturally, the Democracy of the West and South was surprised last week when the Nebraska State Democratic convention declared against the free coinage of silver and for unconditional repeal. The sentiment of the State is overwhelmingly in favor of silver, but the convention was packed through the manipulation of Secretary Morton, who pulled the wires from Washington, whence came the word that BRYAN must be downed.

In order that you may know what influences were brought to bear upon the convention, I copy some letters sent out by the secretary of the State central committee:

"OMAHA, NEBR., *September 1, 1893.*

"DEAR SIR: You were sometime ago indorsed by the State central committee for the post-office at ——. Circumstances may arise which may cause a revision of that action. You are earnestly urged to be at the Democratic State convention October 4 as a delegate. Be sure and have your delegation composed of Democrats whom you know can be relied upon.

Yours truly,

"J. B. SHEEAN, *Secretary.*"

Shortly after that the following letter was sent to each one of the 2,000 candidates who had applications before the State central committee:

"OMAHA, NEBR., *September 14, 1893.*

"DEAR SIR: The officers of the State committee desire to communicate with you respecting the indorsement which they gave for postmaster. The delay in making the desired changes in this State necessitates vigorous action on the part of the committee and applicant, and you are requested to meet the officers of the committee at Lincoln on the 3d or 4th of October. The State convention will be held there at that time, and you are urged to be present as a delegate from your county.

"In order that there may be a full representation you are especially requested to be present in person. It is important that you be present, representing the best interests of Democracy and coöperating with the committee for the welfare of the party. Trusting that this may receive your serious consideration.

"I am yours, respectfully,

"J. B. SHEEAN, *Secretary.*"

The above letters are samples of the way the Democratic convention was packed and the sentiment of nine-tenths of the Democratic voters of this State was smothered by the votes of 300 applicants for post-offices, who were delegates to the State convention, and whose instructions were to see to it that the Administration was indorsed; that its financial policy was indorsed, and that the executive branch of the Government should use Nebraska as a club to aid it in coercing a coördinate branch of the Government into submission to its wishes. Of these applicants who were delegates, nearly all were free-silver men, but they had a club held over their heads and were compelled to vote as they did, or lose the indorsement of the State committee, which meant the loss of the post-offices.

I write this in order that you may know what the Administration and its representative, the State central committee, are doing in the way of buying and bulldozing with patronage the voters of the State. I know what I am talking about when I say that nine-tenths of the Democratic voters of Nebraska are in favor of the free coinage of silver, and the expression in the Democratic platform recently adopted in this State does not represent the views held by Democrats here.

W. D. TIFFANY,
Vice-President Democratic State League of Clubs.

I will not take up more of the time of the Senate in reading these letters and reading evidences of the misrepresentation of the people by the press. I have thousands of them, and all the silver Senators have thousands of them. Is it a supposable case that if we did not know the people are with us, not only as expressed at the ballot box in every election since silver was demonetized, but expressed daily and hourly by the people of every State in earnest letters, telling us the truth and showing us how these dispatches that come here are manufactured, and how public opinion is misrepresented by the gold press—is it supposable, however just we believe the cause to be, if we thought the people were against us that we would press it here?

But knowing as we do that nine-tenths of the people of the United States are for the coinage of silver upon the same terms and conditions which apply to gold, we feel sure that we are representing the majority, and that the obstruction comes from interested parties, parties interested in robbing the masses, interested in changing contracts, interested in increasing their property by transferring the property of others to themselves. We know that there are hundreds, yea, thousands of millions of property against us, property that was obtained by fraudulent legislation. We know that the world is mortgaged to our enemies. We know we are here for the toiling masses pleading for justice; and knowing that, the scoffs and sneers of the agents and minions of the ring have no effect upon us. Go on with your abuse; tell all the falsehoods you please; bring all the power to bear to intimidate that you like; but we shall stand here and voice the sentiments of the people. Seventy million people pleading for justice can not be intimidated.

William Mutchler.

REMARKS

OF

HON. CLIFTON R. BRECKINRIDGE,

OF ARKANSAS,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, October 19, 1893.

The House having under consideration resolutions of respect to the memory of William Mutchler, late a Representative from the State of Pennsylvania—

Mr. BRECKINRIDGE of Arkansas said:

Mr. SPEAKER: I have no formal remarks to submit upon the death of my friend, and our former associate, Mr. Mutchler of Pennsylvania. But for one who knew him during a considerable portion of his Congressional life, and who was associated with him in the close and intimate work of committee labor, it

is not difficult to say a few words, though they be impromptu and wholly informal.

My acquaintance with Mr. Mutchler was as a member of this House. Living as we did in distantly separated portions of our vast country, it was never my pleasure to meet him except when we were thrown together in public life. But he was not a man to meet, to know, and to be forgotten. He was a man of that true and strong type of character, of that clearness and soundness of judgment, and of that kindliness of nature which made a lasting impression upon those who were intimately thrown with him. I know of no one who has served in this House during the course of my service here who brought to the discharge of his public duties more earnestness of purpose, sounder judgment, more conscientious labor, or a higher sense of patriotism and honor than did the gentleman whose memory we seek to honor to-day.

He was not one of our associates who figured frequently in the proceedings of the House as published and spread broadcast over the country, but his influence was out of all proportion to what may be called his visible activities. His associates learned to trust his judgment, particularly in all things especially intrusted to his care. Not a few of the most important steps taken in this House were taken upon his advice. It became the desire, the increasing desire, of those who knew him to know what he thought, whenever it was understood that he had given attention to any branch of public affairs. We listened always with respect to his clear and impressive statements, and he was beyond doubt, from confidence in his ability and accuracy and confidence in his character, one of the most influential members of this body.

As a public man, he was, in the very best sense of the term, a statesman. He loved his whole country. While a strong partisan, he was in no sense a narrow one. With his frank and generous heart there was free play for all the kindly sentiments of human nature; and with his fearless spirit there was the courage, under all circumstances, to do what he conceived to be his duty. I have often thought that there was no position in public life that he could not have filled with credit and honor.

During the many years that he served with us, often taking decided ground both upon questions within the party of which he was a member, and upon which there were strong differences of opinion, and upon such questions between the two great parties upon this floor, yet it can be said of him, as it can be said of few, that he so deported himself, he so addressed himself to all public questions, as never to have his motives called in question from any quarter, and to meet in all of his associations, both in and outside of his party, with unbroken and supreme public and personal respect.

I do not know that in the whole of his positive career there has ever passed between him and any of his associates upon this floor any colloquy that was calculated to leave a sting behind it. When contemplating the quiet demeanor of my friend and the great influence that he exercised, when I have considered the increasing confidence which I myself have always had in his judgment and conclusions, I have often thought how much he was indebted in his reasoning processes, not only to the soundness of judgment which he possessed, but to the excellencies of his personal character. He showed as clearly as any man of whom I have known that "out of the heart proceedeth the issues of life." And I believe that out of his pure, kind, and brave heart there never proceeded a sentiment that was unjust toward any living being.

It was my duty, Mr. Chairman, in common with other members of this House, to attend the final exercises upon the occasion of his burial. It is the only occasion when I have ever attended the burial of a deceased member of this body; and I will say that if we are to judge by the respect that was shown to his memory, by the deference and regard that marked all those who participated in what was associated with his burial, we must conclude that these final exercises on our part in connection with those with whom we have been associated here are not idle ceremonies.

And when I went to the old town of Easton where and about which he had passed his whole life, I could see some of the reasons why Mr. Mutchler was the man that he was. An old, quiet, and established place, where the people have homes, and the homes have cherished traditions. There was comfort, there was intelligence, there were all the vital sentiments and substantial elements most cherished in our American civilization, the whole illumined by the ancient and eminent seat of learning that presides upon a hilltop over the city about it. There, with that people, in the shadow of that college, with its vine-covered walls, we could see the associations that could give us such a product as William Mutchler.

I consider that he was a model as a Representative; that he was a model as a gentleman; and it makes me realize how closely our people are allied when I say that he was in my estimation a perfect type of a Southern gentleman. I can wish nothing better to our country, I can wish nothing better to these Halls, than that among our people and here among our Representatives we may never lack for men like unto him. And when we come to pass over the river, may we rest in as sweet and as beautiful a place as where his body now lies, and be the recipients of that profound respect which all classes of his people united with his Representative associates in bestowing at his burial.

Gold, Silver, and Paper for Money.

SPEECH

OF

HON. WILLIAM A. PEFFER,

OF KANSAS.

IN THE SENATE OF THE UNITED STATES,

October 13, 16, 19, 20, and 21, 1893.

The Senate having under consideration the bill (H. R. 1) to repeal a part of an act approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. PEFFER said:

Mr. PRESIDENT: The situation in which we find ourselves placed is a very peculiar one. Perhaps at no time in the history of the country, except possibly once, has there been such interest manifested among the people generally concerning the action of either of the branches of Congress as there is at this time. When the present session was called there was a good deal of attention paid to it because of the unusual time at which it was called, and because of the further fact that generally the people had not expected that Congress would be called together before about the middle of September.

There was not much anxiety as to what would be done at the meeting in September; but suddenly, and almost without warning, the President's proclamation was issued, and the indications in the proclamation pointing to the probable policy of the President, were that the doctrines which had been taught by both of the great parties during the last campaign would be ignored, and instead of the tariff and its relations being made the chief topic, it appeared that finance and questions turning upon the general subject of money would be presented to the extraordinary session for its consideration.

When Congress met and the message was read at the desk it was discovered that not only were we to have the financial question to discuss and to consider, but that so far as the Administration is concerned we should have submitted to us but one particular subject; that it had been predetermined in the Executive mind that the financial legislation of the past years relating to the purchase of silver and the coinage of silver money, having been injurious to the country, ought to be repealed; putting it in more narrow words, that those clauses in the act of July 14, 1890, providing for the purchase and coinage of silver should be repealed—that, and that alone.

Immediately thereafter the members of this body were besieged by individual persons in their correspondence and were flooded by papers purporting to be petitions coming from commercial bodies in different parts of the country; and acts which seemed to many of the members here and to a large portion of the newspaper press of the country to be impertinence had the effect very soon to array the people of the country in two classes, and to mark the lines between them more plainly than they had ever been before. From that time until the present there has been a constant besiegeing of this body from these two classes of people, one representing the commercial and the speculative portions of the community; the other representing the producing classes, the farmers, the mechanics, the wage-workers and the people who are living within narrow pecuniary limits.

Out of that alignment of the people grew a great deal of ugly feeling. The newspaper press, representing the different sides of the contest, grew more and more outspoken in their advice to this body, increasing in intensity from day to day and from week to week, until finally the whole country seemed to be aroused, the nerves of the people drawn to their utmost tension. And now recurring to the thought with which I began, it appears that the eyes of our people and of the reading people in all parts of the world are attracted to what this body is doing.

We have been working hard and faithfully, as it appeared to us to be our duty. Upon the side of the Administration there has been until recently at least what they regard upon their part as forbearance and patience, and upon our part there has been

quite as constant resistance. To say that both parties to the contest in this Chamber have not been equally honest, or equally earnest, or equally resolute and determined, would be to state that which all of us who are here at least understand to be an incorrect statement of the situation.

In the first address which I had the honor to deliver upon the pending bill I took occasion to speak for myself and for the people whom I have the honor, in connection with my colleague, to represent. I stated to the Senate then very frankly that with us the issue pending before this body is one that is broader and deeper than the mere matter of coining a few dollars, or of mining silver or gold, or of building up or maintaining particular industries or particular communities; that with us it is a matter of principle. We look at the subject from a broader standpoint. We go down deeper into the constitution of society, into the forces of government. We regard the whole country as interested in this matter—the whole world of mankind interested as we are. We believe that there is a principle at issue which we can not afford to surrender, which we have no intention of surrendering, which we expect to uphold and maintain to the end: and therefore, speaking in the name of that splendid people, I announced that whatever I could do within the range of parliamentary law and within the limits of the rules of this body to defeat the pending bill would be done.

At the conclusion of the last speech I delivered upon the subject I took occasion then to state that this work is not agreeable to me. It is not to me a pleasant duty, any more than it was during the time of the great war to join in deadly conflict upon the battlefield with an armed enemy. It is not pleasant to a timid man at any time to stand up in the face of a great and determined opposition and oppose his feeble effort against the array on the other side. It is not an agreeable task to stand in this Chamber and talk to vacant seats. It is not a pleasant effort to speak to a body of tired men, nor to a body of men who do not care to listen.

But there is a larger body than this. The horizon surrounding the atmosphere in which the Senate of the United States is acting to-day is as wide as civilization, using that word in the modern sense. Every word that we utter here, every movement that is made, every impulse and intent of the actors which appear upon the surface of things, is seen and examined. Every act performed is scanned with an eagerness and avidity never before known in our history.

This long-continued labor is fatiguing, but we are charged with grave and responsible duties, Mr. President, and when men are called upon to perform a duty, a sacred duty, one that they themselves feel in every fiber of their being, it has behind it an impelling force greater than an army of banners.

I remember once hearing an old Quaker friend refer to a speech of Grattan in the Irish Parliament when there was such a body in existence, and there was a great and spontaneous applause upon the part of a large number of listeners, someone wondered what it meant. The orator's reply was that it was the power of truth acting upon the consciences of men. And in this great contest, while it appears to some persons who look upon the surface of things to be a mere play, on words to be an idle waste of time, and while we are commanded in an insolent, petulant, peevish manner to vote, to vote, we who are resisting this measures are impelled by a sense of duty that we dare not resist. So far as I am concerned, Mr. President, I do not want to resist it.

The man who in this trying time deserts his colors or abandons his friends or swerves from the path of duty marked out to him by a people with whom he is in sympathy and whose commission he bears, is not deserving the confidence of a free people.

We come to the task every time with a feeling that is peculiar in its nature—a feeling that gives us renewed energy. I have often observed that when men are actuated by a high sense of duty there is a moral heroism moving them, leading them, impelling them, and supporting them that they themselves can not understand; and that while the tension is upon them, while the influence of this great supporting power is with them, they know not how to surrender. And so it is now.

Mr. President, there is another feature about the contest which inspires us with a spirit of resistance that makes our defense offensive. We feel—and when I use the word "we" I refer to the people whom we represent, and not only to the people locally, our own immediate constituency, but to a still larger body of people scattered broadcast over the country who are in sympathy with us—we believe that this issue has been forced upon us without any reasonable excuse, without any proper reason, without any discussion among the masses, without any previous preparation, without any instructions to us on that point; we believe it has been forced upon us by a class of people consisting of comparatively a very few persons, and their interests are opposed to our interests.

[At this point the honorable Senator yielded to Mr. POWER, who suggested the lack of a quorum.]

Mr. PEFFER. When I was interrupted by a call of the Senate I was referring to one great overpowering and resistless impulse, moving those of us who are opposing the passage of this measure. I stated that we regard the situation as being forced upon us; that the peculiar form in which the subject is presented to us comes through lawful agencies, of course, but comes from a very small class of people comparatively, composed in part by men whose livelihood and whose fortunes are acquired at the public expense; that the inspiring force which operates through the boards of trade and stock exchanges and brokerage establishments and other commercial organizations upon us, has its origin, its nurture, and its habitation in the brains of men whose wealth is made up of the losses of their fellow-men—the speculators, the men who play with the markets as boys on the green play with the football—men who have no more regard for the welfare of their neighbors than they have for the success of a polar expedition—men who in matters of business (this class of business, I mean) have no consciences, men who care not about the poverty of the poor, who regard not the toil of workmen, who care not how many hours of toil the farmer spends in his fields, who care nothing about the wages of the men and the women who produce all that there is of wealth in this or in any other country; men who trade in the fortunes of communities; men who speculate upon the rise and the fall of securities a month, sixty days, or a year hence; men who discount the future and gamble in crops produced by the farmers; men who engineer great schemes and introduce them to the fostering care of the Government; men who in times of peril would risk the honor, the glory, the destiny of their country that their avarice might be satisfied; men who charge exorbitant rates of interest for the use of money, not only to their neighbors, but to their country; men who, when the test comes, are devoid of patriotism and of every high and noble impulse which usually impels honorable men to sacrifice something for the land they profess to love.

We believe this great issue is forced upon the country very largely by that class of men. We believe those men are our enemies. We believe that they are forcing a policy upon the country which when brought into practice through legislative action will inure to their benefit and to our injury, that will assist them in the acquisition of property that they are not entitled to, which will aid them in gathering in the profits of other men's toil, which will reduce the profits upon our labor, which will eventually make us a nation of tenants, which will absorb our lands, which will turn us adrift when the end comes, as merely wage-earners, taking away from us the heritage that came to us from our fathers.

The farmers of the country about two hundred and seventy years ago began to work on American soil. They pledged their honor in a little assemblage that they would govern themselves according to their own views of rectitude between man and man. They set about to clear away the forests and to reclaim the waste lands. They opened up farms; they raised produce to feed and to clothe themselves.

[At this point the honorable Senator yielded to Mr. DUBOIS.]

Mr. PEFFER. Mr. President, the early farmers, divided as they were between two social bodies, one of them engaged in the great forest region of Virginia, the other upon the bleak shores of New England, set about a conquest of the natural conditions which they found existing, and while they were opening farms and maintaining their families by their own unaided labor, they opened highways of travel from neighborhood to neighborhood. In the eastern portion of the country they soon organized themselves into towns, small communities, little democracies, where they governed themselves in their own way. They nurtured the town meeting.

After awhile they organized counties and States, and in the southern portion of the country, as the farmers penetrated the forests, they builded up a civilization of their kind. In time the neighborhood highways extended until all the colonies became connected. Ninety-five per cent of the people of this country, when the Revolutionary war began and when it ended, were farmers. After a time the ordinary highway was lengthened into government mail routes. Succeeding them came great national highways, and steam was called in to carry the traffic of these busy farmers.

Up to that time the manufacturing interests of the country had not been sufficiently developed to amount to great industries, and the carrying trade, so far as manufactures were concerned, was very limited.

Now the farmers who have sprung from so small a beginning are scattered about from their original footing to the Pacific, to the Great Lakes, and to the Gulf. Looking back over the work that they and their neighbors have done they find that together they have builded up the grandest, the most magnificent civilization upon the earth. They find that our carrying trade exceeds in mileage—perhaps I put it too strongly when I say "exceeds"—they find that our carrying mileage is nearly, if not quite, equal

to one-half of the carrying inland mileage of the entire world. They find that the tonnage which passes over our different routes, and the value of that tonnage, exceeds by many times our foreign commerce both ways with all the nations of the world.

They find further that, whether we measure our carrying trade by tons or by dollars, our internal commerce exceeds that of all the great nations of Europe combined—I do not say all the nations, but all the great nations of Europe combined—and that much the larger proportion of this immense commerce is that which is either grown upon the farms and harvested by our farmers, or produced by their neighbors in the manufacturing establishments of the country in order to supply the families of the farmers.

Looking at the pending contest in this body from that standpoint, do you wonder, Mr. President, that the farmers are earnest in their resistance and that their representatives here speak with positiveness and that they do not apologize for speaking frequently. Indeed it would be idle to talk about men situated as our farmers are, speaking of them generally, who would not resist and resent, and oppose and continue to oppose a measure which they regard will eventuate to their irreparable injury.

There is another class of people aside from the farmers who believe just as do their neighbors who till the soil; that the proceedings which brought about the proclamation of the President and the forcing of this issue upon us were conceived and brought forth in sin and iniquity. They believe that the proposed legislation, when effectuated in practice, will tend to destroy the profits upon their labor; that it will tend to still further concentrate the wealth of the country in the hands of men and women who never earned it; in the hands of people who expect to continue their business of throwing out their drag-nets upon the common industry of the people, and gathering in the profits of labor. I mean the wage-worker, whether he be in the factory, on the farm, in the salesroom, in the warehouse, or along the public highway.

[At this point the honorable Senator yielded to Mr. KYLE.]

Mr. PEFFER. The wage-workers, as a class, Mr. President, are vastly more interested in the pending proceedings than any other class of people can be, excepting only their neighbors who live upon the farms.

Manufacturing has become an art as it once was not. The little custom mills which we had in our boyhood days along in the early history of the country have been to a very great extent crowded out of business, and we have the great merchant mills at the centers of trade.

The old-fashioned butcher has given way to the great packing houses, and the smokehouses of the farmers of to-day, to a very great extent, more especially in the region west of the Mississippi River, are in the great cities instead of on the farms. The little wagon-maker shops by the wayside, at which our fathers had their wagons and their sleds manufactured, have given way to great establishments where men are employed by the thousand. The old-style shoemaker has given way to great concerns, where shoes are made by hundreds, thousands, and millions, and the cheaper grades of them laid down in boxes and packed ready for shipment at 33½ cents a pair. The carpenter, who was near the old farm, and who made his sash and his blinds and his panel-doors for the next year's work in his shop during the long, snowy, cold days of winter, now sends 500 or a thousand miles away for his sash, which are made by machinery and turned out by the carload. So it is in every department of mechanical and manufacturing industry where workmen are employed in producing movable property.

The modern wage-worker, Mr. President—and this is the reason that I speak of him as I do in this connection—under present conditions is compelled to live the life of a machine. Muscles are made of iron to-day, and nerves are made of steel. To that extent the man is but the attendant.

One day during the last summer I stopped a few minutes at a great sawmill, and while standing there reflected upon the change which had come over the country in sixty years. There was a sawmill in the neighborhood where I was born, three or four of them, indeed, one of which comes to my mind now, where a farmer conducted his mill in connection with his farm operations.

[At this point Mr. KYLE raised the question of the want of a quorum.]

Mr. PEFFER. I submit, Mr. President, with all due deference to the Senator from South Dakota, who called my associates to the Chamber, that it was unusual, and I think somewhat indecorous, to break the thread of a good story for such a purpose. I was bringing to the attention of those who were kind enough to listen, to the contrast between the sawmill of our fathers and the sawmill of to-day. The particular rural domestic mill to which I referred was situated upon the banks of a small stream in the neighborhood. It was said the farmer who owned it put on a log before breakfast, harnessed up his team, and as he rode by the mill on his way to the field started the saw to going, and it was so timed that when he returned at noon from the field, passing by the mill, the saw had gone through the log once and one piece of lumber was thrown off.

A similar proceeding was conducted after dinner. But in this great modern sawmill the logs were drawn up a gangway from the water, in which they had been floated probably a hundred or two hundred or more miles. The logs were landed upon a truck with rollers, and immediately on arriving at a certain point, were rolled off onto a platform made of more rollers. From that they were moved forward on a line parallel with the log-truck, and within the space of ten seconds from the time the last board from the last log was removed, one of these great logs was turned over upon the carriage and clasped by machinery under the hands of two men, and started forward against a saw, which was an endless band.

I watched the proceeding with intense interest, and one particular log, which measured about 2 feet when it was squared, turned out into inch plank, all except the last piece, which was 2 inches in thickness, in order to be held steadily by the clamps, occupied just an even five minutes.

In every department of manufacture and industry we see, if not so great a change, at least substantially as great a change, and the wage-workers, the men who attend the machines and do nothing else, just as the men of the sawmill did, operate in other lines of manufacture with the same precision as the machinery itself. If they did not, many of them would be torn to pieces. Men fly backward and forward on the log carriage with a speed which pains the eye to follow them. It is necessary they should move according to the machine.

The wage-workers interest in this question lies in the fact that it is part of the great plan which has brought together these masses of toiling men under one rule, and making of them, socially as well as mechanically, virtually machines.

In some places, more especially in mining regions, where there are great iron-manufacturing establishments and machines for raising and carrying coal and cleaning it, workmen are sometimes voted at the polls as well as worked by the machines in the shops. So general in our large towns and cities has this system become, that the wage-worker of to-day looks upon the whole system with terror, while he sees no other avenue of employment, no other means by which he can earn a livelihood for himself and his family, and yet he sees from year to year the coils which are gathering about him growing tighter, and bringing him and his neighbors closer and closer together. Looking back to the large liberty of his boyhood, he wonders what the end will be, and he believes that the proposed legislation is in line with conditions which are oppressing him beyond his power to endure with patience.

Putting that class of people with the farmers, we have more than two-thirds, yes, we have 75 per cent to 80 per cent of the entire population vitally interested in this proceeding. The farmer and the wage-worker look forward to the outcome with fear and trembling. No wonder that they feel as if the powers behind this movement were powers operated by their enemies.

Mr. ALDRICH. Will the Senator from Kansas allow me to ask him a question?

Mr. PEFFER. Yes, sir.

Mr. ALDRICH. Do I understand the Senator to claim that the wage-workers of the United States are voted in gangs and voted as their employers dictate?

Mr. PEFFER. I did not say so, and do not wish to be so understood.

Mr. ALDRICH. Then I do not understand the application of the story.

Mr. HAWLEY. I am sure the Senator from Kansas said so substantially about the lumbermen. I do not know why there should be an exception.

Mr. PEFFER. Mr. President, Senators are very sensitive upon this point.

Mr. HAWLEY. Certainly.

Mr. PEFFER. And they ought to be. It is very proper they should. They are not more so than I am. Since I have been talking, the Senate has been called three or four times. I have tried very hard to keep my mind in line with the thought which I intended to pursue, but lest Senators insist that I have not stated the position correctly, I will repeat it as nearly as I can. I do not wish to be understood as having committed a speech to memory. I will substantially repeat the point which I have made upon this particular phase of the subject.

I was comparing the present condition of the wage-worker with that of his ancestors of fifty or more years ago. I spoke of the little mechanical establishments and the manufacturing houses in rural communities, where we had carpenters and blacksmiths and wagon-makers and shoemakers and others among us,

and stated that the large liberty which those men enjoyed then has passed away from them, for the reason that under modern conditions that class of men are massed in great establishments, where persons by the thousand go to their work and come away from it by certain signs; and that in some instances, especially in mining regions, where there are iron manufacturing establishments, where there is machinery for the raising of coal and the cleaning of it and the carrying of it, I stated that men were voted as well as worked.

I do not mean to say that in the great cities where there are large manufacturing establishments engaged in the manufacture of cloth, for example, or in the manufacture of steel goods or in any of the large manufacturing enterprises, speaking generally, that the men are voted as they are in the coal mines over in Pennsylvania, where I have been reliably informed there are instances or have been where men are voted by number, men who do not speak our own language.

Mr. QUAY. Will the Senator allow me to correct him?

Mr. PEFFER. Yes, sir.

Mr. QUAY. On what occasion, I will ask the Senator, were men voted in that way in the State of Pennsylvania? I never heard any such thing as that, though something of that kind was charged in the State of Montana, as I recollect. In the State of Montana it was charged that at the Presidential election—and I think it was the last Presidential election or the election previous—Italians were brought from the mines and voted. They were unable to speak the English language and they came in with placards upon them, on which was printed, "This man votes the Democratic ticket."

Mr. PEFFER. I was referring to the mining regions of Pennsylvania, and I have no doubt the Senator from Pennsylvania is well informed in the politics of the old State, which he and I both love so well. I had the honor to come into this world very near the place where the Senator from Pennsylvania first saw the light, and we are friends; we both love the grand old Commonwealth which gave us birth. I was speaking of certain mining regions in that section. I am not able at this moment—for I had not thought about referring to it specially—to recall the particular locality or the particular occasion.

Mr. QUAY. If the Senator from Kansas will permit me to interrupt him, I will say that he is certainly misinformed as to any occurrence of that kind in the State of Pennsylvania.

Mr. PEFFER. My impression is that the reports which have been made either to this or the other branch of Congress upon this subject will show that I am correct. Whether that be true or not I do not now wish to state positively, but I have seen statements made by perfectly reliable men, and I have heard statements made by perfectly reliable men upon the public platform, and have seen other statements in the public press to the effect that, as it now comes to my mind, I believe in the region of Scranton, Pa., men not Italians either, or at least not generally so, but Poles and Bohemians, were voted by number; and when they went to the store and dealt at the store or when they received their pay they were known by number. While I may be mistaken as to their voting, yet I state the fact as being true, and will take my chances, to use a vulgar phrase, as to its correctness.

There is an additional reason why persons belonging to the class I have referred to are, as they should be, interested in this proceeding. The reasons assigned for the calling of Congress together and the forcing of this issue upon the country are unfounded, and the classes to which I have referred understand very well that these reasons are unfounded. The reasons suggested are that the people of the country are afraid of the public faith, that the honor of the American people is about to be sullied, that the Government of the United States is not able to pay its honest debts, and that our currency is being depreciated through the fear that it will not be honored when presented at the Treasury for payment.

We all understand very well, Mr. President, that there is no truth in this assertion, that the people are not afraid of their Government's failure to pay its debts. The people taken as a mass, have unlimited confidene in the integrity of the whole country. They understand very well that we are abundantly able to pay everything which we have agreed to pay, and just as we agreed to pay it. There could be no better evidence of that fact than that the persons who pretend to believe this thing have no objection to receiving the credit money of the Government.

No banker, no speculator, no merchant, no manufacturer, any more than a farmer or a tradesman, an artisan or a wage-worker, has been at any time, or is now unwilling to receive any of the Government obligations either in the payment of debt or for property or for labor. Indeed, the distrust of the ability of banking institutions to pay their depositors aroused the suspicion of a great many people and their money was withdrawn from the banks not because the depositor doubted the ability of the Government to pay, but because he doubted the honesty of the banker and the safety of the bank.

That was the reason the depositors withdrew their money. They did not ask whether it was a silver certificate or a hundred of them, or whether they were to be paid in Treasury notes, or in greenbacks, or in gold, or in silver. A member of this body who is connected with a banking institution told me one day in a conversation upon this subject that a run, as it was termed, was made upon the institution with which he was connected, and that in order to show to the depositors the ridiculousness, as well as the uselessness and needlessness of their clamoring in long lines upon the street for their money, the officers of the bank determined on the second day of the run that they would pay out silver dollars to the depositors. They did so.

The bank was closed at 4 o'clock, as usual, the end of banking hours, and opened again the next morning at 10. The cashier began to pay out silver dollars, and in a little time the bystanders on the streets began to laugh at the depositors carrying away their large bundles and sacks of silver money, and some of them were cumbered with the weight. It set the depositors themselves to thinking, the run was soon suspended, the bank came through all right, and I have been informed the depositors have returned their money, and that everything is going along smoothly.

Those men represented the depositors in all parts of the country. They did not care anything about whether their money was in paper, or, if it was in paper, what kind of paper; one was just as good to them as another, and probably in ninety-nine cases out of every one hundred not a man or a woman of the entire number stopped to look at what kind of paper he was getting. To them it was all money. Hence we all know the people understand very well that this panic was not brought about because of any lack of confidence upon the part of the people concerning the currency or the money of the Government.

I need not go further in order to show that the Administration does not believe that the people are afraid of their Government. There is not a Senator who has yet spoken who says he believes it—not one; and the Senator from Indiana [Mr. VOORHEES], the distinguished chairman of the Committee on Finance—and I wish to avail myself of the present opportunity to say I have very great respect for him, and I appreciate, I think as fully as any one man can, the hard and trying position which he fills and the difficulties which are in his path, the annoyances, the embarrassments, and the many confusing influences which are constantly trying to affect his course—the Senator from Indiana in opening the discussion upon this bill took occasion to impress upon the Senate and upon the country the great underlying fact, that whatever might have been the cause of the panic, it was not the want of confidence on the part of the people in the honor of their country and in the ability of their Government to pay its debts. The Senator used this clear, forcible language, which I find on page 390 of the CONGRESSIONAL RECORD, under date of August 23, 1893:

> For the last five months and a little more, the cry of the pessimist, the voice of the prophet of financial evil, and the wail of the apostle of national bankruptcy have all been heard in the land. These sounds of warning and menace against the authorities of this Government have gone up from all those financial centers where money, its gains and its power, constitute the chief objects of human worship, and from those centers have also emanated the cruel edicts of great financial corporations, commanding a stern contraction of the currency, a sudden and harsh shrinkage in its circulation, and the consequent inauguration of a panic, a distress period in the public mind.
>
> Sir, no candid observer of existing public facts can believe that this attempted panic and business distress has been inspired by any real fear, or genuine want of confidence in the credit of the Government or in the soundness and stability of its various kinds of currency.

Mr. President, I will add here, parenthetically, that a large part of our currency is not legal tender. A silver certificate is not legal tender, nor is a national-bank note legal tender. Yet both of them, in one sense at least, are Government obligations. A national-bank note is redeemable, at the counter of the bank that issued it, in United States notes; United States notes, when in quantities of $50 and upwards, are redeemable in coin, and under the practice of our Government, redeemable in gold. The silver certificate is simply a promise on the part of the Government to deliver to the bearer as many silver dollars as the certificate calls for. So that in either case, whether of the national-bank note or the silver certificate, there is, to a greater or less extent, an obligation upon the part of the Government. Yet, as has been very properly said by the distinguished Senator whose words I have been reading, the people had perfect confidence in all the different classes of our Government paper.

I proceed to read from the same speech:

> It is true that amongst the ugly assets of a former Administration which came over on the 4th of last March were an empty Treasury and the record of a billion-dollar Congress in its expenditures, but despite so heavy a handicap the public credit of the United States has not faltered for a single moment, nor has the faith of the civilized world been lessened by the breadth

of a hair in American honor and American resources, in this year of 1893, and in the custody of the Administration now in power.

The national credit of the American Republic, tried by every test which can be applied, is better and stronger to-day than the credit of any other government on the globe. Her bonds, her promissory notes to pay her debts, as they may be called, bearing a low rate of interest, stand at a premium in the money markets of the whole earth, and even the cold, cowardly instinct of hoarded, inactive, interest-hunting capital, in its cautious search for permanent investments, seizes upon them with swift greed wherever they can be found. The safety of the security appeases somewhat even the usurer's highly-seasoned appetite for richer profits.

Not only do the traffickers in money and the permanent investors of capital hunger and thirst after all the Government bonds now in existence, but their chief complaint against the present Administration is that the President and his very able Secretary of the Treasury have refused their demand to issue at least three hundred millions more. This additional block of national indebtedness, increasing in a time of profound peace the interest-eating burdens of American labor, would be hailed with the keenest delight and swept with miser enjoyment and avidity into unpatriotic vaults by the very parties who have most loudly and continuously declared, ever since the present Administration came into power, that the credit of the Government was in deadly peril and its Treasury practically bankrupt.

Sir, there are many and powerful reasons, plain to the thoughtful mind, why at this time our financial credit as a nation is stronger, more permanent, and freer from future danger than ever before, and far safer than that of any other of the great powers of the world. The mighty rock on which American credit now rests is the absolute unity of purpose on the part of the American people that it shall be upheld. For the first time since 1820, when sectional discord startled the country like a fire bell ringing in the night, there is a perfect union of design and of patriotic effort between the people of all the States in behalf of the honor, the power, the dignity, and the glory of the Republic. Peace, content, repose, and fraternal confidence have taken the place of sectional strife and distrust forever.

[At this point the honorable Senator yielded to Mr. TELLER.]

Mr. PEFFER. Mr. President, thus has spoken that eminent statesman whom the good people of Indiana have kept so long in the public service. No man probably in the Republic knows better what the feeling of the common people is than the Senator from Indiana.

He gives, in the concluding remarks which I have read, an additional reason why the credit of the people is good. He refers to the unification of the American people. He alludes to the fact, that was once so well stated in the national Republican platform—almost a paraphrase of the language of the men who planted the Republic—that the people of the United States constitute a nation. He mentions the fact that though once our people were divided and submitted their differences to the arbitrament of war, now all that separated us then has passed, and passed forever; that there is now no strife in any section of the country against the people of another section; that the men who wore gray uniforms in the Southern States and the men who wore blue uniforms in the Northern States have buried their quarrel, and they and their neighbors, they and their children and their children's children, are with us a united people, patriotic, and devoted to the best interests of the Republic.

The Senator from Indiana calls attention to this one of the reasons why our own people, as well as the people of other nations, have perfect faith in the honor of the Government and in its ability to pay its debts.

[At this point the honorable Senator yielded to Mr. KYLE.]

Mr. PEFFER. Mr. President, so many Senators have expressed themselves in substantially the same way the Senator from Indiana did that it would require a great deal of time to read even brief extracts from all of them. It is common for Senators to refer to the fact that they themselves do not believe, and have not believed, that there was any foundation for the statement that the people of the country, or any portion of them, did in fact believe that there was any danger of failure of credit upon the part of the Government. In view of that fact it is strange, exceeding strange to me, that Senators have found it to be their duty to at least appear to swerve from the line of a lifetime.

Senators who have grown gray in the public service, here and elsewhere, have been heard time and time again, with an eloquence and power that swayed multitudes, arguing in favor of the money of the people, opposing all propositions to change our bimetallic to a monometallic standard. Men have availed themselves of every appropriate opportunity to express their conviction that among the things necessary to perpetuate the Republic and to protect the people and their interests, and to hand our institutions properly down to posterity, are the maintenance of our silver money and the continuance of the coinage of silver.

It seems almost unaccountable to me how men can for so many years have followed that line of argument and have kept so many of their countrymen in line till now, when we are called together to do a thing which a few years ago (and probably only a few months ago) some of them would not have done, and for a reason which they themselves do not believe. It is no wonder that under such circumstances, when the influences which have brought this issue are so strong as to swerve men of this character to the right or to the left from the lines which they have long years followed, it is not to be wondered at that the newspapers become frantic over the delay in this body. It is no wonder that even the Chief Magistrate of the United States expresses publicly his astonishment at what seems to him to be an unreasonable delay in passing this bill. Nor is it any wonder that we sometimes become impatient and rebel against the assaults that are made upon us.

They tell us that the great body of the people are suffering from the operations of the Sherman law, and that it is our duty, without any further consideration, without any examination of the subject, to bow at the bidding of some great power to repeal this law, and to be done with it.

Who are the people that these men talk about? Are they the great working masses who have made for us all the wealth that there is in this country; or are they the traders and traffickers in what we produce, or the speculators who prey upon our commerce, and the gamblers who dally and gamble with the most sacred interests of mankind? Mr. President, when we come to examine who are demanding action upon this question, and prompt and immediate action, it is surprising to find how few people are included.

I have here Senate Miscellaneous Document No. 24, of the Fifty-first Congress, second session, which will show the kind of people who then became affrighted at a shadow and demanded action on the part of Congress. It is a memorial from a convention purporting to be composed of the representatives of commercial bodies of the United States, in session at St. Louis, Mo., on the 11th day of December, 1890. The memorial was forwarded to a member of this body, the Senator from Missouri [Mr. VEST]. It was presented to the Senate on the 11th day of December, 1890, and ordered to lie on the table and be printed.

Mr. Vest submitted the following memorial of the national convention of the representatives of the commercial bodies of the United States calling attention to the present depressed financial condition of the country, the inadequacy of State laws, the provisions of the Torrey bankrupt bill, and petitioning the Senate to consider at once and pass that measure.

Then follows a list of the officers, as follows:

President, Jay L. Torrey, St. Louis; treasurer, Peter F. Nicholson, St. Louis; secretary, James T. Wyman, Minneapolis; assistant secretary, Francis J. McMaster, St. Louis.

Committees.—Presidential, James O. Broadhead, St. Louis; Congressional, Lowe Emerson, Cincinnati; finance, William T. Baker, Chicago; bankruptcy literature, Breedlove Smith, New Orleans; executive, William E. Schweppe, St. Louis.

I ask that the Secretary read the memorial.

The VICE-PRESIDENT. The Secretary will read, as requested.

The Secretary proceeded to read the memorial, when Mr. TELLER raised a question as to the right of a Senator to have such a paper read at the desk. After debate (see current proceedings) the Senate decided the reading to be in order.

The memorial as subsequently read is as follows:

[Senate Miscellaneous Document No. 24, Fifty-first Congress, second session.]

IN THE SENATE OF THE UNITED STATES.

December 13, 1890.—Ordered to lie on the table and be printed.

Mr. VEST submitted the following memorial of the national convention of the representatives of the commercial bodies of the United States calling attention to the present depressed financial condition of the country, the inadequacy of State laws, the provisions of the Torrey bankrupt bill, and petitioning the Senate to consider at once and pass that measure.

Officers and chairmen of committees of the national convention of the representatives of commercial bodies of the United States.

Officers.—President, Jay L. Torrey, St. Louis; treasurer, Peter Nicholson, St. Louis; secretary, James T. Wyman, Minneapolis; assistant secretary, Francis J. McMaster, St. Louis.

Committees.—Presidential, James O. Broadhead, St. Louis; Congressional, Lowe Emerson, Cincinnati; finance, William T. Baker, Chicago; bankruptcy literature, Breedlove Smith, New Orleans; executive, William E. Schweppe, St. Louis.

ST. LOUIS, *December 11, 1890.*

To the United States Senate:

Your memorialist, the national convention of the representatives of the commercial bodies of the United States, respectfully calls the attention of your honorable body to facts as follows:

The financial affairs of the country are in a perilous condition. Business men in all the States of the Union are apprehensive that there will be a panic. Citizens in general are alarmed at the outlook. Values of property are decreasing. Persons, firms, and corporations are daily failing, whose assets are largely in excess of their liabilities. There is but a single cause for all of the above conditions, and that is a want of confidence. As a result of that single cause, money is being withdrawn from circulation and the evils which are following, and are likely to continue to follow are innumerable. There is but a single certain remedy for such single cause. The putting into circulation of more money may or may not avert the danger: as there is no limit to the amount of money that can and will be hoarded so long as the single cause, want of confidence, continues. Such single remedy is the enactment of a law by Congress as provided by the Constitution pursuant to the provisions of which the property rights of every citizen, in every condition in life and irrespective of the State in which he resides, will be preserved and may be enforced.

Your memorialist further respectfully represents that confidence can not be readily restored under existing laws, because they do not contain adequate provisions pursuant to which the creditors of a common debtor may meet, counsel together, and render to him the assistance he needs, and extend him such favors as may be in his and their best interests. State laws encourage the selfish instinct of self-preservation, and as a result creditors seek preferences and, failing therein, endeavor to secure them by compulsory process without regard to whether the debtor's conduct has warranted it, whether he is or is not solvent, and in absolute disregard of the equities of other creditors.

In consideration of the possible wrongs which may be perpetuated under

such laws property rights are insecure at all times, and especially when there is, as now, a prevailing want of confidence.

The debtor's property is in peril under the circumstances above recited, because real or pretended creditors may attach it with impunity in any State where found, other than where he lives, irrespective of the bona fides of their claims. More than enough property is always levied upon under compulsory process to pay the amount claimed and costs, and is sold at sacrifice sales, so that no man can safely say that he is solvent if he but becomes the subject of attack from his creditors who are contending, not for the preservation of his property and the enforcement of their rights in the quickest possible manner and at the least possible expense, but to secure the payment of their claims in full without regard to his or their costs.

The creditor's claim against a debtor is not secure and will not yield a normal revenue under the conditions above stated, because his debtor may, by any one of innumerable fraudulent methods, become execution proof; even if the debtor, in anticipation of commercial disaster, gives him a preference it may prove necessary to expend its value in litigation in an endeavor to retain it; if the preference be given to another creditor he must lose the amount of his claim or fight for it, with the knowledge that whether he wins or loses he will have wasted his time and incurred costs and counsel fees.

In the event of a commercial failure the difficulties encountered in the settlement of the rights of parties, when they are all honest, are perplexing under the laws of a single State, but when you add the element of a dishonest debtor and dishonest and rapacious creditors and consider the variance of statutory procedure in the different States, and contemplate the chaotic condition incident to the determination of the rights of parties in interest by the several State courts, having jurisdiction of parts of an estate, it is a wonder that men without property do not refuse to become debtors, and men with property do not hoard it and thereby stop the wheels of commerce.

Your memorialist further represents that on July 24, 1890, there was passed by the House of Representatives a bill known as the Torrey bankrupt bill, and that thereafter and on August 26, 1890, the Committee on the Judiciary of your honorable body reported it with amendments and recommended its passage; that it makes ample and explicit provisions for the meeting of creditors of a common debtor to make a fair compromise, arrange an honorable extension of the time within which he may pay his debts, or appoint a trustee to make an equitable division of the assets; the discharge of honest insolvents who have made a full disclosure of their affairs and a complete surrender of their property; the adjustment by arbitration of matters in controversy; the dissolving of enforced liens in the event of an adjudication in bankruptcy is had within four months thereafter; the allowance to bankruptcy officers of moderate fees for their services and the payment of them in such manner as to expedite the administration of bankrupt estates; the restoration of confidence at present and the prevention of the loss of confidence in the future by the proper administration of justice and the perpetuation of integrity in the transactions between debtors and creditors, the grand aggregate of which constitutes the commerce of the world.

Your memorialist, in view of the foregoing, respectfully petitions for the immediate consideration and passage of that measure, on behalf of two hundred and sixty-five commercial, industrial, and other bodies of all parts of the country; hundreds of thousands of men whose capital consists in part of credit justly founded upon confidence, and whose prospects are likely to be blighted, and property swept away as a result of a continuance of the present condition and a million or more of United States citizens who have been beggared and are now compelled to labor in menial places because there is not a bankrupt law in force providing for their relief as contemplated by the Constitution of their country.

The national convention of representatives of the commercial bodies of the United States, by its executive committee, as follows: Wm. E. Schweppe, chairman, St. Louis, Mo.; Isaac Atwater, Minneapolis, Minn.; Herbert P. Bissell, Buffalo, N. Y.; Mortimer N. Burchard, Chicago, Ill.; Richard D. Cougnanour, Dallas, Tex.; J. Frank Fort, Newark, N. J.; Joseph Fahys, New York City, N. Y.; Henry A. Fry, Philadelphia, Pa.; Frank Gaiennie, St. Louis, Mo.; Joseph W. Goddard, St. Louis, Mo.; Justus Goebel, Cincinnati, Ohio; David Hirsch, New York City, N. Y.; John J. Hornor, Helena, Ark.; Anthony Ittner, St. Louis, Mo.; John A. Lee, St. Louis, Mo.; Henry M. Mendel, Milwaukee, Wis.; Beverly K. Moore, Boston, Mass.; Fred F. Myles, New Orleans, La.; James M. Nave, Kansas City, Mo.; Peter Nicholson, St. Louis, Mo.; Ferdinand W. Risque, St. Louis, Mo.; Channing Seabury, St. Paul, Minn.; Daniel M. Thomas, Columbia, Pa.; Francis B. Thurber, New York City, N. Y.; Rozel Weissinger, Louisville, Ky.

[After the reading of the memorial, the honorable Senator yielded to Mr. JONES of Nevada.]

Monday, October 16, 1893.

Mr. PEFFER. Mr. President, the longer this discussion continues the more interesting it becomes to me and the more instructive as well. It has taken a very wide range, covering all departments of economics and a great many matters not necessarily tributary thereto, all in all constituting a volume of information that will be of inestimable benefit to those who come after us.

The discussion has developed two important facts, or rather one important fact and one important suggestive proposition. The fact developed is that the financial disasters which have overtaken the country recently have not been the result of a want of confidence on the part of the people in the Government promises or its ability to make good its promises, but that they have come to us in the direct line of speculation. The suggestive proposition is that in the constitution of the Senate the will of the people may be thwarted, that the doctrine of majority rule may be set aside and held for naught. Of both this fact and the suggestion I expect to speak somewhat at length this evening, not because they have not been discussed heretofore, but the developments that are coming to us from day to day show the great importance of the fact and the suggestion.

When I was interrupted I had sent to the desk a paper to be read. It was a paper purporting to determine in the name of a few interested individuals that the then condition of the country indicated great distress among the people, a distress which could not be relieved except by the enactment of certain legislation. This memorial from persons styling themselves business men and representatives of business men in the city of St. Louis, purports to show that the business interests of the country were in a critical condition; that failures were occuring every day; that small traders, merchants, bankers, and large concerns alike, were failing in business. The memorialists asserted that there was but one remedy, and that was the enactment of the Torrey bankrupt law. A Mr. Torrey, I presume the author of the bill, was president of that convention.

At all events, those gentlemen (whether honestly or not, it is not my purpose either to discuss or to suggest) assumed that the country was in peril; that the business interests of the people were in jeopardy, and that nothing save the passage of a particular act then pending in Congress would save the people from ruin.

Now, we have at this time similar communications coming to this body, and they all insist that the repeal of the Sherman law is all that is needed to set the wheels of commerce in motion.

I will say, Mr. President, that it is the speculative interest in the country that is preying on the credit of the people and on the profits of their industries; that it is not want of confidence upon the part of business men or of laboring men, manufacturers or any class of our people concerning the credit of the country.

It has been assumed in this discussion from the beginning up to the present time on the part of Senators who favor the passage of the pending bill that the people of the United States almost en masse are clamoring for the immediate repeal of the Sherman silver law, as it is called; whereas, on the other hand, those of us who oppose the passage of the bill deny the proposition. We appeal to every Senator's own personal knowledge of the feeling of his constituents; we appeal to the demands which are made upon us by the common people of the country, by which I mean the farmers, the wage-workers, the mechanics and those who toil with their hands.

Every few days we see notices in the press of public meetings commending the course of silver Senators and condemning the course of certain self-appointed individuals who hold what they call mass meetings and pass resolutions condemning certain Senators. Then we have innumerable letters from individual correspondents, asking us to hold fast to the position which we have assumed and to make haste to capture other ones.

Only a few days ago we had read in the Senate at the request of the senior Senator from Tennessee [Mr. HARRIS] some resolutions which had been adopted by persons purporting to be business men in the city of Memphis, who took occasion to criticise and denounce the conduct of the two Senators from that State. The action of that convention aroused the people of Memphis and the surrounding country, and on the 12th day of October they held a meeting a report of which was given to the press. I quote a telegraphic note from the Evening Star, of Washington, of the 12th instant, as follows:

MEMPHIS, TENN., *October 12.*

The action of the merchants and cotton exchanges last week in denouncing Senators HARRIS and BATE for their course and the Senate for its failure to pass the bill repealing the purchasing clause of the Sherman act, met with so much criticism that a largely attended mass meeting was held last night for the purpose of indorsing the Tennessee Senators in the stand they have taken in favor of silver. The meeting was addressed by ex-Congressman Casey Young, E. W. Carmack, editor of the Commercial, and a number of others, some of the speakers being especially bitter in their denunciations of President Cleveland, who was characterized as a "slave-driver," cracking his whip over the backs of Senators and Representatives in Congress. The meeting was composed almost exclusively of Democrats.

The Senator from Tennessee [Mr. HARRIS] kindly hands me a copy of the resolutions to which the dispatch refers. I will read them:

THE RESOLUTIONS.

At a mass meeting of the citizens of Memphis, representing all classes, the following preamble and resolutions were adopted:

"Whereas the sudden and apparently concerted withdrawal of a large volume of money from general circulation through the ordinary channels of trade and commerce, has produced a widespread and disastrous financial disturbance and monetary panic throughout the entire country, which afflicts all the laboring and producing classes of our people and threatens serious loss, if not total ruin, to all their varied industries and business pursuits. A condition so grave and so hurtful to the vast interests upon which the public welfare and prosperity is so largely dependent, appeals to the people of every locality for vigorous but considerate action, and to Congress for wise and patriotic legislation, in order to remove as speedily as possible this oppressive evil which has brought stagnation and blight upon the business and prosperity of the whole country.

"One of the unquestioned prerogatives of civil government is the power to coin or create money for use and circulation among its people in the prosecution and conduct of their various trades and business vocations, and this attribute of sovereignty, when justly and wisely used, gives strength and beneficence to governments and prosperity and happiness to their citizens, but when guided by selfish or corrupt agencies it becomes destructive of both national and individual prosperity. It is, therefore, among the first and highest duties of every government to provide a financial system which will meet the business needs and promote the prosperity of all its people, having it so guarded and adjusted as to place it beyond the power of individual or corporate combinations to convert it into an agency of wrong and

oppression. Gold and silver have been recognized, adopted, and used by all mankind as the primary representatives and emblems of money in every country of the world in all the ages of civilization, and the statesmen and patriots who founded our Government and shaped our laws and institutions declared in the Constitution which they adopted that gold and silver should be the money of our people, and as money the two metals were kept and held together by a bond as strong and indissoluble as the Union of States, both in peace and war, through every political change and convulsion, for nearly a hundred years.

"During all this period of time gold and silver were considered and treated both in commerce and legislation, as the basis and standard of all money values; and silver, even more than gold, became so strongly lodged in popular confidence and affection that it was recognized and held to be the favorite money of the people—the toilers in the field and factories—and they never lost confidence in its value and usefulness as money. When in 1873, without their knowledge and against their interest, silver was demonetized through influences thought to be venal and at war with honest legislation, the act was denounced by distinguished men of every political party as the greatest crime of all the ages, until public indignation compelled the passage of a law reclothing silver with the dignity of a money metal. Following the lead of public thought and yielding to an unmistakable public demand, all the political parties of the country embraced in their political platforms of 1892 an explicit and unequivocal declaration in favor of the continued coinage of silver, under such conditions as would keep it in equal value with gold, and they and their representatives stand solemnly pledged to enact such laws as will secure that result; and

"Whereas, in view of these facts in our political history, the people who believed the party and personal promises of those now controlling national legislation, and, therefore, had a right to expect and demand that these promises should be faithfully and honestly fulfilled, were alarmed and disappointed by the action of such of them as have disregarded their pledges and are aiding in the absolute and unconditional repeal of the only law which recognizes the money quality and value of silver, without even the promise of any sort of legislation providing for its future coinage or retaining it as a factor in our monetary system; and

"Whereas the two Senators in Congress from Tennessee, Hon. ISHAM G. HARRIS and Hon. WILLIAM B. BATE, have been harshly and unjustly criticised in a series of resolutions recently presented to the Senate of the United States for the sturdy adherence to principle, fearless independence and unshaken fidelity to party and personal pledges which prompted their action in opposing a measure of legislation which in their judgment would have wholly changed a financial system which during a long period of honorable public service they have commended to the favor and confidence of the people of Tennessee, and which they have often promised them to uphold and maintain: Therefore,

"*Be it resolved by the people of Memphis and Shelby County, in mass meeting assembled*, That while we do not believe the present financial situation can be justly or logically attributed alone to the operation of the Sherman law, yet this theory has been so industriously advocated that it has come to be generally accepted as true, and we therefore favor the repeal of that measure, but not without some accompanying legislation which will meet the repeated promises of all political parties and the just expectations of a large majority of the American people.

"2. That we hold to the use of both gold and silver without discrimination against either metal, and in the present condition of our people, a large majority of whom are debtors, we favor the coinage of the largest amounts of American silver that can be kept equal in purchasing power and monetary value with gold, and therefore respectfully appeal to the Senate of the United States to enact such legislation as will attain these ends, and thus ensure the prompt repeal of the Sherman act and the speedy restoration of financial confidence and public credit.

"3. That we have the utmost confidence in the wisdom and patriotism of the American Senate, and therefore entertain the belief and expectation that that honorable body will soon relieve the people of the financial distress which now afflicts them, and restore waning public prosperity by the enactment of some legislation based upon a fair and just compromise of existing differences in respect to the financial theory best calculated to promote the public interest and secure the welfare of the people, and in which the integrity of silver as a money will be recognized and assured of full protection.

"4. That we approve the actions of Senators HARRIS and BATE in opposing the repal of the Sherman act without some accompanying provision for the protection of silver from being degraded in the scale of money values, and that we honor them for their vigilant and fearless devotion to the public interests, their scrupulous regard for their pledges to the people, and their manly defiance of all efforts to influence their action contrary to their convictions and the wishes of an overwhelming majority of their constituents.

"5. That we here assure these honored citizens of our State and distinguished public representatives that we have unabated confidence in their sterling integrity and high capacity for public service, and that the masses—the honest yeomanry of Tennessee—stand ready, as they have always done, to defend them against any imputation upon their ability and willingness to uphold and maintain in any station the honor of their State and to guard the interests of their people.

"6. That the secretary of this meeting be instructed to forward an official copy of these resolutions to Senators HARRIS and BATE and to the presiding officer of the Senate with a request that he lay them before that body."

M. C. GALLAWAY,
E. W. CARMACK,
CASEY YOUNG,
HOLMES CUMMINS,
TOM HOLMAN,
H. D. GREER,
J. J. DUPUY,
Committee.

JERE HORN,
Secretary of the Meeting.

This is in accord with the proposition I was discussing, that when the masses of the people come to speak those people who are spread all about the country, doing here a little and there a little to build up this great Republic, to develop our hidden resources, to make us the great and strong, wealthy and powerful people that we are, when they are heard from, they do not come to us in the tone assumed by the board of trade, the stock exchanges, and the speculators of great cities, but they come to us to hold up our hands while we fight this battle for them.

This morning I find a dispatch in the Washington Post from Anniston, Ala., a rapidly growing city surrounded by a magnificent mining region, people with a sturdy yeomanry like those the Memphis resolutions speak of as living in Tennessee. The telegraph reads:

SENATORS MORGAN AND PUGH UPHELD.

ANNISTON, ALA., *October 14.*

At a meeting yesterday of the citizens of Anniston, resolutions were unanimously adopted approving the course of the Senators from Alabama, which had been severely criticised by some of the newspapers in Alabama and in the East in the debate on the silver repeal bill. "While deploring the dissensions which have arisen between our honored President and the Democratic Senators from the South," the resolutions continue, "we renew our allegiance to silver and bimetallism—that bimetallism which is founded on works and not on faith, on present fruition and not on unrealized hope."

I happen to know that in Alabama, in Mississippi, in Georgia, in the Carolinas, and in Texas a very large majority of the farmers there are silver men; that it is a part of their political and social creed. I happen to know that a very large number, I am satisfied 75 per cent of the practical farmers in all those States were two years ago active members of the organization known as the Farmers' Alliance and Industrial Union, an organization of farmers, originally and primarily social, which now numbers among its membership all classes of working people whose business permits them to attend the country meetings.

It is unusual for the Farmers' Alliance to hold their meetings in towns or cities. They are usually held at their voting places, their schoolhouses, or their churches in the rural districts; but there is not only no objection to the initiation of mechanics and wage-workers generally, they are invited to come in. Hence, in 1887 the words "Industrial Union" were added to the original name of the organization, making it the Farmers' Alliance and Industrial Union. I know further that from the beginning of that organization a part of their creed which relates to public affairs was a demand for the free and unlimited coinage of silver money, and that it has been put forward constantly until the present time.

I am quite well satisfied that had it not been for the promises made to the people in those States by their political leaders that when elected to office they would do what they could to bring about legislation in favor of the restoration of silver to its old standard as one of the money metals in this country, every one of those States would have voted for the Populist candidate for the Presidency last year. I am confirmed in this belief by the remarks made by the junior Senator from South Carolina [Mr. IRBY] a few days ago, who knows whereof he speaks by reason of his official relation to the farmers of his State. I am well acquainted personally with many men in the Southern States who were officially connected, and some of them are still, with the Farmers' Alliance, and the story is the same among them all.

Here we have in the two States of Tennessee and Alabama this substantial and encouraging response from the working people of those two States, and I am well satisfied that if a vote could be taken next Monday throughout the United States upon the proposition made by the silver Senators in this body—repeal the Sherman law and in connection with that repeal, in the same act, making it one and the same legislative transaction, provide that the old act of 1837 shall be restored or even the laws as they were when the act of 1873 was passed—that the people would say yea and amen, go ahead, do that very thing, and the majority would be in the proportion of 5 to 3.

Up to this time there has been no demand made upon the part of this class of people for the unconditional repeal of the Sherman law. One or two petitions, I believe, have been presented purporting to come from wage-workers in some of the cities, asking for the repeal of the act. I have no doubt that there are many persons tied to their employment by bonds which would be broken by any act upon their part which would seem to be a suspicion as to the right of their employers to dictate the financial policy of this country. I have no doubt that petitions may yet be sent to this body, coming from persons who are influenced thereunto by the prospect of continued employment and by fear of loss of employment in case they should hesitate when their employers demand a sacrifice at their hands.

The animus, if that is the proper word, of the majority in urging the passage of this bill appears to me to be unusual, to say the least. There is a forceful and hasty air about it, as if every opportunity, even though it be a temporary lull in the proceedings, must be availed of in order to press the bill to a vote, or an amendment to the bill to a vote; while every member who favors the bill knows as well as he knows anything that the opposition have not yet exhausted their resources of appeal and of argument. They know that the country has not demanded this action. They know further that there has been no discussion of it before the great jury of the people.

One day, perhaps two weeks ago, when there was a brief respite while one Senator was leaving the floor and another Senator was making ready to assume it, the chairman of the Committee on Finance, in charge of the bill, immediately rose and moved to lay the pending amendment on the table. I had the honor to pro-

pose that amendment. It embodied not only the desires but the hopes of 90 per cent of the American people, and not only their desires and hopes, Mr. President, but their fears as well, for while the people are hoping, and while their hopes are bound up in that amendment, they are fearing its defeat. It proposed to restore the old act of 1837, with the single exception that it omitted reference to the half dime. It proposed to coin silver just as it had been coined many years before, to make it full legal tender, not only the dollar, but the dime as well, making the dimes, the quarters, and the half dollars full weight along with the dollar.

That amendment proposed to reënact what was taken away from us by the coinage act of 1873, which the people have so generally and so severely condemned; and yet at the very first opportunity the Senator in charge of the bill rises and asks that it may be laid on the table. This unseemly haste, this constant pressure to bring this great body to a vote against its will, I was going to say, culminated; it has not done that, but it has brought about a condition of things in this Chamber of which we are all most heartily ashamed; yet there is no other way for the friends of silver money to oppose the enactment of this proposed legislation but to resort to the use of all the powers, the rights, and the privileges that the Constitution of our country gives to us, compelling us (and we range in age from 49 to about 79 years) to remain in session all night, as if we were an army in bivouac expecting the approach of an enemy in the early dawn.

Old men bowed by years, feeble with age, are compelled to set all through the long hours of the night, losing sleep that they need, depriving them of rest that they ought to have. It is a proceeding which does seem to me without propriety and without anything to command it. Suppose a few disconcerted men in the country do commend us to vote—vote and stop debate—are they to determine the rules of this body? Are they to despise and to trample upon and cast aside the Constitution of the country which authorizes us to make our own rules? Are they to force the friends of this measure into a frenzy, and is the lashing of the press and the clamor of the spectators to control the proceedings of this, which we are all pleased to regard as the most august deliberative body in the world? We shall see who rules in the Senate before this question is determined.

[At this point the honorable Senator yielded to Mr. PALMER.]

Mr. PEFFER. When interrupted by this late proceeding, the Senator from Illinois [Mr. PALMER] was submitting questions to me as to whether or not by our proceeding here we are not violating the Constitution, whether we are not thwarting or trying to thwart the will of the majority of the members of this body, and that, therefore, whether our conduct does not tend to revolution. In answer to the Senator I said that we who are opposed to the passage of this bill dispute the proposition of the Senator from Illinois, dispute his premises, and that we are not trying to thwart the will of the majority, but are trying to execute the will of the majority; and that in making that effort, defending ourselves against the friends of the bill in this Chamber, who, we insist, do not represent the will of a majority, we are using every privilege, every power, which the Constitution gives to us under the rules of the Senate.

I will go further and say that I believe a large number of men now in public office were elected because of their promises and pledges to the people that when they got into official place they would favor the continued coinage and use of silver as money. There is no reasonable doubt in the mind of any well-informed person but that a majority of the gentlemen who were elected last fall as members of the National House of Representatives were in favor of the continued coinage and use of silver as money.

We know, however, that a bill has been sent to us from the other House of Congress, proposing to repeal the purchasing clause of the Sherman act, without any conditions attached to it proposing to recognize the further use and the further coinage of silver as money; that the only thing which does come to us in connection with the proposition to repeal is a declaratory statement which ought to have a letter of explanation with it; and we know that every effort we have made in this body to attach to the bill any provision recognizing the further use of silver as money has been unceremoniously set aside whenever an opportunity offered.

From that, and from many other things now being done in the National Congress by men charged with legislative powers who have assumed to represent the will of a majority of the American people that they do not so represent the majority, I will say further that, in my humble opinion, the Senator from Illinois does not represent the wishes of a majority of the people of his own State; and still further—and this I wish the Senator to hear—from the newspaper dispatches, from current rumor in the public press, and through all the different avenues of communication of public intelligence, at the time of the Senator's election to this body the people believed that the gentleman who was Mr. Palmer then—who is now junior Senator from Illinois—was in favor, just as we silver men now are, of restoring to our monetary system silver as it had been in former years. I am sure that was my impression, and I am sure it was the general impression, and if the Senator after his election ever took occasion or availed himself of any opportunity to deny that general belief, and to deny that he had permitted himself to be so understood, the notice did not come under my observation.

Mr. PALMER. Whenever it will suit the convenience of the Senator from Kansas that I should interrupt him, I shall do so purely with reference to the point he makes.

The VICE-PRESIDENT. Does the Senator from Kansas yield to the Senator from Illinois.

Mr. PEFFER. Yes, sir.

Mr. PALMER. I made speeches in forty-five counties of the State of Illinois during my canvass for Senator. At Fairfield, in Wayne County, I was asked if I was in favor of the free coinage of silver. I said distinctly, "I am in favor of the free coinage of silver to the extent that it can be absorbed in the business of the country without depreciation—not beyond that." But I submit to my friend from Kansas if he is quite fair. He knows that on the night of my election I was waited upon by Dr. Moore and Mr. Cockerill with a view to a formal conversation in regard to my opinions.

Then, in order that there should be no misunderstanding, Mr. Alexander Jones, a stenographer of great skill, was invited to be present. Mr. Jones made a verbatim report of the whole conversation, and it was published in the newspapers. Some days ago my friend from Kansas asked me the question, and I tendered to him the use of that verbatim report. I ask is it fair, after declining to ask me for that report, for him to repeat an imputation of that sort? Every word which took place at that interview was reported, and it is now at the service of the Senator.

In all the conversations I have ever had I have said that I was in favor of bimetallism and the coinage of silver to the extent that it could be absorbed in the business of the country without depreciation. That is the language I have used everywhere, and I maintain it still.

I repeat, now, to my friend from Kansas—because we are friends—I will furnish him with a copy of the report of that interview which led those gentlemen to vote for me. I will mention to him one thing that was said by Mr. Cockerill at the conclusion. Said he: "Governor, you have not given yourself away; you have declared if elected you are a Democrat and that you will act with the Democratic party."

I will state to my friend that he ought not, even by insinuation, to place me in a false position. I will furnish him with an absolutely complete copy of that interview between Mr. Cockerill, Dr. Moore, and myself, and I will consent to his reading in the Senate anything which he thinks inconsistent with my present position.

In a speech which I had the honor to make to the Senate—a very brief speech of twenty minutes, early in the session—I stated my opinions and my views. They are just such as I have always entertained. I have never believed that Congress had the right to buy silver for any other purpose than to coin it, and I am opposed to its continued purchase, because it is not associated with coinage, nor would I probably approve of it if it were. I submit to my friend from Kansas that he ought to take the pains to examine this interview; and he ought to confine himself to such expressions as I used in that interview between Dr. Moore, Mr. Cockerill, and myself.

I have nothing else to add, Mr. President. The Senator from Kansas has given me a fair opportunity to make the statement, and the typewritten copy is at his service.

Mr. PEFFER. Mr. President, I remember very distinctly calling the attention of the Senator from Illinois to this matter some days ago, and I remember his answer, and any reference I now make to the same subject is not for the sake of harrowing up any uncomfortable feelings.

Mr. PALMER. I acquit the Senator of any such purpose.

Mr. PEFFER. Nor for the purpose of in any manner offending the venerable Senator from Illinois. Our personal relations are most happy, and they have been from our first acquaintance.

JOHN M. PALMER, at the time this country was in peril, was one of the strongest and best men, and, so far as I am aware, no imputation was ever made upon his loyalty or his personal integrity; but what I want to call to the attention of the Senate is the fact that from what was being currently reported in the newspaper press and through the different avenues of obtaining public information, the country was given to understand that the new Senator from Illinois, whose election turned upon the votes of one or two men, after a long private interview among three or four persons, with himself as one of them, the impression left upon the public mind, which the Senator has never contradicted so far as I know, was that the silver men, and to that extent the

Populists, had one more recruit; not that the Senator had changed his opinion, because up to that time none of the old silver patriots had ever changed their opinions, so far as I knew, and I understood, and I believe every Populist in the country understood, and the great mass of the people understood, that the new Senator from Illinois was for silver.

But now, when the Senator from Illinois and the Senator from Indiana [Mr. VOORHEES] and the Senator from Georgia [Mr. GORDON] and other Senators whose former record upon this question we all admire, and quoted it time and time again, present to us a bill asking for the unconditional repeal of the only law which connects the monetary system of the country with silver——

Mr. PALMER rose.

Mr. PEFFER. I hope the Senator will wait a moment.

Mr. PALMER. Very well.

Mr. PEFFER. Without permitting the friends of silver to even tack a free-coinage amendment to it, or any kind of amendment recognizing silver, we wonder why this change has come over the dream of these distinguished men; we wonder more than that, whether the same sort of change has come over the public mind; whether all the men and women of the country have met with a like conversion, and whether the people insist upon cutting the tie which binds them to the money of their fathers.

It is for that reason I would have my excellent friend from Illinois to understand that I am bringing this matter into view. I insist that these gentlemen do not represent the will of the people, that they are not representing a majority of the people. I insist, further, that a majority of the members of this body do not favor the unconditional repeal of the purchasing clause of the Sherman law.

Mr. PALMER. Whenever it suits the convenience of the Senator I shall be glad to make a single remark.

The VICE-PRESIDENT. Does the Senator from Kansas yield?

Mr. PEFFER. I do.

Mr. PALMER. I have no doubt that to-day the policy I favor, the policy of the Administration, the policy of this supposed majority, is more in the interest of the ultimate remonetization of silver than is the policy of those who demand its free coinage. I have no doubt that the limited coinage of silver is more likely to produce the result of its free use hereafter than that of free coinage. Upon that ground I stand.

Mr. PEFFER. Then, Mr. President, the Senator and his coadjutors in this body are all bimetallists—so they say—and yet, when we ask them to let us put a bimetallic section in this bill, they lay it on the table; when we ask them to put on such an amendment, they say "We will hear you upon that at a more convenient season; we propose to repeal the Sherman law; that and nothing else." Then the Senator comes to me and says "You are trying to defeat the will of the majority," and he charges us with a wilful and deliberate use of the time of the Senate in speeches which are not intended as arguments but only to consume time.

If I have been unfair to the Senator from Illinois in referring to him among others—I submit that I am at least as fair as the Senator was in the charges he makes against us. Now, I admit—I see the Senator proposes to rise upon that point.

Mr. PALMER. I ask pardon.

Mr. PEFFER. I did say, and say again, that we have done some things, I have done some things, for the very purpose of delay; but I have not talked one minute nor one second in order to delay the proceedings. I have not presented an argument nor a point in which I did not believe. This is the fourth time I have addressed the Senate on the pending bill, and if the discussion continues, increasing in interest from day to day, as it has been doing, I have no doubt that in forty-eight hours from the time this speech shall have been concluded, I will be ready to deliver another upon new points not yet touched upon. Senators, the field is illimitable in extent.

I have here a paragraph from one of the newspapers under a somewhat peculiar heading, and if the Senator from Nebraska [Mr. ALLEN] is present I call his attention to it. It is an article from the New York World, I think (though I do not see that it is marked), of last Sunday, and it is headed, "A fifteen hours' blow." I will read a portion of it:

Senator ALLEN of Nebraska stands at this moment head and shoulders above any Senator known to American history. He has made a speech lasting fifteen hours.

The country will never know what the speech was about.

But it will, Mr. President; the country will know what it was about.

Nobody but the proof-reader of the CONGRESSIONAL RECORD has been weighted with the inhuman duty of paying any attention to it. The Senate dozed and the country slept while it was going on. But Nebraska, with a fine sense of physical endurance, will doubtless refer to it for years to come as a most magnificent proof of the superiority of Nebraskan brawn to Eastern intelligence.

It would be a most interesting proceeding in this Chamber to have an Eastern Senator take up that speech of the Senator from Nebraska and answer his propositions. The Senator from Nebraska called attention to the contraction of our monetary volume and to the enormous decline of values because of it. He might have gone into details to a much greater extent than he did at that time if he had had more time. Before I get through I shall probably have occasion to call attention to some facts which the Senator omitted, because he had not time to refer to them.

The Senator called attention to the fact that a large part of our currency had been exchanged for coin bonds running a long time at a high rate of interest, and that the payment of the bonds would cost the people twice or thrice as much as they had promised to pay when the paper money was issued.

I might illustrate by stating that a hundred dollars' worth of bonds were purchased with $60—that is about a fair average of the price which was paid for our bonds, $60 for a hundred—but by the time the bonds were to be paid, by reason of the depreciation of property values and by reason of the appreciation of gold coin, dollars which had been worth but 60 cents when the bonds were purchased, and had risen to $1.40 when the bonds were paid, the people were required to pay $80 on every hundred more than they had agreed to pay. That was one of the things which the Senator from Nebraska brought out in his able speech, in this "fifteen hours' blow."

Another point the Senator from Nebraska brought out, and supported not only by elaborate logic of his own, but with the concurrence of a multitude of authorities upon political economy, was that the doctrine of intrinsic value in money has no force in fact, but only in imagination; that it does not matter whether our money is made out of gold or of silver or of platinum or of aluminium or of nickel or of tin or of copper or of paper; that, as the Senator from Nevada [Mr. JONES] to-day stated, it is money, not metal, which the people want. I can go out into the open markets and for 10 cents buy as much copper as will make $2 worth of cents. I can take those 200 cents to any merchant who is engaged in selling goods that he advertises, and I can purchase 30 cents' worth at a time until I have bought 180 cents' worth, and compel him to take 30 of those copper cents and another 30 and another, until I have paid out six times 30, leaving me two-thirds of 30 cents not expended; yet the market value of the material that is in the 200 copper coins is only 10 cents.

So it is with nickel. A five-cent piece is not worth more than about one-half of a cent, and yet these nickel pieces are legal tender to a certain amount.

The truth is, Mr. President, as the Senator from Nevada said to day, all money is fiat money. That was one point which the Senator from Nebraska brought out in his argument. Indeed, he covered a wide field in a continuous argument, and nothing like it has ever occurred, I am told, in this Chamber as to the length of time that the Senator was discussing great propositions logically and in order, his desk piled up with authorities, showing that the Senator from Nebraska had been studying the matter in hand and that he was talking about what was worth listening to. When the country comes to read that speech, the words of the Senator from Nebraska will be food among the common people.

We do not fear the effect of these long speeches, Mr. President. They are all doing good, every one of them. They give the people a little longer time to reflect.

But now I come back to the constitutional question about majority rule in the Senate. I respect the doctrine of majority rule, and if I believed that the friends of the bill in the Senate represented a majority of the people, after having duly considered the subject, I should speak for my own people, representing their views to the best of my ability, and then patiently and reverently submit; but I do not believe it. On the contrary, I am in favor of submitting the question to the people in order to test the matter. So firmly do I believe that we are on the majority side that I would favor a postponement of the further consideration of this bill. Postpone it, Mr. President, until after the next Congressional election, which comes off in 1894, postpone it until the first Monday in December following that election, or until the Fifty-fourth Congress is called to order. I believe in letting the people be heard upon this great question.

When the demonetization act of 1873 was before Congress the people at large knew nothing at all about it; only a few interested persons paid any attention to it, and it was not known by the people at large until their attention was called to it by proceedings in Congress some three or four years afterwards. If that matter had been submitted to a popular vote and the people had sanctioned it, then there would have been no quarrel afterwards and we should not be fighting about it here now. But,

Mr. President, like a clap of thunder in a clear sky, came the proclamation of the President calling Congress together on the 7th of August for the purpose of repealing a certain act, upon which the advice of the people had not been taken.

Mr. President, I believe in majority rule, but how shall we determine the will of the majority? How shall the majority assert itself? There is only one lawful way, and that is according to the forms and requirements of law. A majority, whether in a deliberative assembly or in the great body of the people, has no right to assert itself in anyway except according to law. So a majority in this—a legislative—body must assert itself according to law.

The right of the majority to rule applies, first, to a majority of the people at large, expressed by the results of popular elections; and second, to legislative or deliberative bodies, expressed by the record of a vote. In every case, however, the vote of the majority can be ascertained only after the voting has been done, after the vote has taken place and the result made known.

Now, let us apply this doctrine to the people at large. Will it be contended that a majority of the voters in a school district may meet at a time and a place other than that provided in the law, transact certain business, and set their acts into motion under the machinery of the school district, and contend that that is a legal proceeding and have it enforced in the courts? Will not the courts restrain the majority in the district from carrying out their will expressed in this illegal way? Every lawyer understands that, upon the fact being made known to any court of competent jurisdiction, the whole proceeding would be set aside as irregular and unlawful.

Take the case of a county. Suppose a majority of all the voters in a particular county were to meet at their respective voting places, if you please, upon a day different from that prescribed in the law, and without the usual legal notices being given they should come to a certain conclusion by their vote, and then undertake, through the machinery already provided, to enforce their will. Do you not understand, Mr. President, that the court would set aside such a proceeding by a writ of injunction and punish every man who refused to obey the order of the court?

Take a whole State, if you please, or an actual majority of the people of that entire State, who by ways and means other than those provided in the law should vote upon a particular course of procedure, and undertake to enforce their will expressed at this illegal time and in this illegal way. Unless the courts were overpowered and the judges driven from the bench, with the scales of justice torn down, with the laws trampled upon, and revolution inaugurated, such a proceeding even in a State would be suppressed by the strong arm of the court.

You may apply the same rule to the whole country. Suppose that a majority of the actual voters of the United States should meet upon a day other than that provided in the law, and undertake to elect members of Congress. Suppose a majority of the members of the Legislatures of the different States should meet at a time and place other than those prescribed in the law, and undertake to elect members of this body. Unless the majority were bent upon revolution and should succeed in overturning the Government such a proceeding would be set aside by the court and held for naught. We all understand how that is.

Applying the rule generally we come to this conclusion, Mr. President: That majorities must assert their power according to law, and according to law previously enacted, according to laws and regulations that were in force at the time the revolutionary proceeding was undertaken.

So it must be in this body. The majority of the Senate must assert itself before we know what the majority wishes done. And that answers the question of the Senator from Illinois, without being specific, without naming a day or an hour, as to the time when a vote anywhere can be taken. In any body that has a right to vote. It shall be taken at a time named in the law, and at the hour of the day, which the law prescribes—that, and that only. In this body the time for voting, as I will show in a little while, is fixed in the Constitution of the United States. There is a time when we shall vote, and it will be named at the proper time.

Mr. President, the time when the first elections in any great political body, like a State or a nation, are to be held is provided by a decree of the temporary ruler, or, in case of a Government like ours, by the framers of the Constitution. There are preliminary arrangements made by which the first elections shall be held, and after that time the times, the places, and the means for holding elections are all provided for in regular order. That has been done in this country. It is the rule now. We are acting under a government of law. Everything of a public character that is required to be done is provided for in the law.

So far as I know, there has been only one great instance in our history where the question arose as to the matter of having previously provided by law for the particular emergency. I refer to the late war and to the dilemma of the Government in reference to it. It was a great question among men of great minds, it was a doubtful question among the strongest jurists of the country, as to what the Government of the United States ought to do, or could constitutionally do, under the circumstances. Those of us who are here present all remember very well the discussions of that day, the efforts at compromise, in order to avoid any violation of the Constitution of our country.

But we remember also that, day by day, week by week, and month by month, difficulties multiplied, and the feelings of the people were wrought up until the country was involved in war—actual, open, flagrant war. There was no longer any question upon the part of the Congress of the United States as to the power to proceed. The Government proceeded at once to collect armies and to equip them to carry on the war; and the struggle continued until muster rolls showed we had collected nearly three million men in the Union army.

There are times, Mr. President, when this question of constitutional construction must be laid aside for the time being, upon the principle that a man may strike when he is attacked, and he will be excused in law even though death results from the stroke.

But in cases of proceedings in legislation, so far as the time of voting is concerned, there need be no difficulty of construction at all, because everything is made perfectly plain.

In deliberative bodies the time for voting is reached according to the provisions of a code of rules sanctioned by long usage, and known as parliamentary law. A popular assembly, having no prearranged code of rules to govern it, meets for the transaction of business; it may be religious in its nature, or social or political. Immediately the members proceed according to recognized rules of procedure. The usual parliamentary law, as it is termed, applies in all such cases.

There never is any difficulty in a popular assembly, where men are disposed to be reasonable and law-abiding in their conduct, so far as concerns the enforcement of these pre existing and prerecognized parliamentary customs. In legislative bodies the business is transacted and the time for voting is brought about in accordance with rules which are adopted by the body itself. Those rules must be in accord either with legislative provisions or constitutional provisions then in force, except only in cases where the bodies themselves are permitted to make their own rules, and when such rules are once in force they govern until they expire by limitation or are changed in a lawful way.

The Senate and House of Representatives of the United States Congress are both authorized to make their own rules. The second paragraph of section 5 of Article I of the Constitution of the United States provides that—

Each House may determine the rules of its proceedings—

Making the rules of this body a part of the Constitution of the United States. When a new Senator comes to this Chamber, marches down the aisle on the arm of his colleague, and holds up his hand before the Presiding Officer and swears, in the presence of God and these members, that he will support the Constitution of the United States, he does so with the knowledge that the rules of the Senate then existing are a part and parcel of that Constitution. The authority to make these rules comes from the constitutional provision which I have read.

But the clause goes further than that. I read again:

Each House may determine the rules of its proceedings, punish its members for disorderly behavior, and, with the concurrence of two-thirds, expel a member.

It has been frequently argued in this body that the Senate has no authority to expel a member for any offense other than disorderly conduct and for violation of the rules of the body, such a violation amounting to disorderly conduct. I emphasize the point that the Constitution, having provided that each House may make its own rules, may determine the law for its own government, the power sprang up from the people themselves through the written words of the Constitution.

[The honorable Senator here yielded to Mr. PUGH.]

Mr. PEFFER. Mr. President, this body, like all other legislative bodies, has its own code of rules. I have shown that they are made in pursuance of constitutional provision, so that the rules governing the Senate of the United States are as binding and as forceful as any statute passed by the concurrence of both Houses and approved by the President of the United States. The rules of this body are, in fact, as much a part of the Constitution of the United States while they are in force as any provisions which are specifically included within the articles and sections of that instrument.

It may be interesting to review briefly the history of the rules of the Senate to show how they came to be adopted, when, and under what circumstances. In order to do that it is necessary to refer to the Constitution and the history of the body itself.

In the Convention that organized at Philadelphia on the 25th day of May, 1787, to frame a Constitution for the United States, four separate drafts were presented. In each of three of them

provision was made for two branches of the National Legislature, a lower House and an upper House.

While it was intended to establish a popular government, it was deemed wise to provide for one legislative body, whose members would probably be selected with more care than would likely be done by popular elections, and who would be less susceptible to the influences of sudden popular changes than men chosen directly by the people.

Discussing this subject in the Convention, Mr. Madison said that the use of the Senate is to consist in its proceeding with more coolness, with more system, and with more wisdom than the popular branch. We are accused here now, those of us who oppose the passage of the pending bill, with resorting to revolutionary methods to prevent action. Yet it is true that one of the governing motives operating in the final adoption of provisions relating to the organization of this body was that of securing deliberation, coolness, system, and wisdom.

Mr. Randolph, continuing the discussion, observed that the general object in establishing a Senate was to provide a cure for the evils under which the people of the United States labored; that in tracing these evils to their origin every man found it in the turbulence and follies of democracy; that some check, therefore, was to be sought for against this tendency of our Government: and that a good Senate seemed most likely to answer this purpose.

Mr. Dickinson, of Delaware, wished the Senate to consist of the most distinguished characters, distinguished for their rank in life and their weight of property, that it might bear as strong a likeness as possible to the upper house of the British Parliament. He thought that in the formation of the Senate we ought to carry it through such a refining process as will assimilate it as nearly as may be to the House of Lords in England.

Col. Mason, of Virginia, was of opinion that one important object in constituting the Senate was to secure the rights of property. He favored a property qualification for members of the Senate and a long tenure of office.

Touching the qualifications of members of this body, the discussion brought out many suggestions, relating mostly to age and citizenship. It was the unanimous judgment of the delegates that only men of mature years, men of experience and fixed character, should occupy seats in the Senate, and that a long residence in the country ought to be required in every case.

Concerning the manner of their selection differences of opinion were numerous, and the discussion was long and frequently animated.

Mr. Pierce, of Georgia, was for an election by the States.

Mr. Pinckney, of South Carolina, thought that members of the upper House should be chosen in the lower House from residents of the several States.

Mr. Hamilton thought they ought to be chosen by electors chosen by the people in election districts.

Mr. Randolph said the lower House was the proper body to select the membership of the upper House, and that the selection should be made from a proper number of persons nominated by the State Legislatures.

There were three other plans of selection discussed:

1. Choice by the National Executive out of nominations by the Legislatures of the several States.
2. Election by the people.
3. Choice by the State Legislatures.

The last mentioned was finally ageeed upon. The name to be adopted by the upper House was not finally determined until the 4th day of September, more than three months after the session began its work.

The Senate is a peculiar body, Mr. President; peculiar in its make-up, peculiar in its origin, in its history, and in its duties and powers. No change has ever been made in its jurisdiction, except one. By an amendment to the Constitution in 1804 the Senate was authorized to choose the Vice-President in case of a failure to elect by the Presidential electors.

The Constitution of the United States, in section 3, Article I, after providing for the election of Senators, requires that—

> Immediately after they shall be assembled in consequence of the first election, they shall be divided as equally as may be into three classes. The seats of the Senators of the first class shall be vacated at the expiration of the second year; of the second class at the expiration of the fourth year; and of the third class at the expiration of the sixth year; so that one-third may be chosen every second year.

[At this point the honorable Senator yielded to Mr. KYLE.]

Mr. PEFFER. In pursuance of the provision requiring that the Senators be divided into three classes, the Senate at its first meeting divided its members by lot into three classes, and that classification has been strictly followed from that day to this. Every Senator chosen since has followed in the class of his first predecessor in line. When a new State is admitted its first Senators are assigned to their proper classes by lot, just as it was done in the first place.

In a recent case, where the Senators from three new States presented themselves at the same time, the mode of their assignment is described in the following words of the Senate Journal:

> The Senate proceeded by unanimous consent to consider the resolution; and the resolution was agreed to, as follows:
>
> *Resolved*, That the Senate proceed to ascertain the classes to which the Senators from North Dakota, South Dakota, and Washington shall be assigned in conformity with the resolution of the 14th of May, 1789, and as the Constitution requires.

You will observe that in this resolution, adopted only a few years ago—I have not the exact date in my notes—reference is made to the original resolution adopted on the 14th day of May, 1789; that in accordance with that resolution the Senate will proceed to assign the new Senators from the new States to their appropriate classes:

> *Ordered*, That the Secretary put into the ballot box three papers of equal size, one of which shall be numbered 1, one of which shall be numbered 2, and one of which shall be numbered 3. The Senator from each of said States whose name comes first in alphabetical order shall thereupon, in the presence of the Senate, draw one of said papers from the box in behalf of his State. The Senators from the States drawing the paper numbered 1 shall thereupon first be assigned to their respective classes. The Senators from the State drawing paper numbered 2 shall next be assigned to their respective classes. The Senators from the State drawing paper numbered 3 shall next be assigned to their respective classes.

This classification makes of the Senate a continuing body. Two-thirds of its members are always in office. The Senate is always organized.

The House of Representatives is composed of members selected for two years. Their terms begin on the same day, and end on the same day two years afterwards. An entirely new House is elected every second year, and a new organization follows as matter of course.

But the Senate never goes out. There is never less than a quorum ready for duty on call of the President.

[At this point the honorable Senator yielded to Mr. KYLE.]

Mr. PEFFER. In view of the facts just recited, this Senate now in session is, in theory, the same body that counted its first quorum on the 6th day of April, 1789. The object of this continuity of the upper House seems to have been chiefly to add stability to our governmental structure, to give character and weight to the deliberations of the body, to inspire confidence at home, and to insure respect abroad. Such a body, clothed as it is with the power of ratifying treaties, renders complications with foreign nations less probable and our obligations more likely to be observed. The Senate has the sole power of trying impeachments. It is the judge of the elections, returns, and qualifications of its members; determines the rules of its proceedings; may punish a member for disorderly behavior; and, with the concurrence of two-thirds, may expel a member; it considers treaties made by the Executive; its advice and consent are necessary to the ratification thereof; it advises and consents to the appointment of ambassadors, other public ministers, and consuls, judges of the Supreme Court, and a large number of other officers.

[At this point the honorable Senator yielded to Mr. POWER.]

Mr. PEFFER. Mr. President, it may not be out of place (seeing that so long a time has elapsed since I last addressed this body) to remind the Senate where we were at that time. I had been reciting the history of the organization of the Senate, and had reached the point where a code of rules was adopted. They were nineteen in number, and I shall now read them. They were adopted on the 16th day of April, 1789.

[At this point the honorable Senator yielded to Mr. KYLE.]

Mr. PEFFER. Of the original code of rules adopted for the government of the Senate, I read No. 1:

> I. The President having taken the chair, and a quorum being present, the Journal of the preceding day shall be read, to the end that any mistake may be corrected that shall have been made in the entries.
>
> II. No member shall speak to another, or otherwise interrupt the business of the Senate, or read any printed paper while the Journals or public papers are reading, or when any member is speaking in any debate.
>
> III. Every member, when he speaks, shall address the Chair, standing in his place, and when he has finished shall sit down.
>
> IV. No member shall speak more than twice in any one debate on the same day without leave of the Senate.
>
> V. When two members rise at the same time the President shall name the person to speak, but in all cases the member first rising shall speak first.

Mr. HILL. Mr. President, I rise to present to the consideration of the Chair a question of order, which is this: The question under consideration is the propriety of the passage of the repeal bill. The Senator from Kansas is not debating that question. He is talking about an entirely different question, in no way concerned with the passage of the pending bill. I desire, in order that it may go upon the record, so that whatever ruling may be made may show the propriety or impropriety, the strength or the weakness, or the absurdity of the present rules of the Senate. I raise that point of order.

The PRESIDING OFFICER (Mr. FAULKNER in the chair). The Chair is of the opinion that there is no power, under the rules of the Senate, to pass upon the relevancy of the remarks of the Senator from Kansas to the question now before the Senate.

Mr. HILL. No matter how foreign the remarks may be to the question involved?

The PRESIDING OFFICER. No matter how foreign they may be to the question before the Senate. The Chair recognizes the Senator from Kansas.

Mr. DOLPH. Do I understand, Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon rise to a question of order?

Mr. DOLPH. I do. Do I understand that if all the books the Senator has on the desk before him and on the adjoining desk are to be read, the Chair has no right to interfere?

The PRESIDING OFFICER. The Chair will state to the Senator from Oregon that his question is not a question of order. The Chair recognizes the Senator from Kansas.

Mr. PEFFER. I had before me when I began a number of articles which I had clipped from some of the metropolitan newspapers, in which they raise the very question which I am now discussing before the Senate, as to the rules of this body, the powers of the minority under those rules, and the power of the majority under those rules. I am now discussing that question. It has been raised repeatedly in this debate, and has been, I was going to say, dinned into our ears—that is not a proper expression and I do not wish to use it—but it has been repeated time and time again that the minority was resorting to tactics for the purpose of delay, that they were acting in violation of the rules of the body, that they were acting in violation of their oaths to support the Constitution of the United States, and I am endeavoring to show what, if Senators had been here all the the time, they would have understood.

I am trying to show that the rules of the Senate, as they have come down to us from the fathers, are a part of the Constitution of the United States, and that when one of us holds up his hand before God and swears in the presence of these witnesses that he will support the Constitution of the United States, included in that oath, are the rules of the Senate by which our proceedings shall be governed. I am tracing the history of the Senate and the history of the rules of this body in order to make that point as clear as I can. I am entirely in order, Mr. President, and am discussing the proposition before the Senate.

I now resume the reading of the rules, beginning with Rule VI:

VI. No motion shall be debated until the same shall be seconded.

VII. When a motion shall be made and seconded, it shall be reduced to writing, if desired by the President or any member, delivered in at the table, and read by the President before the same shall be debated.

VIII. While a question is before the Senate, no motion shall be received, unless for an amendment, for the previous question, or for postponing the main question, or to commit it, or to adjourn.

IX. The previous question being moved and seconded, the question from the Chair shall be: "Shall the main question be now put?" And if the nays prevail, the main question shall not then be put.

X. If a question in debate contain several points, any member may have the same divided.

XI. When the yeas and nays shall be called for by one-fifth of the members present, each member called upon shall, unless for special reasons he be excused by the Senate, declare, openly and without debate, his assent or dissent to the question. In taking the yeas and nays, and upon the call of the House, the names of the members shall be taken alphabetically.

XII. One day's notice at least shall be given of an intended motion for leave to bring in a bill.

XIII. Every bill shall receive three readings previous to its being passed; and the President shall give notice at each, whether it be the first, second, or third; which readings shall be on three different days, unless the Senate unanimously direct otherwise.

XIV. No bill shall be committed or amended until it shall have been twice read, after which it may be referred to a committee.

XV. All committees shall be appointed by ballot, and a plurality of votes shall make a choice.

XVI. When a member shall be called to order, he shall sit down until the President shall have determined whether he is in order or not, and every question of order shall be decided by the President, without debate; but, if there be a doubt in his mind, he may call for the sense of the Senate.

XVII. If a member be called to order for words spoken, the exceptionable words shall be immediately taken down in writing, that the President may be better enabled to judge of the matter.

XVIII. When a blank is to be filled, and different sums shall be proposed, the question shall be taken on the highest sum first.

XIX. No member shall absent himself from the service of the Senate without leave of the Senate first obtained.

That is the first code of rules which was adopted for the government of this body.

The rules were revised several times during the earlier sessions of the Senate, and in 1806 a new code containing forty rules was adopted, the same number that are now in force. The most important modification which has ever been made of the rules originally adopted is that which, in the revision of 1806, appears in the omission of the old Rule No. 8, and in making no reference to what is known in parliamentary law as the "previous question," which, as used in the British Parliament, was intended to get rid of a disagreeable subject, but as used in this country, intended to stop debate. The rule was not popular even while it was in force. It was invoked but four times from its adoption in 1789 to its omission from the code in 1806, and on one of these occasions it was ruled out of order because the subject under discussion was a preamble.

There have been several attempts since to restore the old rule or its substance. Among the notable instances are those of Henry Clay in 1841, Stephen A. Douglas in 1850, Hannibal Hamlin and Henry Wilson in 1870. The last attempt was made in 1890, when the force bill was pending.

The Senate has thus been without a rule to stop debate, except by unanimous consent, for a period of eighty-seven years.

Mr. President, a great deal of importance was attached under the original code to the matter of orderly behavior in the body, so much so that at one time a rule was adopted prescribing what was regarded as decorous and orderly behavior in the body, and was suspended in a particular place in the Hall for the convenient reading and continued observation of the Senators present. Decorum was regarded as one of the most important matters in the deliberations of the body—the proper addressing of the Chair, sitting down after one had concluded his discourse; when a member was called to order that he should immediately take his seat; no conversation in the Hall during the time of proceedings; and, as before stated, it is believed by many persons that under the provision in the Constitution authorizing the two bodies of Congress to determine their own rules and to expel a member for disorderly behavior, the power to expel does not extend beyond an infraction of the rules of the Senate in the matter of orderly behavior.

Another rule regarded as especially important was that growing out of the one just mentioned, that as to the conduct of the members toward one another—the phrase now used, "the courtesy of the Senate." As I understand the meaning of that phrase, "courtesy of the Senate," it is simply the politeness of manhood, that politeness which comes from good breeding, that respect which one man having arrived at the plane of a gentleman has, for his peer in any body, that decorous respect to our neighbors because they are our neighbors, which arises from the belief in all men, or at least in many men, that their neighbors are their peers. That is what is meant by the "courtesy of the Senate," and that is courtesy anywhere and everywhere. The fact that a man happens to be elected a member of this body neither gives to him nor takes from him any reason for added or for less respect to his fellow-men. A gentleman coming into this body is a gentleman still, and a boor coming into this body will be a boor still. But the fathers paid particular attention to this matter of politeness, of manliness, and out of it grew the term "courtesy of the Senate."

The next rule of importance was that providing for the stoppage of debate. The "previous question," called into operation but three times during its existence as one of the rules of the body, after mature consideration, after its having been thought over, gone over, weighed and deliberated upon time and time again, finally was dropped out of the code, and, I think, for the reason that with its omission the original spirit actuating the framers of the Constitution in providing for this body could be the better realized. How much better it would be now, how much more decorous before the eyes of the world, how much more respectful, and decent, and orderly, in our own eyes, if we were permitted to go along in ordinary hours, say from 12 o'clock until 5 or 6, and discuss the subject with coolness and decorum until every member of the body who wishes to speak has been heard.

Then that assertion of manhood, which comes to all men sometimes, would come to each and all of us, and when that time should come, after we had all said everything that we wished to say, after we had presented to this body, and through this body to the country and to the world, all the arguments on one side or the other that we wished to present, then we should be all ready to vote on the passage of the bill. But coming, as it is now coming to us, in the form, I will not say of an edict or a decree, but coming to us, in effect, in the form of a demand by the Administration, representing what we who oppose the bill regard as the most dangerous concentration of power in the world, insisting that we shall pass this particular bill without any amendment, without any change, and without being able to show our side of the question, we propose under the rules, as a part of the Constitution of our country, to oppose our strength to your strength, to resist every encroachment until we are overpowered under the rules of this Senate, and in no other way.

After this matter has been determined by the great people, who are behind us, then it will be time enough for members of this body so say who here represent the majority and who represent the minority; then it will be time enough to determine where a majority in this Chamber is, and who are the members of the majority.

Mr. President, we have a right to interpret our own rules by contemporaneous customs and by customs of a like character, which have decended to us from our fathers and from their fathers. In this volume which I hold before the Senate [exhibiting] we have incorporated the Constitution of the United States,

the rules of the Senate, Jefferson's Manual, and other matters; and after we have resorted to Jefferson's Manual, in aid of the construction of our own rules, it is quite common for us to go beyond Jefferson to Cushing, and to parliamentary records beyond that, in order to assist us in determining what are and what are not correct constructions of the rules of this body.

There are terms and phrases used in our statutes which the ordinary reader does not understand. For example, where a provision in the code is inserted relating to the writ of mandamus, the ordinary reader does not know what "mandamus" means; no statute law has defined it. It is a term which has descended to us from the jurisprudence of the past. So in relation to the writ of injunction or the writ of *scire facias*, or any of the other writs, which are familiar to the lawyers. None of them are defined by statute, and the person who would make a lawyer of himself by simply reading a codification of laws, would find at the end that he knew after all but very little about the law, for the reason that he had not been schooled in definitions and in interpretations, which have been agreed upon in the years which are gone and are buried. We are not only permitted to make our own rules, but those rules have been based upon other rules which preceded them; and when any dispute arises about their construction, we may go back to the rules which were in existence when our rules were framed.

We come down to the present condition. There is nothing in our rules, absolutely nothing, which limits debate. We go back to the rules of the fathers and rely upon the manliness of the Senators, after they have completed what they wish to say. Senators upon the other side of this question ought not to be impatient with us. They are not moved by the same impulses which move us; they are moved by the clamor of a particular class of people, and they all acknowledge it. That clamor comes through the powers that be.

The President of the United States honestly and conscientiously, as I have no doubt, feels it to be his duty to respect this clamor of a class. He believes that those men have a right, by virtue of their vocation, to dictate the financial policy of the country. He believes that those men, being skilled, as he thinks and as they think, in finance, and concerned in great business transactions from day to day and from year to year, are more competent to discuss financial questions and to propose financial measures than is the average man. We do not believe in that doctrine. We believe that the people, the great mass of the people, the hard-working, toiling people, know just as much about this question as the most experienced financiers in Wall street.

There is nothing simpler, Mr. President, than this question of money; there is nothing simpler than the question of finance. All that there is of mist and of obscurity thrown about the question comes from the senseless philosophy of the money-changers, who believe that they, and they alone, ought to be saved in the day of final retribution—men who have no respect either for the feelings or the property of their neighbors, whose only care is to amass wealth for their own comfort and their own convenience. There are men to-day by the thousand on the farms of the South and the farms of the West who know quite as much about finance as a great many men who are high in public life.

I have been surprised, listening to the discussions which have gone on in this body, to see how far back most of us are on this great question; that some of us preach the old doctrine of equivalency, which was accepted two or three thousand years ago, that what little gold and silver there was in the world was equivalent in value to all the rest of the property, and that it was sufficient for the transaction of all the business of all the people. Notwithstanding the fact that we find to-day the property values of the United States are estimated to be but little short of $100,000,000,000, and notwithstanding the fact that we only have about—I will say within bounds—$900,000,000 of money in circulation, we are told that we not only have plenty of money, but that we have too much money, and that it is this plethora, this redundancy of money which has brought on the panic.

We do not believe that doctrine, Mr. President. We believe that the people ought to have all the money that they need in the transaction of their business. I believe that the farmer and the wage-worker ought to have his money given him in the best money of the world—small quantities, I mean—in coin of small value, so that in the transaction of his daily business, in the settlement of his little accounts from time to time, he may always have ready change about him, and not be compelled to deal through the banks or to deal with checks or with any kind of paper which is not money in itself. Hence there is a wide difference between us and the Senators who represent the other side of this question.

They believe in a limited circulation—I mean by "limited" growing smaller and smaller in proportion to the amount of business which is done and to the increase in the population. They believe in dear money, as my excellent friend from Delaware [Mr. GRAY] told us the other day. They want dollars which will buy a great deal of wheat, a great deal of corn, a great deal of cotton; not thinking, Mr. President, that every time you add to the value of that dollar you take away from the farmer part of the value of his wheat, his corn, his cattle, and his cotton. That is what we are complaining about; that is the reason why we are urging our views upon the attention of this body day after day and night after night.

Our insistence is born of a passion, if I may use the word; and I do not use it in the sense of excitement and ill-feeling, but our belief in the importance of this matter has grown to be almost a passion with us. We believe in it as sacredly as we do in the religion which our mothers taught us. Hence, we come before the American Senate, appealing to Senators to be patient with us at least until they have heard all we have to say.

I am satisfied that in the matter which I have laid out for this discussion, if I am not stopped by the passage of a good and satisfactory bill, I have material enough laid out now, well considered, well digested, to occupy one full day's debate; and, Mr. President, every thought which comes along is pregnant with other thoughts; they divide and subdivide, going out in almost endless ramifications, because it is true, as the distinguished Senator from Ohio [Mr. SHERMAN] years ago in this Chamber declared, all legislation concerning finance touches the whole people; that when any of our enactments have the effect to increase the value of our money in comparison with commodities it reaches out into the homes of the people, touching every heart and every hearthstone, entering into the cabins of the poor as well as into the palatial residences of the rich; it permeates all classes, phases, and conditions of society, affecting the values of their property.

The home of the family is one of those things around which the most cherished relations of life are twined. Go out into the open prairies of the West, where there is but little timber, and in immense areas no timber; where the little building, one story high, made of plain boards, occupying a space of 10 or 15 feet square, in which the little family nestles; children are born there, the sacred relations of husband and wife exist there; family ties are nurtured, and all the sweetness of home clusters about that little shanty on the open prairie. When the wind comes, it moves and creaks, and the rain, when it beats, pours in the cracks between the planks; but still it is home—

Be it ever so humble, there's no place like home.

Mr. President, the legislation of this body of the American Congress, wherein it touches finance in the direction of raising the value of money, touches that little home on the prairie.

Again I say to Senators who are urging the passage of the pending bill, that they ought not to become impatient. As to the time when Senators will be ready to vote upon it, that must be determined by each Senator for himself. Mr. President, in making that statement I have the utmost respect for the doctrine that majorities shall rule.

I do not mean to say that persons representing or pretending to represent a majority of the membership of this body shall rise and say, "Here we are, a majority, and we are going to do this or that." That would be revolution upon the part of a majority; and as I took occasion to say early in my remarks, every majority out in the country at large, in the State, in the county, in the township, or in the school district, and in this body, must be governed by laws preëxisting.

A time will come, if the majority is patient and hears what we have to say, when we shall be ready to vote, but not until then. So long as the majority persists in forcing this bill upon us, refusing all propositions for amendment, just so long we shall insist that we are the majority, that we represent a majority, and that we have the right to give expression to the will of the majority; and we shall "fight it out on that line if it takes all summer."

Mr. PALMER. Will my friend from Kansas allow me to ask him a question now?

Mr. PEFFER. Yes.

Mr. PALMER. Does the Senator mean that the majority, as he terms those who favor the passage of the pending bill, shall never be allowed to vote until a proposition is tendered which will be acceptable to the minority?

Mr. PEFFER. No; I did not say that.

Mr. PALMER. Will the Senator then explain what he does mean?

Mr. PEFFER. It would take me a good while to do it.

Mr. PALMER. I can wait.

Mr. FRYE. There is time enough.

Mr. PALMER. The Senator said, in substance, when a proposition was made that should be satisfactory to the minority, we might vote, and not until then. Is that what he means?

Mr. PEFFER. The Senators who are urging the passage of

the pending bill, without exception, claim to be bimetallists. If you will prove your faith by your works, we are ready to vote now.

Mr. PALMER. Does the Senator mean to say——

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Illinois?

Mr. PEFFER. Yes.

Mr. PALMER. Does the Senator mean to say we never shall vote until we prove our faith by our works?

Mr. PEFFER. If we can help it, you shall not.

Mr. PALMER. I am very glad to hear the Senator say frankly what he means. Will the Senator pardon me for asking him another question?

Mr. PEFFER. Yes, sir.

Mr. PALMER. Does the Senator mean to say that until we do that, we shall not vote with his consent?

Mr. PEFFER. I have answered the Senator's question, that if we can help it they shall not.

Mr. PALMER. That is plain. I am satisfied. Is that right?

Mr. PEFFER. That is right; so am I satisfied. If we did not think so, we should not say so.

Mr. President, we are accused of talking for delay. Suppose we are doing so, have we not a right to delay this proceeding as long as we can if, in our judgment and in our conscience before God and our country, it is our duty to do so? The rules of this body—and I have been trying very hard to make that point clear—are a part of the Constitution of the United States. There is where we get the authority to make these rules. Having them, we swear to support them. We have a right to avail ourselves of every privilege, every power which the rules give us, to defeat what we regard as the most nefarious measure which has been brought before this body.

Mr. PALMER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Illinois?

Mr. PEFFER. Yes, sir.

Mr. PALMER. I have no desire to interrupt the Senator.

Mr. PEFFER. It is not embarrassing at all.

Mr. PALMER. But, if I understand, the Senator disregards the rule of the Constitution that each Senator shall have one vote. I understand him to claim, when he judges a measure to be nefarious, to use his own language, that he may resist, not the passage of a measure, but resist a vote by any means not expressly forbidden by the rules. Am I to understand that to be the view of the Senator?

Mr. PEFFER. I did not quite understand the Senator from Illinois if his question is different from the one he asked me a moment ago.

Mr. PALMER. I do not intend that it shall be different. Does the Senator mean to say, when he shall judge that a measure is nefarious, to use his term, that it is legitimate and within the limit of Senatorial duty to resist, and it is his purpose to resist a vote by every means not forbidden by the Constitution?

Mr. PEFFER. Mr. President, I will answer the Senator's question in my own way, and I think so plainly that a wayfaring man need not err. [Laughter.]

We believe that at least 75 per cent of the people of the United States are opposed to this bill. We believe that 95 per cent of the farmers of the country, those who are engaged in practical agriculture, doing the work themselves with their own hands, are opposed to the passage of this bill. We believe that 95 per cent of the workingmen of the country are opposed to the passage of this bill. We believe that fully 75 per cent of the little tradesmen, the merchants, and the mechanics are opposed to the passage of this bill; and, so far as I am personally concerned, I believe that 95 per cent of the people of Kansas are opposed to it. The Senator from Colorado [Mr. WOLCOTT], who is honoring me with his attention, represents a people 95 per cent of whom——

Mr. WOLCOTT. All of them.

Mr. PEFFER. One hundred per cent of whom are opposed to the passage of this bill. Go through that magnificent region in the Northwest, and you can hardly find a man, unless he is a postmaster [laughter], who is not opposed to the passage of this bill. Go down through the Southern States; start out on the old Mason and Dixon's line, Mr. President; make a canvass from house to house among all the people of that delightful region, extending to Mexico, and you will find 90 per cent of that noble people opposed to the passage of this bill. Go through the Carolinas—to specify two or three States—go to Tennessee, go to Mississippi, go to Texas, and visit those little bodies among the farmers, known as the Farmers' Alliance there, and you will find them unanimous in opposition to the passage of this bill.

Mr. President, these things being true, as we see them—it may be possible that we are looking through glasses darkly; but we think we see them, and our sight is so perfect that the belief is a faith—it is our duty to oppose this measure, our duty before our country and before our God, and, for my part, I shall oppose it unto the bitter end.

We should be traitors to our people, Mr. President, unworthy their confidence, did we not stand up here in the face of this clamor, and oppose all the powers which are brought against us. The time has come not only for fair dealing, but for plain speech; and I say to you now that I speak the voice of millions when I say in the presence of this body that the time is not far distant when there will be a tidal wave moving over this country, a revolution which will sweep all the influences of Wall street away from the face of the earth, unless this business is stopped at once. [Applause in the galleries.]

The PRESIDING OFFICER. The Chair will remind the galleries that under the rules of the Senate no manifestations of approval or disapproval are permitted, and should it be repeated the Chair will feel it to be his duty to have the galleries cleared. The Senator from Kansas will proceed.

Mr. PALMER. With great respect for the Senator from Kansas, I understand him that there is no limit to the resistance which he will employ against the pending bill or against a vote, but his own will, he being instructed, as he says he is, by so many people?

Mr. PEFFER. The Senator ought to have understood by this time that our power of resistance is very strong. [Laughter.]

Mr. PALMER. I did not ask the Senator what his power was, but what his will is.

Mr. PEFFER. The Senator ought to have understood from the manner in which this resistance has operated, that there is a power behind us which knows no surrender.

Mr. PALMER. I know of no affectation more unfounded than that of those who oppose this bill to represent the agricultural and laboring interests of this country. It has no just foundation whatever. These gentlemen give to labor and to agriculture words.

Mr. PEFFER. The Senator from Illinois ranks me a little in title and in age, yet, Mr. President, with all due respect to that Senator, I know more about the farmers of this country than he does. I am a member of the largest farmers' organization which ever existed upon the earth.

Mr. PALMER. Will the Senator allow me to say one word?

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Illinois?

Mr. PEFFER. If the Senator can make his statement in one word, I shall cheerfully hear it.

Mr. PALMER. I am one of the practical farmers, not a professional farmer. [Laughter.]

Mr. PEFFER. The Senator belongs to the 10 per cent class, which I omitted from my calculation. [Laughter.] The other 90 per cent are with me. The Farmers' Alliance and Industrial Union numbered about 4,000,000 in their membership a couple of years ago. They were not all voters. In Texas last year the Populists, who had grown out of the Alliance movement, polled a vote of over 100,000, about 25 per cent of the total vote of that State, and if it had not been, as I have before said, for the promises made by political leaders of the Southern States, at least half of these people would have voted the Populist ticket in 1892. All of that vote sprung from the Farmers' Alliance. Three out of every four farmers, perhaps more than that, in some places all of them, but at least three out of four of the Southern farmers, those who are practical farmers, were members of the Farmers' Alliance. In Kansas we had in the neighborhood of 100,000 voters at one time in the Farmers' Alliance. Then we had a large number of members of the Grange and the Farmers' Mutual Benefit Association.

I say to the Senator from Illinois, that I have been studying this subject from the farmer's standpoint a dozen years or more, and have finally come to the conclusion that the farmer should have his voice heard in this Senate Chamber; and now there are at least three Senators here who are ready to speak for him. I have been sent here, Mr. President, specially charged to represent farmers. Does the Senator from Illinois suppose that we could have changed 100,000 votes in three months in Kansas if we had not an organization at our back? Does the Senator suppose that we could have sent five Populist Congressmen and one Senator to the National Congress by the work of a sixty-day campaign if there had not been behind it some stupendous power moving the people? And I say to him that every man of that number was a free-coinage man. Every Republican, except perhaps one or two, within the entire boundaries of the State, every Democrat, not excepting more than half a dozen men, every Populist and every Prohibitionist was a free-coinage man. It has been a part of Kansas history, and 70 per cent of the people of Kansas are farmers.

Mr. PALMER. Will the Senator allow me to ask him a single question?

Mr. PEFFER. Certainly.

Mr. PALMER. The Senator says the farmers have three rep-

resentatives in this body. I ask him with great respect which of the three ever raised a crop of corn within five years?

Mr. PEFFER. I do not know how that is. I can only speak for myself. This I do know, that the farmers whom these three gentlemen represent are free-coinage men, and I believe when the Senator of Illinois was elected a member of this body the farmers of his State believed that he was a free-coinage man. But the Senator having denied that he was such, we know he is not now. I, of course, am ready and willing to accept his version from his own standpoint.

Mr. PALMER. Will the Senator allow me to say that I have denied nothing. I have offered him the shorthand notes of the conference; they are at his command. I deny nothing, because nothing has been charged or proven against me.

Mr. PEFFER. I only refer to the matter because the Senator from Illinois is so persistent in his questions. I am certain I believed he was with us upon this question, and I never, until recently, heard any person discuss the subject at all who did not believe just as I did, and obtain his information in the same way.

Mr. President, delay is often the nearest route to justice, and if we, by delaying a vote upon the passage of this bill until we are ready to vote, can save to our people what they ask us to save for them we have done a great deal. No person will be injured by continuing in force the Sherman law, but a great many people will be benefited by it. I believe with the Senator from Indiana [Mr. VOORHEES] that the money which has gone out among the people by the operation of the Sherman law has been one of the things that has saved us from trouble thus far; and the other thing that has saved us is the large expenditure and distribution of pension money.

I have frequently given it as my belief that had it not been for the distribution of vast amounts of pension money in little sums here and there and yonder, and everywhere about the country, this panic would have come long ago. Throw money out among the people and you will never have a panic. Keep money in circulation and there is no danger of business disturbance. It is when money is withdrawn from circulation, when money is hoarded, when speculators get control of the money market, as it is termed, and work up a corner on gold that panic comes. We are pleading for more money, not less money, and we want to distribute it among the people. If by this delay we can assist the masses in grasping the magnitude of the troubles that are in our way, if we can assist the people in coming to a conclusion concerning what ails them, and who it is that manufactures panics, we shall have done a great service not only to them but to all men.

If it will be any encouragement to the gentlemen on the other side I will say to them that every day the leaven we are planting in this Chamber is working, and it will not be long, in my opinion, until it will have leavened the whole lump. Day by day our mails are incumbered with letters from our constituents, "Hold the fort," "Do not surrender;" "Fight it out;" "Stand your ground"—all such expressions, not as uniform as those of our friend from Pennsylvania [Mr. QUAY] last spring, but they are powerful in their encouragement and they are forceful in their impulsiveness. Out of all the vast correspondence I have received upon the subject but one solitary letter has come asking me to support the pending bill, and among other things the writer said that this panic was causeless, but he did not believe in a fifty-cent dollar.

The public mind is being educated in two directions. The gentlemen who manufactured this panic, to use the language of the eminent Senator from Indiana [Mr. VOORHEES], are beginning to learn that the Senate can not be frightened. They can put wheat down and they can put cotton up, and they do both in the same day. The men who are at the bottom of this panic manufacturing business are speculators, and their business ought to be suppressed by some means. I believe it will come some day.

We are teaching those men that we are not to be frightened into feeding them either with more bonds or by stopping the purchases of silver in order that they may take gold out of our Treasury, and while we are doing that we are showing to the people behind us that what we told them in our canvass is the truth. Nearly ten thousand million dollars were borrowed by the people of this country on the security of their homes during the ten years from 1880 to 1890. One-half of that vast amount was paid, leaving, on the 1st day of January 1890, about $5,000,000,000 yet due, and it was bearing an average interest rate of at least 8 per cent. In the Western part of the country the average cost to the people was about 10 per cent.

Every day a constant drain away from the labor of those people, money getting tighter all the time by reason of the increase in the value of gold, and corn and wheat and horses and cattle and cotton and tobacco constantly going down, until now, take a great State like Kansas that produced in a single year 75,000,000 bushels of wheat and upward of 150,000,000 bushels of corn, with a large number of live stock for sale, and a great many little odds and ends from the farm, amounting to a vast aggregate of wealth in the end in property, but when they come to sell it, pay their taxes, pay the interest on their indebtedness, support their families, they have little left, and in many instances what their crops have brought them is not sufficient to meet these outlays. It requires close economy, saving, and self-denial from the beginning of the year to the end for the average farmer in the great West to keep ahead of his necessary outlays.

I state it as a proposition that in the Southern and Western States—indeed I would be willing to take the farmers of all the States, excepting perhaps those of Ohio, Pennsylvania, and New York—if you will take all of the surplus crops of the farmers and sell them at the market price, just as the farmers themselves have sold them, and then if you will allow to each of the farmers and each member of their families and their hired help as much money daily or yearly to keep them as it costs to keep a convict in the prisons, you will find that there is no profit left from the sales.

Make the calculation for yourselves. I spent a good deal of time during the last summer in investigations under the order of the Senate concerning the condition of agriculture and talked with a great many farmers about their business. The universal testimony is that farming as a business is not profitable; that some of the farmers, a great many of them, are making a little more than their expenses, yet their gains are not sufficient to make the business profitable.

But there is no depreciation in the values of salaries of public officers. There is no decrease in the value of dollars that farmers are compelled to pay their taxes with. There is no depreciation in the value of the dollars that they must pay for the interest and for the principal upon what indebtedness they may owe. There is no depreciation in the value of their outlays where they have to pay dollars, but with here and there a little fluctuation, speaking generally, there is a steady fall in the market values of property out of which they have to pay these demands.

Considering these things, Mr. President, these heavy weights that are upon the people, these oppressive burdens that are placed upon them by reason of our financial legislation, we appeal, we resist, and we oppose.

If by a little delay we can show to the people as we are doing every day that this panic was manufactured just as other panics have been manufactured, and that the people are right when they demand more money, that they have a right to demand free and unlimited coinage of silver, and that it is our duty to give it to them, they will take care of the next Congress and the next Senators who are sent here.

I repeat, Mr. President, that I am in favor of delaying this proceeding until the people can be heard in their own defense at their own voting precincts. I have no fears of the result; and I predict now, if this repeal bill is put through the Senate without any conditions recognizing the present and the future coinage of silver as money, the next House of Representatives will give the people a bill that they want.

Mr. President, if the proposition in 1873 to drop the silver dollar out of our list of coins had been submitted to the people, we would not now have this trouble on our hands. If the matter had been discussed in the preceding election, shall we discontinue the coinage of the silver dollar, shall we coin only subsidiary silver, and shall we make it legal tender only to the extent of $5, shall we to that extent, increase the power of wealthy men, who have their investments in mortgages, and in bonds, and in other interest-bearing securities, do you suppose that the people would have answered yea? Do you suppose that the farmers and the working people of the country would have been willing to have their peculiarly favored money stricken down?

Do you not know, Mr. President, that with an almost unanimous voice they would have said, "You shall not do this thing?" But it was not discussed by the people. The great masses knew nothing whatever about it. Even well-read men, learned men, many men high in public station, knew nothing whatever about it until their attention was called to it several years afterwards. No matter how it came to be done—I am not discussing the criminality of it, if with any propriety such a word may be used—I am calling attention to the fact that the people knew nothing about it; that they were not consulted about it. Hence, now I insist that the people ought to know something about this proposed legislation. Let us submit it to them. If we are not willing to delay that long, then prove to the country you did not want silver demonetized in 1873, by placing upon your bill a silver-coinage measure of some kind. Let us put the two together. I do not like the Sherman law; I do not believe in purchasing silver unless we purchase gold. Let us coin both metals for their owners. In that way the metal will be distributed among the people by the people themselves. There will be no responsibility attaching on the part of the Government for the

payment of Treasury notes such as we are now issuing for the purchase of silver. But until you give us something that is as good, or, what we would rather have, something better, we are not ready to vote.

The Populists are the only people who have gone before the country with a clear-cut platform on this question. Democrats and Republicans quarreled with one another and tried very hard to have us assist them in the quarrel over the tariff. One insisted that high protection was ruining the people. The other insisted that going to a low range of duties, establishing a revenue basis, or going to free trade, would ruin the people; and between the two a quarrel was kept up, while the people were blinded. The Populists early foresaw the shallowness of this spectacular performance that was being played before the people, and we said so plainly.

It is the speculators and the gamblers in the products and in the profits of our labor who are to blame for the condition of things which now confront us. It is our legislation protecting this class of business that has encouraged their trade. We said to the people our legislation needs overhauling, we need more money, and as the first step toward the acquisition of more money we must have silver restored to its old place; for the reason that not only is gold being appreciated in value, but there is not gold enough to transact the business of the people without depreciating the values of other property to the level of starvation prices.

We said to the people that by a restoration of the coinage of silver we will to that extent bring down the value of gold, to that extent we will raise the value of silver, and to that extent we will raise the general level of prices, which will be to our benefit. That will give us more for the property out of which we have to pay our indebtedness and supply our families. The people to whom we spoke believed us. We are here preaching the same doctrine, representing the same views, and the believers in the doctrine we preach are multiplying rapidly—so rapidly, that in a little while many men now blind will be surprised at the change.

This subject, as it is presented before the Senate, has never been put in issue before the people except by Populists. If the Democratic party and the Republican party, two great and stupendous organizations, will make an issue upon the money question and go to the country with it, they would be discussing a living and vital issue upon which the people would take sides. But there is a disposition manifest upon the part of the leaders of both of those great parties to unite in this Chamber to oppose the submission of the subject to the people. They intend to force a vote upon it here before the people can be heard.

Mr. President, if this bill passes without conditions, without any recognition of silver as money, I believe the revolution will be quick and decisive. The end no man knows. Every day or two we see in the public press what seem to be indications of a compromise, but the next morning through the same columns we see what purports to come from headquarters that no compromise will either be offered or accepted in any form. The great newspapers of Sunday were unanimous in asserting that any sort of a compromise coming from the Administration side would be a surrender.

[At this point the honorable Senator yielded to Mr. VOORHEES for a motion to adjourn.]

Thursday, October 19, 1893.

Mr. PEFFER. Mr. President, the proceedings of the last three calendar days have been fruitful in good results. A discussion of the rules of this body is at all times an interesting subject, but it is especially so at this particular time.

In the discussion of the pending bill we have been permitted to take a very wide range. That has been the custom of the Senate from the time of its first organization. Nothing could be more appropriate, no line of policy could be more fruitful in good effects. Perhaps the most memorable debate in the history of this body, one that at least up to the present time will be regarded as the most powerful, the most far-reaching in its effects, the widest in its scope, the most dignified in its bearing, was that between a distinguished Senator from the State of South Carolina and another from the State of Massachusetts, and yet the great debate between Hayne and Webster grew out of a short resolution asking the Committee on Public Lands to inquire whether the sales of public lands might not be dispensed with for a time, and whether, in connection with that stoppage, several land offices might not be discontinued.

The resolution, as I now remember the record, was introduced by a Senator from the State of Connecticut, Mr. Foot, whereupon a Senator from the State of Missouri, Mr. Benton, undertook a criticism, not so much of the resolution as what he deemed to be an unwarrantable interference with Western interests on the part of the people of New England. In answer to Mr. Benton's attack, if attack it may be called, upon the Eastern people and their customs, Mr. Webster took occasion to retort somewhat scornfully; but, instead of continuing his retort upon the Senator from Missouri and his people, the great Massachusetts lawyer turned his attention upon the people of the Southern States and their customs, their habits and their institutions. In reply, Mr. Hayne undertook to defend his own people against the attack of Mr. Webster, and it was in rejoinder that the great speech which has become historic was delivered. Hardly a word, certainly but a very small portion of all those speeches, except only that of Mr. Benton, was devoted to the consideration of the resolution before the Senate.

So we have had here a very wide range of thought and of discussion, and I do not know how we could have spent our time more profitably. Had this bill been taken up and disposed of in twenty-four hours or in forty-eight hours the country would hardly have known what had been done; there would have been no effect on the financial condition of the country; there would have been no effect upon the permanent and material interests of the people. It would have passed into history quietly and without any present friction and without any good results; but, because of the determined resistance to the bill, attention has been called to its object, to its theories, to its scope, to its probable effects, and the whole country is to-day discussing the bill with the Senate. We are all at work together considering this measure.

In connection with the consideration of the bill, for the last three days we have been considering how we can change our rules. Why is it, Mr. President, that these considerations are injected into the discussion? Is it because the friends of the bill are becoming impatient, because, in their judgment, the opponents of the bill are unnecessarily prolonging debate and postponing action upon it?

In the discussion upon the rules I have discovered with a great deal of interest, as well as pleasure, that the line of argument from our side of the question—I mean that side with which I concur—that the same views have been entertained and pushed with wonderful vigor and force, which were presented in the remarks I had the honor to submit to the Senate the last time I was on the floor, that is to say, that majorities are bound by rules as well as minorities.

We insist that the majority of this body, the same as the majority of the people at large, in a county, in a township, in a school district, are alike bound by the law in their procedure.

That is the only way we can safely act. If a majority are delayed for sometime, and if they can not come to a conclusion in a short time by reason of the enforcement of rules for the protection of the minority, they ought not to complain.

I think there are times, or at least there may be times, when a Cromwell or a Napoleon or a Grant is needed; but, Mr. President, there never has been a time in human history when those men did not come at the proper moment. We are not ready in this body yet for any *coup d'état*; we are not ready here for an open and direct revolution. Let us proceed orderly, Mr. President, not only with the debate, but proceed orderly in the change of rules and we shall find in the end that we have acted wisely.

The time will come—I believe it is not very far distant—after this excitement has passed, after the strain of the debate has become eased and we have settled down in an orderly method of procedure, when we can take up the question of amending the rules. Let that subject be discussed day after day, week after week, month after month; aye, Mr. President, if need be, year after year, before a conclusion is reached, if so much time be necessary.

The most important question we have had to deal with in a generation is before this body now. It is not a matter that concerns but a few people; it is not a matter that concerns the people of to-day or of to-morrow, but of all time to come. It is one of the most vital issues that concerns human kind. We could get along for a little time without wheat, because we can use corn; we could get along for a time without cotton, because we have wool; we could get along for a time without new clothing, we could wear our old; we could get along for a little time if a portion of our transportation facilities were clogged; we could get along without a great many different things because we should have so many other things still left; but we can not get along without money; and modern conditions of society are so different from those of the past, that it is only needed to instance a few illustrations in order that this fact may be impressed upon our memories.

Suppose that a barrier be drawn around a city to prevent the people on the outside from entering within and to prevent the people from the inside going outward, preventing all communication between the town and the country, within thirty days one-half the people in the city would be starving, and the other half would be upon the verge of starvation. It is agreed upon careful estimation, as I understand it, that the provisioning of the best situated cities in the world is not more than would last the people about thirty days. Take the people upon the outside

and keep them away from the cities, and while the farmers could live for a time, yet by reason of the changes that have come about within thirty or forty years, in twelve months or eighteen months the farmers would be in distress for want of clothing, in distress for want of shoes, in distress for want of implements, in distress in the regions where there is no coal for want of fuel, and for a thousand and one family and individual comforts.

The people there would be in distress for the reason that our trade centers are in the cities. The places where our supplies are collected, where the farm products are brought for distribution, is in the town, not in the country. We are interdependent one upon the other, the town and the country, the farmer and the merchant, the mechanic, the manufacturer, the banker, and the railroad man. We are all interdependent one on the other, bound one to the other by ties that we can not with safety break; and as one of the most necessary and vitalizing agencies in this great interdependent relation among the people is the circulation of money. It is like the lifeblood of the animal system; it keeps everything lively and in a healthy condition. Hence the great question which is pending in this body is broader than this Chamber, broader than the District of Columbia, broader than any one State, broader than the American Nation, great as it is, broad as the world. Every man, woman, and child everywhere, under all circumstances, except only a savage condition, is interested in this question of money.

Now, we are proposing here to discontinue the further use and coinage of silver money. We are not proposing at this time to take away what we have on hand, but it is, as we conceive, the first step to get rid of utterly and for all time to come the use of silver money except for purely subsidiary purposes, and that silver must be measured by gold, just the same as cotton and corn and wheat and cattle are. That is going to the gold standard; that is gold monometallism, and that is what we are opposing. Mr. President, if this position be correct, we are proposing to change our system. Do Senators tell me that I misstate the fact? Do they say to me they are bimetallists, and their party platforms promise and propose bimetallism? In answer I say away with your party platforms; you do not believe in your party platforms; you do not maintain your party platforms; you do not even maintain your party record, and yet you ask us to believe that you are bimetallists.

What do the American people understand by bimetallism? The old system, which was taken away from us without our consent, without our knowledge twenty years ago, is what we understand by bimetallism; the coinage of gold and silver in unlimited quantities at the ratio of 16 to 1, that is the ratio to-day; the old ratio established by the act of 1837. Our proposition to reënact the old law of 1837 was unceremoniously laid upon the table here the other day without a vote, and without the courtesy being extended to its mover to explain its provisions to the members of the Senate.

The people understand this thing, and they are in no hurry; the great masses are in no hurry to have this matter disposed of until it is disposed of properly. One of the ablest, and in many respects one of the clearest, most forceful, and, in at least one respect, the most remarkable speech which has been delivered during this debate, we heard the day before yesterday from the honorable Senator from Ohio [Mr. SHERMAN], in which he belabored Senators on the Democratic side of the Chamber. After chiding them, if I may use that expression, for their failure to agree, in that powerful manner so common to the distinguished Senator, he said, "You must agree," and he gave the reasons for the necessity for agreement. "Your party," he said, "is charged with legislation now; your party has control of the Government; your party has control of the machinery of Congress; your party is held responsible, and if you can not agree, turn the case over to us Republicans, and we will arrange some kind of a plan and submit it to you."

Mr. President, my criticism, if criticism it may be called, is not of the eloquence or the force of the great Senator's language, but of the principle involved, that the party is higher than the country, that the interests of the party must stand higher in the consciences of Senators than the great country for which we are expected to legislate, and that because Senators differ upon a vital question they must be lashed by the party whip and made to stand by a party because the leaders say so. Away with such doctrine, Mr. President! It is the men who are not regarded as the party that are right; they are the men who represent the Democracy of the fathers.

It is the men who are ready, and have been ready from the beginning, to hold out the olive branch to us who are called radical, those men of the South, God bless them, whose loyalty is now unquestioned. The leaders of the party have gone astray from the bimetallism of the men at whose feet the Senators of to-day learned their party creed. Mr. President, it is time that men should rise above party when the party is going in the wrong direction. The nominating conventions and the platforms of the parties have been controlled by class interests, I believe full twenty-five years, and it is only in recent years that the people have learned than great truth. Let the people's voice be heard, let this great question be submitted to the jury of the country, and then we shall learn whether the friends of this bill are in the majority or not. No great interests will suffer. We are ready at any moment to test the judgment of the people.

Mr. President, notwithstanding this strong language and the influence of the powerful appeal of the Senator from Ohio, Senators on the Democratic side of the Chamber have not agreed; they are as wide apart as Dives and Lazarus were. There is an impassable gulf between them; they can not agree permanently. The men who are not voting with the Administration upon that side of the Chamber are standing for a great principle, and they will not surrender it.

Let me ask what Senator upon either side, Republican or Democrat, a friend of this bill, has urged or argued one great underlying principle of finance in the discussion of the measure? Everyone of them spoke in favor of bimetallism; and yet he follows the creed of men who would take us the other way.

The only argument which is given to us is one in favor of what we believe to be the correct policy for this country—bimetallism, the bimetallism of the fathers, what the people understand by bimetallism, not to stop the coinage of silver, not to stop the use of silver as standard money; not to go to other nations and ask them for a policy; not to go to Great Britain, or Germany, or France, and ask them to dictate to us what our financial policy shall be, nor ask an international conference to decide what we shall do.

Mr. President, I saw to-day in the New York Press a most excellent editorial article on this question which handles the subject very well, and expresses the thought so much better than I can do that I want to call attention to it. It is an article entitled "The best money." One paragraph reads this way:

> The whole matter turns upon the question, What is "the best money"?

Then, by way of explanation, the editor says:

> The answer depends upon the response to the further question, For what use do you want money?

This is all in answer to a question of a correspondent who is insisting upon the best money, and that the best money is gold, so that we must have a gold standard and measure everything by gold. The editorial proceeds:

> For what use do you want money? Coal is the best fuel for some purposes; wood for others; petroleum, gas, coke for still others. Milk is the best food for infants and invalids; meat is the best food for strong men. Wool makes the best clothing for cold climates and cotton the best for the tropics. Gold is the best measure of exchanges in our traffic with Europe and in our larger commerce at home. But for the vast retail traffic upon which wholesale business absolutely depends for its existence, silver is the best money.

Silver is the best money in the multitudinous little transactions, from day to day, of the farmers, and wage-workers, and mechanics, while gold is better money in larger transactions. And we insist that there is not silver enough now in use to supply this demand for the money of the people. We insist that we ought to continue to coin all the silver that comes to our mints in order to supply the continuous and pressing demand of the common people of the country for ready money.

Mr. PALMER. Will it interrupt the Senator if I ask him a question?

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Illinois?

Mr. PEFFER. Yes, sir.

Mr. PALMER. Mr. President, I agree with the Senator so fully and absolutely that I desire to make that prefatory remark. I desire to state that the Government has been offering to pay the expense of the transportation of silver to all parts of the country in order to meet the very demand which the Senator suggests. I am so delighted to agree with the Senator on that point that I beg to mention the fact that to-day silver is in the Treasury ready to be sent to all parts of the country to meet the very wants that the Senator suggests.

Mr. PEFFER. Now, what does the Senator from Illinois wish to ask me, if anything?

Mr. PALMER. I mean to ask if the Senator regards the existing laws as being entirely sufficient to meet the demands?

Mr. PEFFER. Mr. President, I took occasion a few days ago to express my belief in positive terms that the Secretary of the Treasury, with the consent and under the direction of the Chief Magistrate of the Union, has purposely and deliberately kept the silver coins out of circulation; that they do not want to circulate the coins; that they have never tried to circulate the coins. Why do they not pay them out? Go to your stores here in the city of Washington; go into any of the mercantile firms in any of the great cities of the country, and if they happen to be under the necessity of handing you a silver dollar they will apologize for it. Why do you not try to circulate the money? Why do you

not bring your silver up to the disbursing clerks here and have him pay it out to Senators and to members of Congress? Why do you not try in some way to send the silver money out in payment of debts? Why do you not redeem these Treasury notes in silver as the law requires? You do not want to circulate the silver money.

Mr. PALMER. I beg the Senator's pardon. I shall at some time in the future, not in his time, state what I conceive to be the policy of the Treasury.

Mr. PEFFER. I know what the policy of the Treasury is.

Mr. PALMER. I shall defend it in my own time, but I know this to be the fact: That by a deposit made in Springfield, Ill., of $100 in silver certificates, silver was sent to the depositor at that point, the express charges being paid by the Government. So that in point of fact, if any citizen anywhere is desirous of having silver money, if he will make a deposit in a bank, the silver is sent to him free of expense. That is a fact I beg to state now. So that whenever it is believed by any citizen that silver dollars can better serve his purposes than any other form of currency, silver will be sent to him upon the deposit of Treasury notes.

Mr. PEFFER. Yes, I know, Mr. President, that if a man can get as much as $50 in greenbacks he can forward that amount to a bank, and pay the freight on it to the subtreasury at New York and have it redeemed in gold. Almost any citizen willing to go through this circumlocution, playing all around Robin Hood's barn, and paying somebody a little freight and somebody a little commission in order to be accommodated, can have that done, whereas he ought to be accommodated at home in the first instance. The money ought to be in circulation in the country, and if we had free coinage of silver, which we are demanding, there would be no accumulation of silver dollars, or silver money of any kind, in the Treasury of the United States. It would go out in the first instance among the people, and it would stay there. Under a system of free coinage the Senator from Illinois and I could go together to the mint, each with $100 worth of silver bullion in condition ready for mintage. He hands his bullion over to the Director of the Mint, or to the proper officer; it is coined for him, and he takes away with him his $100 in coin.

I do the same thing. I turn over my silver bullion, and it is coined for me. I take the coin away with me. The Government has no further responsibility about it. I put it in circulation myself and it is not collected here and stored in the Treasury vaults at Washington or anywhere else. It stays out among the people. None of it goes beyond the village or the town or city where he and I do our trading. That is free coinage, and that is the way to get silver coins into the circulation.

The trouble about parity—the disparity, or disarrangement of parity, between the two metals—has all come about because we have been purchasing silver bullion and piling it up in the Treasury Department, whereas the original law says that whenever the holder of ten silver dollars desires, he may deposit them in the Treasury, and the Treasury will issue a certificate for them.

That is the language of the law. The practice has been that certificates were paid out in the first instance and that there was no deposit of dollars at all; that the individual citizen did not have the silver dollars in his hands at any time, but asked for a certificate in the first instance rather than the silver; that a certificate was handed to him in payment of the Government debt, and in that way the silver certificates get into circulation. I suppose that when we have received our pay from the financial clerk from month to month, two-thirds of it has been in silver certificates. They certify that we have deposited silver dollars in the Treasury, when we have not even seen the silver dollars.

We have not deposited any silver dollars. If those silver dollars were paid to us and the law permitted us to deposit them, I have no doubt we should do so. But what I insist upon is that the Government has not been trying to circulate these silver dollars. It has been trying to prevent their circulation, and then say, as an argument before the country, "We can not circulate the silver money." I do not believe a word of it, and never did.

Mr. President, recurring to the remarkable speech of the Senator from Ohio, to which I referred a moment ago, before I was led into this digression by reason of the question of the Senator from Illinois, I want to say to my colleagues upon the other side of the Chamber, the men who are opposing the passage of this bill, that there is time for another coalition than the one which was referred to by the venerable Senator from Alabama [Mr. MORGAN] a few days ago.

If it be true—and it is true—that the interests of the people of the Eastern portion of this country are very much the same in the six New England States and the four or five old Middle States, by reason of their large manufacturing interests, and by reason of the fact that the great railroads center there, that the money centers are there, that the traffic of a continent converges there; that by reason of these things the interests of those people are so much alike as that upon questions of local importance to them their Senators and Representatives vote in a body without respect to party lines—it is equally true, Mr. President, that the interests of the South and of the great West are one. If the time has come—and it seems that it has come—when the people of the Eastern section, with their friends in other parts of the country, are united and form one great political body, the time has come for us to unite, and then we shall see where the majority is.

Mr. President, the States of New England—and I shall have occasion to refer to the fact more at length after a while—do not raise grain enough nor cattle enough, nor any sort of food for either man or beast, sufficient to supply the people, except possibly of hay for animals and of potatoes for men. They get all of their food supplies, all of their clothing supplies—I mean the raw material—from the West and the South. There are no great wheat fields nor corn fields in that part of the country; no cotton fields at all; the peach does not grow there, nor do any of the luscious fruits, except apples. Add to the New England States New York, Pennsylvania, New Jersey, and Delaware, and they do not raise wheat enough to supply the local demand.

In what I shall say concerning that part of the country I do not want it to be understood that there is any feeling in the matter. I am simply talking plain, practical, common sense, stating facts, and reasoning from them. You may take the great body of land east of the Mississippi River and compare the surplus agricultural products there with what is needed by the people, and you will find that there is no more, or at least but very little more, produced even that far west than is needed by the people for their home use. Notwithstanding that agricultural products form about 80 per cent of our export trade, the great body of that surplus comes from the Southern States and the States west of the Mississippi River.

Kansas alone, almost limitless in her productive powers, produced in 1891 75,000,000 bushels of wheat; in 1889 the farmers there gathered 250,000,000 bushels of corn, and sent abroad more of their wheat than is produced in Great Britain. We sent away all but about 10,000,000 bushels; a little more, perhaps, even than that of wheat, and vast quantities of corn, innumerable head of cattle, swine, and sheep. So it is in Iowa; so it is in the Dakotas; so it is in Missouri. That region is almost a limitless farm. Nearly all the surplus wheat, corn, flour and cotton that go across the water are produced there.

The trade of that country has been fattening the people of the East. We are not complaining about it; but, Senators, when the time comes that your material interests are at stake, you blot out your party lines and join hands, standing together like men united in a common cause. Men of the South and of the West, let us do likewise, and together we shall save this Republic and pass it down to posterity as the fathers gave it to us; but as certainly as there is a God in Israel if we fritter away our forces at the behest of the power that up to this time has been stronger than ourselves, if we stand divided in the face of the concentrated wealth of that part of the country and quarrel over tariffs and other nonessentials, the rule of gold will go on, the drain of interest will continue, and we shall remain hewers of wood and drawers of water for men who live off of our cowardice.

Mr. GALLINGER. A moment ago, Mr. President, the Senator from Kansas, with a good deal of declamation, asserted that the New England people were being fattened by the great State of Kansas and others of the great States of the West; that they were raising wheat and corn and other produce, and sending it to New England to be consumed. I simply want to ask the Senator if his people are not paid for all that they send to New England, and if they do not desire a market for their products?

Mr. PEFFER. Yes, Mr. President, we are paid for what we send to New England. The farmers in Kansas to-day are getting about 40 cents a bushel for their wheat, and it costs them 10 cents more than that to raise it. I have known our people to pile up their corn and their wheat on the open prairie, without covering, because prices were so low they could not afford to ship it away.

I shall recur to these things after a while. I want to say again to all, and especially to my most excellent neighbor from New Hampshire [Mr. GALLINGER], whom I have learned to think a great deal of personally as well as in his official capacity, that I would not if I could strike out from the history of this country one foot of the rugged hills of New England. The brightest pages in American history are written in the blood of New England men. When I pass over the Boston Common, when I go over the ground of the great events which occurred there during the times that tried men's souls; when I look upon that rock-bound coast and think of the things that have occurred there in the past, I am proud that New England forms a part of our com-

mon country; I am proud that your people are mindful, sensitive of their interests; I am pleased to see you standing hand in hand, shoulder to shoulder, man to man, in defense of your interests. That is natural.

All that I am complaining of now is that my people and the Southern people, knowing this solidarity of the people of New England, who are so largely dependent upon us for their wealth, should be so divided while you are united, and that we should help you to fight your battles, neglecting to fight our own.

[At this point the honorable Senator yielded to Mr. VOORHEES for a motion for a recess.]

Friday, October 20, 1893.

Mr. PEFFER. When the Senate took a recess last evening, Mr. President, I was discussing the relations existing between the Government of the people and their interests in different sections of the Union, referring to our material interests in that connection, and also to our political interests; and by reason of the question which was submitted to me by the Senator from New Hampshire [Mr. GALLINGER], it occurred to me after the recess that possibly my motives were not properly understood. With a view of making the matter clear I wish to devote a very short time to expressing my views upon that point.

In the first place, Mr. President, I do not wish to arouse nor to encourage anything savoring of sectional prejudices or sectional animosity. We had enough of that in the past years. Those things brought the people into a great war, and that war determined that the American people will not submit to any forceful division of their territory, nor to any peaceable division of it. We are a nation broad-gauged, liberal-minded, enterprising, progressive, indomitable, and courageous. In what I am about to say to-day, and in what I expect to say hereafter, if I am permitted to conclude the remarks which are now jotted down and foreshadowed in the notes before me, I have no reference whatever to any natural differences between the people of the Eastern States and the people of the Southern and the Western States.

We are all one people. We are all kin. We speak the same language. We have the same religion. We worship the same God. We cherish the same memories. We are proud of our glorious history. We are proud of our common ancestry, and our hopes for the future are in common.

A great deal has been said concerning conditions existing in certain sections of the country, but under like circumstances men in the South and men in the West would have done what the men in the Eastern States have done. The people inhabiting the States to the east of us are neither better nor worse than we are; but I want to draw a line between conditions existing in different parts of the country that will be so plain that all of us may look at what is included within those lines.

The New England States, to begin with, are small in area. The six States of New England altogether are but little more than two-thirds the size of Kansas. Put them with New York, Pennsylvania, New Jersey, and Delaware all in one and their combined area is very small in comparison with that of the whole country; yet, while that is true, it is a fact of very great importance that all the great arteries of American commerce center in the city of New York. Most of the heavy owners of all our great railway lines reside and transact business in either New York, Philadelphia, or Boston. The great manufacturing industries of the country are centered within that territorial area. While there are vast manufacturing enterprises in other parts of the country, the headquarters of the manufacturing industries are within the States I have named.

There is nothing unreasonable or unnatural about those facts. They have come to us in the logical order of things, and I am making no complaint about it. I am calling attention to the fact for the purpose of using it in argument hereafter.

This great concentration of wealth creates power and influence in all directions. The railroad interest is a powerful one. It extends throughout the entire country. There is hardly a county in the Union that has not one or more railway lines running through it, and there is not a mile of that vast system that is not represented locally by at least one of the best lawyers to be found in the region.

If all the lawyers who are in the employ or retained in the interests of one great railway system in the country were marshaled together they would form an army as large as Gen. Jackson had at New Orleans, larger than Gen. Scott had at Lundy's Lane. If you put together the different armies made up of lawyers representing the different great railway systems of the country you will find that the influence of the railway system reaches out into every county in the United States. The headquarters of the railway system are in New York City, Boston, and Philadelphia. Take the manufacturing interests and the persons through whom the manufacturers sell their wares, the wholesale men, the jobbers, and the retailers, and we find that the whole country is honeycombed with manufacturing interest and its influences.

There is still a greater power than all of these combined centered in New York City; that is the power which we usually designate as the money power. It reaches out not only into the towns and cities, but it reaches into the homes of the people. It is the greatest of all powers in this country and in the world.

Here, then, we have the headquarters of the three most important of all powers concentrating their influence in the Eastern States. One of the things which follows from that is that a different manner of life is encouraged there; another thing which follows from it is that political influences center there. Every important meeting of great committees is held in New York. I mean committees having charge of either political or financial interests. When the executive committees of either of the great political parties confer for the purpose of raising revenues to conduct a national campaign, they meet in New York City, and it is not too much to say that by far the largest contributions which go into the campaign funds for national purposes come from the city of New York, joined by Boston and Philadelphia, and it is not going too far to say that many of the same men who contribute to the funds of one party, likewise contribute an equal amount to the funds of the other party. They care not which of the two parties succeed, because they have the control of both.

This gives to those men a tremendous political leverage over the people of the country and their business interests. Through that kind of political engineering men of great distinction and oratorical powers are sent to different States, where their services can be made most valuable from a party standpoint, as a general distributes his army, sending Gen. Brown to this point and Gen. Smith to that point and Gen. Thompson to another point those points which need the presence of a skillful commander.

We have this great influence to contend with in every part of the country. It is from that sort of influence that come the "blocks of five" and similar proceedings, which have disgraced the country, and it is against those combined influences that my argument is directed.

Hence in my remarks yesterday I spoke of the difference between the conditions existing in the eastern part of the country and those existing in others, and, to illustrate it, I referred to our territorial area, our population, the fertility of our soil, and our great rivers. The Ohio River between Pittsburg and Cairo has as much navigable length as the Danube in Europe; the Arkansas River has more navigable length than any river in Europe. If all the lakes in Europe were put into one they would not be equal to one-half the area of Lake Erie.

We have mines of coal, of iron, of silver, and of gold, very few, if any, of which are to be found in the Eastern States. Those States are peculiarly manufacturing States; they are adapted to the great business vitality which has been nurtured there, and an enterprising, earnest, intelligent people have grown up. No wonder that they have been able to amass so much wealth and to exhibit such energy, because the whole country has been paying tribute to them.

The Senator from New Hampshire [Mr. GALLINGER] asked me yesterday if the people of New England did not pay for everything they receive. Yes, Mr. President, they do pay for everything they get.

I took occasion last evening to refer to the great amount of surplus products which are poured out from our region of country and what a vast amount of commerce, foreign as well as inland, the States west of the Mississippi furnish in their wheat, their corn, their cotton, their cattle, and other live stock of different kinds.

Resulting from all these conditions comes the final one, namely, a unity of interests so great in its influence and its power that it overrides the prejudices of party and of religion. The strongest social and political ties are not strong enough to separate that busy people when a contest of local interests is brought before them. When the amendment which I had the honor to propose some time ago to the pending bill was voted upon, and all through this discussion, we have found that party lines among our Eastern neighbors are wholly obliterated with a single exception.

The Senator from Pennsylvania [Mr. CAMERON] has voted with the silver men in all our different votes up to the present time, and will doubtless continue so to vote to the end. With that exception all of the Senators representing the States of which I have been speaking, have voted one way, and that against all propositions providing for the future coinage of silver money. They have all voted on the side of the pending measure. The

reason they do so is not because they are dishonest, not because they want to rob anybody, but because they think their interests lie in that direction.

That being true, it lays the best foundation possible for a union of people whose interests are alike in other directions; and there is nothing sectional in that. While the people of New England and of the Eastern States join together in the protection of their own interests in their own way, they make no war upon the American Republic, they make no war upon American institutions, they simply say in this body to the country "our interests lie in that direction, and we follow our interests."

It so happens that they have friends, many friends, who sympathize with them in other parts of the country. While in some States the feeling is almost unanimous against them, yet in others they have a larger following. So there can be no sectional feeling charged against us.

But the point I present to Senators from the South and from the West is that, in the face of this combined opposition, having no higher or better purpose than the serving of their own local material interests, the time is at hand when our votes should be united. I think our interests should be made common cause, and we should bring our votes, our voices, and our influence, whether private our public, to bear along the line of our own interests. That will not be unpatriotic; there will be nothing sectional about it; but it will tend to build this country faster than it has ever been builded before; it will tend to develop our resources faster than they have ever been developed before; it will in every way tend to the building up and perpetuation of this great nation of people. We shall have greater respect among ourselves, and we shall have greater respect abroad by taking this course.

It has become perfectly evident within the last year or two, more especially within the last ninety days, that it is utterly impracticable for this money question to be disposed of on party lines as they are now drawn. It is not practicable to do so, for the division is too great.

I am in favor of postponing the further consideration of the bill until we can go before the people upon a clean-cut issue and let it be determined by them. Then we can come back and act upon it in harmony with the people's will.

Those newspapers which have been so clamorous for hasty action, declaring that the country was going to the bow-wows unless the Senate acted immediately, now that they see it is impossible to rush the bill through, are going so far as to say it is better to wait two years or five years, if need be, in order to demonstrate whether or not the majority shall rule; that there is still something greater than this question, though thirty days ago this was the greatest of all questions, and everything was going to destruction unless the Senate acted immediately.

I ask the Senate to bear with me while I talk about this matter of party disintegration, not for the purpose of making a stump speech in the Senate, but for the purpose of emphasizing a great truth. For example, we find that the Senator from Ohio [Mr. SHERMAN], perhaps the most distinguished Republican of his day, and the chairman of the Committee on Finance [Mr. VOORHEES], who has charge of this bill, and other Republican and Democratic Senators, the President of the United States, the Secretary of the Treasury, and other members of the Cabinet are in hearty accord urging the passage of the bill.

In order to bring before the Senate the thought which is in my mind, let me trace the public history of the Senator from Ohio, beginning with 1867, when he attended a conference of financiers in the city of Paris. From what he learned there, from what he saw, or believed he saw, he became convinced, if he had not been before that time, that the best thing for the people of the United States to do in their financial affairs was to adopt a gold standard. He believed, from what he saw and learned there, that in a little while Germany, and possibly France, would go to the gold standard; at any rate, that the feeling was strong in Germany. Coming home with that view of the matter, very naturally the Senator from Ohio took a leading part in our financial legislation—for he is one of that class of men who can not follow—his natural gifts and acquirements make him just like his great brother, Gen. Sherman, a leader of men and not a follower. His counsel was in the direction of a gold standard in the United States, and from that time until the present the Senator has consistently followed that line.

In 1869 the Senator advocated the proposition that all of our paper obligations were payable in the end in coin—gold and silver coin.

In 1870 the Senator advocated the funding bill, which made a provision that all of our outstanding indebtedness, with the exception of the United States notes and fractional currency, should be put into long-time bonds, and the debt funded in that way, payable in coin.

Then, when 1873 came along, the Senator favored the act of that year revising the mintage laws—the act which omitted the silver dollar from our coinage.

The Senator advocated the resumption act of 1875, and as Secretary of the Treasury collected the $100,000,000 gold reserve. He has all along—since 1867—favored the single gold basis. The Senator has not been in favor of the free and unlimited coinage of silver at any time since 1867. The Senator from Ohio and a majority of Republican Senators, with the gentlemen who are in the leadership of the Democratic party, are in perfect accord upon the propositions contained in the pending bill. On the other hand, there has been a gradual falling off of Republicans, a gradual falling off of Democrats, a falling away and a loosening of party ties, and a new combination has been formed in the Senate, made up of Senators representing the three parties—Republican, Democrat, and Populist—a combination agreed in favor of free coinage of gold and silver at the present ratio and opposing monometallism.

A large number of Republican and Democratic Senators are agreed on the other side. We are arrayed in two great bodies; and that is why it is claimed that the Government is paralyzed. But there is no truth in that statement; it is nonsense, the mere vaporing of morbid imagination. There is no paralysis in the Government. The Government was never so lively as at this hour; there has never been so much spirit in the legislative body as there is now; there has not been in a quarter of a century as much life in the Senate as there has been in the last sixty days.

It is proposed, I see in the press, which seems to be legislating for us, that we are to pass the bill and let it take effect at some time in the future. You will begin to strangle the people and complete the work four years from to-day; so that during all that time we are to understand we shall be dead at the end of four or five years; they will let us live and linger along, while their power grows stronger and stronger; and, if it can be so arranged, the two old parties will be kept together, with the nominating powers in New York, with the sinews of war in New York, with all the great social, political, and material influences in the Eastern States, to keep the rest of the country in subservience.

There has been a consistency in the methods of the gold monometallists from the time we went to the gold standard down to the present hour. It was largely confined to the Republican party in the beginning, but now the Democratic party, having the power of government in its hands, is quite as strongly for the gold basis as its old enemy. Populists have been insisting ever since we have been organized that the money question is at the front, and now when the brute test is being made, we find Democrats who favor the passage of the bill and Republicans of like mind join hands to force the measure through.

Mr. President, our newspaper critics insist that a new issue is coming to the front, and perhaps it is, because in the discussion of what is involved in this bill a great many new questions will rise. I have something here from the New York Herald under date of the 13th instant, headed, "It is now a conflict between democracy and oligarchy," in which this language is used:

> Vitally important to the prosperity of the country as the issue of repeal is, it has sunk to a minor place in the scandalous spectacle presented in the Senate Chamber at Washington.
>
> It is overshadowed by a far higher and broader issue—one which involves a fundamental principle of republican government.
>
> That issue is whether under the American Constitution the edict of the few or the rule of the many is supreme; whether in short, this Government is a democracy or an oligarchy.
>
> The attitude of the few mining-camp Senators is not the attitude of a minority asserting its constitutional rights. However plausible their pretense hitherto may have been, they now stand by their own acts unmasked and pilloried before the nation as obstructionists, pure and simple, bent on preventing a vote in order to override the will of the majority, paralyze the functions of the Senate, and block the way to legislation demanded by the people and essential to the welfare of the country.
>
> To this end, they have not scrupled to force a spectacle at once scandalous to the Senate and revolting to the country—the spectacle of a great legislative forum turned into an arena for a trial of brute force and animal endurance.

I ask, who precipitated this trial of brute force upon the Senate? Who imported it here? Not the silver Senators.

> To wield the power of oligarchs, they have not hesitated to resort to constitutional rebellion and parliamentary anarchy.

We have brought to our ears from the outside of the Chamber sounds purporting to be echoes of the public voice; allegations that Senators, honorable men, actuated by the highest and purest motives, are governed in their conduct here by a disposition to obstruct the business of the Government and to paralyze the industries of the country. Furthermore, it is charged that our conduct is rebellious, and partakes of the nature of rebellion and revolution.

On the 15th day of the month, last Sunday, the New York World said:

> Is it seriously proposed to compromise the right of the majority to rule? Who dares to propose or to make a surrender of the essence of popular government?

So asks the World. I ask, in response, who is asking anything of the kind? Who is here proposing to overturn the law and the usages and the customs of this body or to violate any provision of the Constitution?

There are some things—

Says the World—

There are some things that do not admit of compromise. The integrity of the Union was one of them. The right of the majority to rule is another. The honor and credit of the nation are in the same category.

The majority of the Senate should stand, to the end of this Congress if necessary, upon its right to vote, and for the right of the people to have their will embodied in law. In refusing compromise it is resisting revolution.

The same point which the Herald brings out. Here we have the great center of political influence saying to the country, "Here is a little faction of mining-camp Senators, men coming from the sage-brush region, who, by reason of long customs and usages"—which they forget to say are the law of the land—"are permitted to stand between the majority of the people and the majority of this body, defeating the popular will and paralyzing the energies of the Government." We are not so able, we are not so strong in mental endowments, not so well equipped in parliamentary knowledge, and in all of the great agencies adapted for the work as our fathers were, but we are waging battle as best we can in the name of the people. We are not traitors nor rebels, and we do not intend that our position shall be misconstrued either now or when the end comes.

I read again from the same paper—the World—dated the same day, October 18:

There is much more at stake now than financial relief.

They can easily pass over what was announced a little while ago in trumpet tones as necessary to the vital interests of the country!

There is the burning question of the right of the American people to have their will recorded in law. There can be no compromise with those who essay to deny that right.

We have insisted from the beginning that when the time comes—and we have as much right to determine that time as anybody—we will be ready to vote. Personally, I think that time is not very far distant; and I will say, furthermore, that personally I have been ready to vote at any time since this discussion began. I should much have preferred to speak for my people and to give the reasons governing my conduct here, and for the vote which I shall give; but I have been ready to vote at any time had the majority forced the issue, as it might have done if the rules had permitted it to do so in spite of our opposition. It was, however, because these rules, which have been so frequently quoted by Senators as a part of the Constitution, were interposed that the friends of the bill could not force their will upon the rest of us. There is a time for all things, Mr. President, and there will be a time to vote on this bill.

A little further. The World on the 19th instant said:

REPEAL IS INEVITABLE.

The repeal of the silver-purchase clause is inevitable if the majority holds its ground, as it must do or cover itself with contempt.

The result may be delayed. It may even fail to be achieved at this session. But the bill will stand as unfinished business to the end of this Congress unless repealers give up repeal.

It is worth a struggle to March 4, 1895, if need be, to establish again the right of the majority to rule and to affirm the power of the Senate to legislate.

There is no revolution in that, Mr. President. Even this loud-mouthed organ of the gold party in New York, that has been insisting that we have been guilty of treason, and rebellion, and revolution in delaying the vote, when we only asked that the vote be delayed until we could be heard, is willing to postpone the matter for a year or two years, and let the country drift along as best it may.

But there is more to follow. I now come to a peculiar and alarming feature of this outside discussion, this alleged expression of the public will. I have an article from the New York Times of last Sunday, from which I will read a paragraph:

It is of no consequence what the compromise may be. Any compromise now is surrender of the rights of the people in one branch of Congress. A measure that might have been accepted with honor when the session opened—

That is to say, a compromise proposition which might have been accepted with honor when the session began—

would now be as bad, as fatally bad, as free coinage itself, because any concession to the minority is a proclamation to the American people that on finance the Democratic party is in the hands and at the mercy of the little squad of revolutionists who are by this step allowed to dictate terms to the party.

* * * * * * * *

Even if it could be carried through a Senate caucus, we do not believe that the House would throw away the reward of the splendid courage and fidelity by which it responded to the people's wishes in August. And if political insanity could so far prevail in the House, Mr. Cleveland must be relied upon to interpose the people's veto to the attempted betrayal of their rights.

The Times, advocating the Democratic policy, urging the Democratic majority to get itself together and frame a bill and pass it, now insists, when it discovers that the particular bill which it wants passed can not be passed just now, that if the Democratic party gets itself together and proposes any sort of a compromise, the House must not disgrace itself and agree to the amendment; but that if it should go so far in the way of political lunacy, the President of the United States must interpose his veto in order to prevent the consummation of the outrage. The very thing that the Times and papers of its kind advocated in the first place, they now condemn in the party that is held responsible for the legislation of the country, as the Senator from Ohio [Mr. SHERMAN] said the other day; they condemn the act of a majority in case that party shall agree upon a compromise measure. It is not a majority measure these violent papers want; it is a repeal bill they want, and they care not how revolutionary the proceeding may be.

The spirit which instigates such articles as that is the spirit which foments revolution, rebellion, and anarchy. This same New York Times sent one of its reporters out to interview an eminent lawyer of New York City, and to procure the views of that lawyer concerning the rules of this body and the rights of the majority under the rules; whether or not some means within the rules or within the power of the Senate could not be devised by which to suppress this irrepressible minority, to get rid of these revolutionists and their rebellious conduct.

Mr. President, pause long enough, if you please, to think of the enormity of such a proceeding, that a great newspaper, and especially one founded by Henry J. Raymond and his compatriots, should send out upon the street to a lawyer and ask his views, for the purpose of publishing them to the world, as to what the Senate can do in certain emergencies. The lawyer asked as to the practicability of some plan to force a vote in the Senate. His suggestion is a heroic one, but, as he said, the situation is one which demands heroic treatment. Think of a great newspaper taking the advice of its lawyer as to how heroic treatment may be administered in the Senate of the United States for the purpose of manufacturing a false and pernicious public sentiment against delay in reaching a vote in this body. The very thing—revolution—that those papers condemned they are trying to foster and encourage.

The obstruction in the Senate can be overcome at any time—

Said this eminent lawyer—

and whenever the Presiding Officer, Vice-President STEVENSON, sees fit to boldly meet it.

Assuming there is a clear majority in favor of the repeal of the purchasing clause of the Sherman silver law, Mr. STEVENSON can press a vote, with the consent of that majority, although there is no rule recognized of cloture or call for the previous question. The method is perfectly simple.

Undoubtedly, Mr. President, it is a perfectly simple thing, in a lawyer's office in the city of New York, to prescribe rules for the conduct of this great body, a body that was organized in 1789, and is the same body to-day that it was then—always ready for duty, two-thirds of its members always in office, always organized, ready upon the call of the President. "The method is perfectly simple," says this lawyer.

The Presiding Officer declines to entertain dilatory motions, and on appeals from his decision the majority sustains him. He then puts a vote on the main question, after disposing of the various amendments then before the House, without recognizing any further motions to amend, has the vote and majority recorded, certifies the bill to the President, which, with his signature, becomes a law, although half the rules and customs of the Senate may have been violated in enacting it.

He then goes on in that style to the end of the interview. This article appeared in the Sunday issue of the New York Times. On the next day, Monday, was a dispatch in the Washington Post, headed "Equal to Revolution." It is a dispatch from Ann Arbor, Mich.:

Judge Thomas M. Cooley said to-day with reference to his recent statement to ex-Mayor Hodges, of Baltimore, that the action of the Senate in permitting the minority to defeat the silver bill by avowedly dilatory tactics was subversive of the Constitution.

It is a parliamentary principle of representative government that the majority shall rule. It was the intention of the founders of our Constitution, and embodied in the Constitution, that the majority in each House of Congress should control the deliberations of that House, any exception to this rule being specifically stated. Now, for a majority of the Senate to concede for any reason that a rule of practice in debate, or of Senatorial courtesy, makes it possible for a minority to prevent legislation by indefinitely prolonging debate, is equal to revolution. It is as much revolution as though accomplished with arms and violence.

I call attention to these facts in order that the country may understand how it is being attempted to manufacture a public sentiment to place those of us who are opposed to the passage of the bill in the catalogue of revolutionists and rebels. Thomas

M. Cooley, a respected jurist, now in the employ of a great corporation, is going to lecture to the country upon the rules of the Senate and upon the action of this body with special reference to our present conduct in relation to the pending bill. Mr. President, this is a most dangerous proceeding. Although there is nothing wrong, but everything right, in the people of the country discussing what we do in this body, yet when it comes to a great corporation, whether a newspaper corporation or a railway company, or what not, asking the opinions of a lawyer, and having those opinions published to the world for the purpose of arousing discontent and ill f eling against this body, it is a proceeding that can not be characterized in too strong language. All I desire to say about it is, let not a Cæsar come into this body and then there will be no need of a Brutus.

I wish to state my concurrence in the opinion of the President of the United States when he stated, if public rumor can be relied upon, that any compromise with the silver men, as he termed them, would be a surrender of the principle involved.

The President sees the situation with perfect clearness, and he has the hon sty and the courage to say boldly to the American people, "I do not believe in free coinage; I do not want any free coinage." He goes on to state, in his letter to Governor Northen, what he wants and what he does not want. The President sees clearly that any compromise which will delay or postpone or which will yield in any manner to the silver Senators is a surrender to that extent.

On the other hand, we believe that any compromise which does not give to us what we asked from the beginning, namely, the free and unlimited coinage of silver, is a surrender upon our part. So I give notice once more that, so far as I am concerned, and so far as are concerned those with whom I act politically, we do not propose to accept or to offer any other compromise than that, because we believe, just as the President of the United States believes, that anything more than that is a surrender of the principle involved. It is the principle for which we contend.

We believe more. We believe that any surrender of the principle at this time will, to that extent, strengthen the hands of the other side, so that when the contest shall come again, as it will come, until the people's will is respected, we shall have just that much more to oppose. We intend to hold what we have, and get all we can.

It is currently reported, too, Mr. President, that among the only possible conditions by which this discussion may be bridged over for a time is that the Secretary of the Treasury shall be armed with the power and authority to increase the interest-bearing debt of the country to the extent of from $200,000,000 to $300,000,000. The people do not want any more bonds issued. If a vote were taken upon that question—and it will be after a while—there would be an overwhelming majority against it. I believe that fully 90 per cent of the people of this country, upon a square issue, would vote against the proposition to issue bonds.

Why issue bonds? If our bonds are good they are good because the credit of the people is good. If our bonds are good for that reason, our notes are good for the same reason. Why issue bonds in order that a few people may have a permanent investment in our interest-bearing securities, rather than to issue our promissory notes? If our creditors are not willing to accept our notes, let them accept our wheat, our corn, our silver, or our gold—anything we have to sell, if they prefer them to our notes. No more bonds for us, Mr. President, no more bonds for us.

If we need more money, and if we issue Treasury notes to supply the need, the notes will all go into circulation and do the work of money. If we issue bonds, and buy gold with them, we will put the gold into the Treasury as a reserve fund, and we shall have that much more money lying idle; and if our present policy shall be pursued, the Secretary of the Treasury will not be permitted to touch it for the payment of a dollar of our indebtedness.

This delay, Mr. President, is a very hopeful one. Every day of delay is giving the people that much more time to study the subject for themselves, and they will be the better able to take a hand in the debate when the question comes before them. The bankers will scold, of course, and the newspapers will threaten; politicians, who have misled and betrayed the people that they should represent, will rave and storm. But, Mr. President, as we say in the West, let them howl; the Government still lives. If we shall be able to defeat the passage of this bill and thus destroy the unholy alliance of the Administration with Wall street, the struggle will become memorable in parliamentary history, for the Senate of the United States will have proved itself to be the refuge of constitutional liberty.

Avarice, and the wealth, influence, and power that come from its gratification, have destroyed every great nation that has gone down in the past. Landed aristocracy is incompatible with individual liberty. With the rapid accumulation of wealth by a few men, they become arbitrary, insolent, and in the end, unless they are successfully resisted, take away from the people their political and individual liberty.

Mr. President, after this debate had been under way ten days, or thereabouts, I had the honor to offer a resolution, which I will read:

Resolved, That the Secretary of the Treasury be directed to inform the Senate—

First. Whether, and in what respect, the national banks, or any of them, in the cities of Boston, New York, and Philadelphia, are being now conducted in violation of law.

Second. Whether said banks are paying depositors' checks promptly in lawful money.

Third. Whether said banks, or any of them, are demanding rates of interest higher than those provided by law for the loan of money or in discounting notes and bills.

That resolution was referred to the Committee on Finance on the 31st day of August. It was reported to the Senate but a few days ago. It required about forty-five days for the Committee on Finance to determine whether or not it should report the resolution favorably. No great principle was involved; no great question was at issue; nothing upon which the welfare of the country immediately depended. Yet it required about forty-five days for a committee of this body to report such a resolution. In the meantime we have been discussing this great question only about five days longer than that, and we have not yet reached a vote. I submit the two facts in order that in this matter of delay there may be a comparison drawn not to our injury.

Mr. President, a little while ago, perhaps a week ago, the senior Senator from New Jersey [Mr. MCPHERSON] addressed the Senate in a very able argument from his standpoint. Speaking at that time, and under the circumstances, the Senator was regarded as speaking for the Administration; so that what he said we may assume to be in harmony with the views of the powers that be. Among the first things to which the Senator called attention was the subject of bimetallism, and he defined it substantially in the following language: That bimetallism is opening the mints to the free mintage of both metals at the legal ratio. I was anxious to ask the Senator a question just at that point, but was denied the privilege in the Senator's usual courteous way. The question was this, whether the Senator would vote for such a bill as would be drawn in case bimetallism, as he defined it, were to be provided for—enacted, the opening of the mints to the free mintage of both metals at a legal ratio.

There is a legal ratio, Mr. President, and there is only one, and it has been in existence ever since the year 1837, that is, the ratio of 16 of silver to 1 of gold. That is the legal ratio between the two metals at this hour. This thing of parity between the metals is, with due respect, mere moonshine. The way to establish parity between the two metals for coin purposes is to name the parity in the law. The way to maintain it is to enforce the law.

The Senator says that bimetallism is opening the mints to the free mintage of both metals at the legal ratio. On the contrary, the Senator is not willing to incorporate in this bill any recognition whatever of the future mintage of silver. That has been tested, not only by question and answer by and from individual Senators, but by a direct vote on a call of the names of Senators, and the Senator from New Jersey votes loudly against a proposition to carry into effect the doctrine that he preaches in his address.

One of the strange things in this discussion is the position of some Senators upon the point to which I am calling the attention of the Senate. They insist that they are now and always have been bimetallists, and yet every time we undertake to test them they show to us that they are not bimetallists. They may be in the sweet by and by.

The Senator from Indiana, Mr. VOORHEES, and the Senator from Georgia, Mr. GORDON, and a number of others that I might name have all along——

Mr. TURPIE. Mr. President, I rise to a point of order.

The PRESIDING OFFICER (Mr. PERKINS in the chair). The Senator from Indiana will state his point of order.

Mr. TURPIE. My point of order is that a Senator can not be named on this floor.

The PRESIDING OFFICER. The Chair decides that the point of order is well taken. One Senator must refer to another as the senior or the junior Senator from his State.

Mr. PEFFER. I do not understand what the point of order is.

The PRESIDING OFFICER. The point of order is that it is discourteous to call a Senator by name. The Chair decides that a Senator in referring to another Senator should not address him by name, but as the senior Senator or junior Senator from his State.

Mr. STEWART. I move that the Senator from Kansas be allowed to proceed in order.

The PRESIDING OFFICER. The Chair does not think a motion is necessary. The Senator from Kansas will proceed.

Mr. PEFFER. I was about to say that the doctrine taught during the past years by Senators who favor the passage of this bill has been the same as we who oppose the bill are teaching at this time, but they are changing th ir course of action while they insist that they have not changed their opinions.

It is well known that the opinions of the gentleman who is now the President of the United States have been frequently pronounced in opposition to further silver coinage. He was elected with the knowledge of what his opinions on that subject were. He has never recanted; he does not recant now. He has built up an administration around him intended to carry into execution his views of public policy as he had expressed them time and ag in upon this question.

If Senators would come out boldly and say what seems to the rest of us to be so apparent, it would give more consistency, if I may use the word in that connection, or at least coherency to their remarks. Then we would understand that it is not a change of opinion, but it is a change of action in the interest of a political party.

There is another point to which I wish to call attention, but which has been so frequently and so elaborately argued that but a word is necessary. It concerns the remarks of the Senator from New Jersey, that under the provisions of the Sherman law the Treasury Department is required to pay in gold the Treasury notes issued in the purchase of silver bullion.

Mr. President, there is no such requirement in the Sherman law. On the contrary, the Secretary is required to coin of the silver purchased under the provisions of the act enough silver dollars to redeem the notes that are issued. It is alleged that in the law the Secretary shall redeem all notes in coin; and if there were nothing more than that there would be no question about what kind of coin was meant, but in connection with this requirement to redeem the notes in coin is a declaratory statement that it is the policy of the United States to maintain a parity between the two metals. Nobody has ever yet been able to explain the meaning of the word "parity" in the connection in which it is used in this paragraph.

If it is meant to maintain a parity between two metals—and that is what it says—it must be two metals that have the same opportunity in the open market, two metals that are bought and sold as commodities, like corn, wheat, cotton, rice, and tobacco. But to say that it can apply to two metals when the price of one of them is regulated by law and the other by competition in the market, is to cast suspicion on the intelligence of the framers of the measure; and that would be a very improper thing to do.

The law has already established the relation between the two metals, and the act refers to that fact, the legal ratio as now established or as may be established by law. If the present Secretary of the Treasury had redeemed the Treasury notes with silvercoin, as he was in the beginning inclined to do, there would have been no trouble about the parity.

If we had a system of free coinage like that I propose in the amendment which I offered this afternoon, the coins would go out at once among the people. The first hands in which the coins come would be the hands of the people, where they would stay. Then there would be no question raised about parity.

When we have a system of coinage—and I think coinage is much better than the purchase of bullion and coining in limited amounts—when we have a system of coinage that will supply the demands of the common people of the country, put it into their hands in the first instance, we will find that it will always circulate among the people and will never get further away than to the banks in the immediate vicinity; it will be always out there, and the Treasury will not be disturbed about it.

Notwithstanding the fact that in 1873 our unit was changed from the silver dollar to the gold dollar, the value of the unit was not changed. The silver and the gold in these coins is not the standard of value. The standard of value is what is included in the word dollar. How that is to be ascertained and how it was ascertained originally is a curious matter and one full of interest. It was simply by the division of the values as compared with the labor represented in the surplus products of the people—that which went out into commerce. One or two articles were singled out originally, and the one article selected which more nearly would divide all the rest either as a common divisor or by being subdivided itself. As time passed on gold and silver took the place of everything else, and when we came to determine the unit of our value the word "dollar" was used.

Now, Mr. President, mark this language, the value of the dollar or unit was to be the same as the value of the Spanish milled dollar. What was that value? It has never been determined. It has never been defined in the law. The only thing that has been done about it was that 1,000 Spanish milled dollars were melted up, if I have correctly read, and the mass was divided by 1,000, and it was found that the one-thousandth part of the $1,000 in mass contained just 371¼ grains of pure silver. So we have been in the habit of calling the value of the dollar 371¼ grains of silver, while in truth and in fact that is not the value of it at all, but the value of it is what the 371¼ grains of silver will purchase in the open market of articles the people want to use. That is the way to determine the value of the dollar.

If you will trace the history of the coinage of this dollar from 1792 down through the different acts to the present, you will find that in all cases the same quantity of pure silver has been retained in the coin all the way through. In the old coin of 1795, one of which I have in my pocket, 371¼ grains of silver were placed. The silver coin of 1892, one of which I have also in my pocket, contains the same quantity of silver. We are in the habit of speaking of the value of the silver coin as being 371¼ grains of silver when in point of fact, while that is weighed out and counted as the silver dollar, it is not its value, but the value is what it will purchase in the market.

In the act of 1873, while the unit was changed from the silver dollar to the gold dollar, the value of the dollar itself was not changed. In the strict construction of law the value of our unit to-day, the dollar, is just what 371¼ grains of silver will buy in the open market. That is the value of the dollar. We find that other property has fallen just about as fast as silver has fallen, and that this particular quantity of pure silver will purchase about as much of wheat and corn and oats and rye and cotton in the open market as it did in 1873, when it was worth 3 per cent more than what was regarded as a dollar's worth of gold. This is an added reason in favor of our side of this question. Notwithstanding the change of our coin unit from silver to gold, the value of the dollar remains the same.

Speaking of a very large class of people who are scattered all over the country in immense numbers, whose homes are isolated and whose business requires them to live far apart in their neighborhoods—I mean farmers—I call attention to the fact that their situation is changed quite as much as the situation in which other classes of people are placed. The manufacturing classes, for example, are living under conditions so different now as compared with thirty, forty, and fifty years ago as to amount to a transformation. With the multiplicity of invention, with the addition of improved machinery and labor-saving implements, the efficiency of the workman has been increased on the general average about fourfold or fivefold.

It is so in our carrying trade. We can all remember the old-fashioned stage coach and the freight wagon. A day or two ago the senior Senator from Massachusetts [Mr. HOAR] was kind enough to distribute among a few Western Senators a lecture delivered a short time ago before the American Antiquarian Society, giving a history of the old Santa Fe trade, a large part of which passed through the State of Kansas. The old trail over which the wagons and the ox teams and the riders wended their way with freight is still visible. Some of the old landmarks, the old watering places, and the camping grounds are still there visible. All that has passed as a dream. Our children know nothing of it except what they read in history, and yet they are perfectly fresh in our memory.

During the last Congress a bill was introduced proposing to appropriate money for certain parties for compensation to certain freight-carriers who went over the plains in 1857 during the Mormon rebellion. Now our freight is carried as rapidly as a bird flies. In every department of industry these changes have taken place.

In 1790 the cost of carrying our mails and of running the entire machinery of the post-office business of the country was only about $22,000, and the income was about $28,000. On the 30th of June, 1890, the number of post-offices in the country was 62,401; the number of mail routes was over 26,000, and their aggregate length was over 428,000 miles. The total aggregate of all the trips made on all the routes, both ways daily, is equal to a line that would encircle the earth at the equator forty-one times. Packages sent through the mails during the year, all told, amounted to over 4,000,000,000, more than half of which were letters, and the total expense of the business of the Department was $66,000,000 in round numbers. The total revenue was about $58,000,000. The estimated cost of carrying the mails on railroads alone for the year 1891 was $22,000,000 in round numbers.

One hundred years ago 90 per cent of our population lived on farms—indeed the latest estimate is about 95 per cent—and transportation was so expensive that the surplus wheat and corn had no market value whatever 50 miles away from a town. Transportation 50 miles ate up the cost of the grain. We have now about five million farms, and they are valued at something

over $11,000,000,000. Ten years ago the value of farm machinery was $406,000,000, in round numbers, and our farm live stock was worth fifteen hundred million. Our average annual production of wheat in the last twelve years has been a little upward of 500,000,000 bushels, and of corn we have raised nearly four times as much.

The opening of the Suez Canal has shortened the distance between Bombay to Liverpool about 10,000 miles and cheapened the transportation 50 per cent. Wheat grown in India may be landed in Britain now at 50 cents a bushel total cost. One man and three horses now plow as much ground with one plow as two men and four horses did with two plows formerly. One man with a seed drill will sow seed on twice as much ground as he could by sowing broadcast by hand. One man with a binder will put in sheaf as much wheat as twelve persons did before the reaper was invented. On the whole one man does as much work on the farm as two men did under the old régime, and more in some lines of work.

[At this point the honorable Senator yielded to Mr. FAULKNER for a motion to take a recess.]

Saturday, October 21, 1893.

Mr. PEFFER. Mr. President, there is no better way to estimate the general condition of the people of the United States than to measure it by the condition of the farmers, and I was talking upon that subject when the recess was taken yesterday. I had occasion to speak about the progress of agricultural methods, improvements in farm machinery, and in other respects, resulting in a greatly increased efficiency of farm labor, intending to show thereby that farmers have been improving in their methods as well as manufacturers and railroad builders and men in other departments of industry.

This morning I wish to call attention to the falling off in the profits of the farmer's business, and to trace as nearly as may be from contemporaneous conditions what have been measurably, at least, the causes of this falling off.

The American farmer of to-day is altogether a different sort of a man from his ancestor of fifty or a hundred years ago. A great many men and women now living remember when farmers were largely manufacturers; that is to say, they made a great many implements for their own use. Every farmer had an assortment of tools with which he made wooden implements, as forks and rakes, handles for his hoes and plows, spokes for his wagon, and various other implements made wholly out of wood. Then the farmer produced flax and hemp and wool and cotton. These fibers were prepared upon the farm; they were spun into yarn, woven into cloth, made into garments, and worn at home. Every farm had upon it a little shop for wood and iron work, and in the dwelling were cards and looms; carpets were woven, bedclothing of different sorts were prepared; upon every farm geese were kept, their feathers used for supplying the home demand with beds and pillows, the surplus being disposed of at the nearest market town.

During the winter season wheat and flour and corn meal were carried in large wagons drawn by teams of six to eight horses a hundred or two hundred miles to market and traded for farm supplies for the next year—groceries and dry goods. Besides this, mechanics were scattered among the farmers. The farm wagon was in process of building a year or two; the material was found near the shop; the character of the timber to be used was stated in the contract; it had to be procured in a certain season and kept in the drying process a length of time specified, so that when the material was brought together in proper form and the wagon made both parties to the contract knew where every stick of it came from and how long it had been in seasoning. During winter time the neighborhood carpenter prepared sashes and blinds and doors and molding and cornices for the next season's building. When the frosts of autumn came the shoemaker repaired to the dwellings of the farmers, and there, in a corner set apart to him, he made up shoes for the family during the winter.

All these things were done among the farmers, and a large part of the expense was paid with products of the farm. When winter approached the butchering season was at hand; meat for family use during the next year was prepared and preserved in the smokehouse. The orchard supplied fruit for cider, for apple-butter, and for preserves of different kinds, amply sufficient to supply the wants of the family during the year, with some to spare. Wheat was thrashed, a little at a time, just enough to supply the needs of the family for ready money, and not enough to make it necessary to waste one stalk of straw. Everything was saved and put to use.

One of the results of that sort of economy was that comparatively a very small amount of money was required to conduct the business of farming. A hundred dollars average probably was as much as the largest farmers of that day needed in the way of cash to meet the demands of their farm work, paying for hired help, repairs of tools, and all other incidental expenses, because so much was paid for in produce.

Coming from that time to the present we find that everything nearly has been changed. All over the West particularly the farmer thrashes his wheat all at one time; he disposes of it all at one time, and in a great many instances the straw is wasted. He sells his hogs and buys bacon and pork; he sells his cattle and buys fresh beef and canned beef or corned beef, as the case may be; he sells his fruit and buys it back in cans. If he raises flax at all, instead of putting it into yarn and making gowns for his children, as he did fifty years or more ago, he thrashes his flax, sells the seed, and burns the straw. Not more than one farmer in fifty now keeps sheep at all; he relies upon the large sheep farmer for the wool, which is put into cloth or clothing ready for his use.

Instead of having clothing made up on the farm in his own house or by a neighbor woman or country tailor a mile away, he either purchases his clothing ready made at the nearest town or he buys the cloth and has a city tailor make it up for him. Instead of making implements which he uses about the farm—forks, rakes, etc.—he goes to town to purchase even a handle for his ax or his mallet; he purchases twine and rope and all sorts of needed material made of fibers; he buys his cloth and his clothing; he buys his canned fruit and preserved fruit; he buys hams and shoulders and mess pork and mess beef; indeed, he buys nearly everything now that he produced at one time himself, and these things all cost money.

Now, I wish to refer to some statistical information, which I collected three years ago with a great deal of time and labor, and as far as it was possible to procure accuracy it was done. I prepared a tabulated statement showing the number of farms and the value of farm implements and of live stock, the number of horses and of mules and asses, and of work oxen, of milch cows and other cattle, of sheep, of swine, and of the number of pounds of butter, cheese, and of the bushels of corn, and oats, and wheat, and rye, and the number of pounds of wool, and of bales of cotton and tons of hay, and pounds of hops, of rice, and of tobacco, and of bushels of Irish potatoes and of sweet potatoes, in the years 1850, 1860, 1870, and 1880.

All of the figures relating to these different items for the year 1890 have not yet been brought under my observation, and I have not been able to bring them together in connection with those for the other four years. It appears from this tabulated statement that the average value of farms in 1850 was $2,257. In 1880 it was $2,543, and the average size of farms had decreased from 202 acres in 1850 to 134 acres in 1880. It will be observed that the size of our farms is decreasing; that whereas the number of acres in an average farm in 1850 was 202 acres, in 1880 it had diminished to 134 acres. I have no doubt that when the final summary of the Eleventh Census is given to us we will discover that the average farm has decreased to 120, or perhaps less than that number of acres.

The average value of the acres included in farms in 1850 was $11; in 1880 it had increased to $19, an increase of $8 per acre, or 73 per cent in the whole period from 1850 to 1880. The increase in value of live stock during the thirty-year period was 176 per cent; of farm implements, 170 per cent; increase in pounds of butter, 148 per cent; bushels of corn, 196 per cent; oats, 178 per cent; wheat, 357 per cent; rye, 40 per cent; pounds of wool, 196 per cent; cotton, 133 per cent; tons of hay, 154 per cent; pounds of hops, 651 per cent—the largest increase in the entire list; tobacco, 137 per cent; Irish potatoes, 158 per cent; making a general average increase on all these different items of personal property equal to about 200 per cent.

Comparing these figures and analyzing their meaning, it would appear that the increase, including the rise in the value of land, and the increase in the productive force of machinery, together with the fall in cost of transportation, the general average development and growth of agriculture during the period beginning with the year 1850 and ending with the year 1880 did not exceed 200 per cent.

This, Mr. President, is a very important matter. It appears from estimates made by our best statisticians, standard economists, both in this country and in Europe, that, comparing four great departments of our business, agriculture has made the least progress, the railroad interest taking the lead, the banking interest coming next in order, manufactures third, agriculture fourth, running over a period of about forty years, ending in, say, 1890.

The figures which represent the proportional development of those four great departments of business are about these: For railroading, the figures 15; for banking, the figure 8; for manufactures, the figure 4; for agriculture, the figure 2. Every other great line of business takes the lead of the greatest of all industries, that of agriculture. What is the particular and the

immediate cause of this disparity is matter for the profoundest thought, and probably no one man could feel himself large enough to state the cause in a single term or a single sentence.

From the reports of our Department of Agriculture and from the reports of great commercial bodies, like the board of trade at Chicago, for example, some very interesting developments are found.

The average price of No. 2 red wheat in Chicago, during the five years ending with 1883, was $1.11 a bushel, while in the next period of five years, ending in 1888, the average price of the same grade of wheat in the same market was 81 cents a bushel, a drop of 28½ per cent, although the wheat consumption of the country had fallen off 2½ per cent and the population had increased 15 per cent in the same time. Corn and live stock, cotton and wool, are about 40 per cent lower than they were twelve years ago. The annual average production of wheat in the United States in the years from 1871 to 1881, inclusive (eleven years), was 342,224,776 bushels. The average for the years 1880 to 1887 was 448,150,757 bushels, an increase of 30 per cent—just about equal to the increase of population during the same time. The annual average export of wheat during the years 1871 to 1882, inclusive (twelve years), was 95,345,889 bushels, and during the years 1881 to 1887 (seven years) the average was 135,500,076 bushels, an increase of 42 per cent. This shows that our consumption of wheat during all the years from 1871 to 1889 did not increase as fast as the population by about 3 per cent, and the market reports show that the average price of wheat during the years from 1871 to 1881 was $1.05 a bushel, while the average since that time has been about 75 cents, a drop of 30 cents a bushel—equal to 21½ per cent.

I have prepared also from the same sources a tabulated statement showing the average export value of wheat in 1875 and also in 1887, giving the reduction, and another statement showing the average farm value of wheat in 1875 and in 1887, with the reduction, and showing the price of No. 2 spring wheat in Chicago in the same two years and of the average farm value in New York, and in Ohio, and in Illinois, and in Nebraska. I will not repeat these figures, but will have them incorporated with my remarks.

	1875.	1887.	Reduction.
Average export value	$1.124	$0.89	$0.234
Average farm value, United States	1.00	.681	.319
No. 2 spring, Chicago	$0.99 to 1.04	$0.75⅞ to .78½	.25
Average farm value, New York	1.31	.82	.49
Average farm value, Ohio	1.09	.75	.34
Average farm value, Illinois	.91	.70	.21
Average farm value, Nebraska	.64	.53	.11

Wheat was lower in the United States in 1885 than it had been in forty years prior thereto, and in England it was lower in 1886 than it had been in a hundred years. The average value of our wheat crops by the acre during the four years, 1880 to 1883, was $11.77, and during the next four years it was $8.30½, a drop of 29½ per cent. Values of other grains and field products fell in about the same proportion during the same years.

While it is a little better with live stock, yet the drop has been almost as great and just about as uniform.

During the four years, 1880 to 1883, inclusive, there were 6,446,637 head of cattle and calves, 24,992,328 hogs, 2,208,238 sheep, and 52,418 horses received at the stock yards in Chicago, and their aggregate value, as appears from a careful computation, was $723,938,329. During the next four years, without going into details as to the particular number of cattle and sheep and other classes of animals, the aggregate value was $704,372,033. The average value per animal during the first period was $20.98, and during the second period it was $19. The increase in number was 7 per cent, decrease in value 10 per cent, though the population of the country had increased 22 per cent during the eight years. These last percentages would be varied somewhat if the values of the different classes of animals were given, but they were not given in the reports, and hence can not be given in this compilation.

On pages 304 to 314, inclusive, of the Statistical Abstract of the United States for 1889, figures are found from which this table was compiled, showing the average price of good and choice native steers per 100 pounds in the Chicago cattle market for each of the years named:

	1884.	1885.	1886.	1887.	1888.	1889.
Steers	$6.02	$5.25	$4.67½	$4.29	$4.70	$3.95

Another table, showing the average price of No. 2 red wheat, No. 2 corn mixed, and No. 2 oats in the Chicago market for the years from 1881 to 1889, inclusive:

Year.	Wheat.	Corn.	Oats.	Year.	Wheat.	Corn.	Oats.
1881	$1.318	$0.631	$0.459	1886	$0.885	$0.484	$0.351
1882	1.278	.801	.519	1887	.889	.506	.343
1883	1.175	.651	.429	1888	.971	.573	.355
1884	.975	.606	.360	1889	.883	.430	.288
1885	.964	.531	.359				

It is found that the general dropping of about 28 to 30 per cent has occurred in all those articles.

Still another table, showing the average price of medium wool per pound for the month of January of each year, the average price per pound of middling cotton, the average price per barrel of mess pork, and leaf tobacco per pound in the New York market for the years written:

Year.	Medium wool.	Middling cotton.	Mess pork.	Tobacco leaf.
	Cents.	*Cents.*		*Cents.*
1881	49	12.03	$16.94	8.3
1882	46	11.56	19.79	8.5
1883	43	11.88	16.59	8.6
1884	40	10.88	16.48	9.1
1885	33	10.45	11.58	9.9
1886	36	9.28	10.63	7.8
1887	38	10.21	15.00	8.7
1888	35	10.03	15.10	8.3
1889	38		12.57	8.8

It may be well to call attention at this point to the fact that while for a long period of years there has been a great fall in prices, yet the decline has not been continuous, steady, and regular from year to year. It will appear that taking the two years 1867 and 1887, for example, there has been a very great decline, almost if not quite 50 per cent. Yet along during the years from 1879 up to 1883 there was a rise, and there was a very general fall from year to year from 1867 to 1878. Then a steady rise, well maintained, from that price until 1882, 1883, or 1884, and the last decline has been from that period to the present. So it will not do for us to say that any one cause has operated to effect this remarkable depreciation. If it were true that there was but one cause operating then the decline should have been steady and uniform from year to year, but of that more after a time.

Now, I call attention to a compilation which is taken from page 290 of the Statistical Abstract of the United States for 1889, showing the total production of all the cereals—wheat, corn, oats, rye, barley, buckwheat—for all the years from 1867 to 1888. One remarkable feature of this table is the following: that in 1867 the total production of all the cereals, taken as one, was 1,329,929,400 bushels, and that the total products of the same articles in the year 1887 was almost exactly twice as much, and yet the value of the total crop in 1867 was $1,284,037,300, while with twice as much produced on twice as many acres in 1887, the price was $80,000,000 less than it was twenty years before, for one-half as much grown, upon one-half the acreage; but, as stated a few minutes ago, the decline was not uniform and steady from year to year, but there was a rise along about the middle of the period, occasioned from whatever cause.

Table showing the total production, acreage, and value of all the cereal crops—corn, wheat, rye, oats, barley, and buckwheat—in the United States from 1867 to 1888.

[Taken from page 290 of Statistical Abstract of the United States for 1889.]

Calendar year.	Total production.	Total area of crops.	Total value of crops.
	Bushels.	*Acres.*	
1867	1,329,729,400	65,636,444	$1,284,037,300
1868	1,450,789,000	66,715,926	1,110,500,583
1869	1,491,612,100	69,457,762	1,101,884,188
1870	1,629,027,600	69,254,016	997,423,018
1871	1,528,776,100	65,061,951	911,845,441
1872	1,664,331,600	68,280,197	874,594,459
1873	1,538,892,891	74,112,137	919,217,273
1874	1,454,180,200	80,051,289	1,015,580,570
1875	2,032,235,300	86,863,178	1,030,277,099
1876	1,963,422,100	93,930,619	935,008,844
1877	2,178,934,646	93,150,286	1,035,571,078
1878	2,302,254,950	100,956,260	913,975,920
1879	2,437,482,300	102,260,950	1,245,127,719
1880	2,718,193,501	120,926,286	1,361,497,704
1881	2,066,029,570	123,388,070	1,470,957,200
1882	2,699,394,496	126,568,529	1,469,693,393
1883	2,629,319,088	130,633,556	1,280,765,937
1884	2,992,880,000	136,292,766	1,184,311,520
1885	3,015,439,000	135,876,080	1,143,146,759
1886	2,842,579,000	141,859,656	1,162,161,910
1887	2,660,457,000	141,821,315	1,204,289,370
1888	3,209,742,000	146,281,000	1,320,225,398

I have made a combination of these figures in four different periods of three years each in order to emphasize the point made that the decline has not been uniform, and, therefore, must be attributable to more causes than one.

TABLE XI.

Periods.	Total production.	Total area of crops.	Total value of crops.
	Bushels.	*Acres.*	
Three years, 1867, 1868, 1869	4,272,130,500	201,810,132	$3,496,422,071
Three years, 1876, 1877, 1878	6,444,611,396	288,027,165	2,884,555,842
Three years, 1879, 1880, 1881	7,221,705,371	346,575,306	4,077,562,623
Three years, 1886, 1887, 1888	8,712,778,000	429,961,971	3,696,706,678

I have compiled the aggregate production of the cereals and the number of acres upon which they were grown, first for the three years 1867, 1868, and 1869; second, 1876, 1877, 1878; third, 1879, 1880, 1881; fourth, 1886, 1887, 1888, and it appears that the average price per bushel of these combined crops in the first period was 81¼ cents; for the second period, 44¼ cents; for the third period, 56½ cents; and for the fourth period, 42½ cents. It appears that the second period and the fourth period are very nearly alike in their averages of price. From the first period to the third period there was a drop from 81¼ cents to 56½ cents, showing that the fall during that period was greater than it has been during the last-named period.

In connection with these tables, I will submit three others which have been referred to before during this debate by other Senators, for they are pertinent here.

The first of the three tables is one showing in parallel columns the average value of a large number of articles in common, every-day use among the people, about forty-five in number, taking 102 as the index number, comparing it with the fall in the price of silver from 1874 to 1892; and the same thought is brought out in another table by two classes of economists, American and European, and they are placed side by side in order that they may be compared:

Table showing fall of wheat, etc., and silver.

TABLE 1.

The following table gives in parallel columns for the years 1874-1892 (1) the index numbers for the forty-five commodities and (2) the index numbers of silver for the same year:

Mr. Sauerbeck's index numbers.

Year.	Index numbers of 45 principal commodities.	Index number of silver.	Year.	Index numbers of 45 principal commodities.	Index number of silver.
1874	102	95.8	1884	76	83.3
1875	96	93.3	1885	72	79.9
1876	95	86.7	1886	69	74.6
1877	94	90.2	1887	68	73.3
1878	87	86.4	1888	70	70.4
1879	88	84.2	1889	72	70.2
1880	88	85.9	1890	72	78.4
1881	85	85.0	1891	72	74.1
1882	84	84.9	1892	68	65.4
1883	82	83.1			

TABLE 2.

Year.	American computation, price of—			European computation—Mr. Sauerbeck's index numbers.	
	Silver.	Wheat.	Cotton.	Index number of 45 principal commodities.	Index number of silver.
1872	1.32	1.47	19.3		99.2
1873	1.29	1.31	18.8		97.4
1874	1.27	1.43	15.4	102	95.8
1875	1.24	1.12	15.0	96	93.3
1876	1.15	1.24	12.9	95	86.7
1877	1.20	1.17	11.8	94	90.2
1878	1.15	1.34	11.1	87	86.4
1879	1.12	1.07	9.9	83	84.2
1880	1.14	1.25	11.5	88	85.9
1881	1.13	1.11	11.4	85	85.0
1882	1.13	1.19	11.4	84	84.9
1883	1.11	1.13	10.8	82	83.1
1884	1.01	1.07	10.5	76	83.3
1885	1.06	.86	10.6	72	79.9
1886	.99	.87	9.9	69	74.6
1887	.97	.89	9.5	68	73.3
1888	.93	.85	9.8	70	70.4
1889	.93	.90	9.9	72	70.2
1890	1.04	.83	10.1	72	78.4
1891	.90	.85	10.0	72	74.1
1892	.86	.80	8.7	68	65.4
1893	.75	.68	7.2		

The third table is one showing how prices of transportation have fallen since 1873 down to 1891.

Table showing how prices fell in the United States from 1873 to 1891, and comparing these prices with the depreciation of silver.

Starting at 100 cents in 1873 the price of each article in the table fell gradually to the number of cents in 1891, shown below:

Freights on New York Central Railroad	48
Freights on Pennsylvania Railroad	42
Freights on Illinois Central Railroad	43
Freights on lake and canal from Chicago to New York	30
Freights on canal from Buffalo to New York	39
Price middling cotton	42
Price wool, average	49
Price mess pork	70
Price pig iron	41
Price cut nails	38
Price corn, export	81
Price wheat, export	74
Price flour, export	64
Price cotton, export	53
Price leather, export	65
Price illuminating oils, export	50
Price bacon and hams, export	86
Price lard, export	75
Price salted pork, export	76
Price beef, export	73
Price butter, export	70
Price cheese, export	69
Price tobacco, export	80
Price silver	76
The average of these twenty-three items, excluding silver, is	57

NOTE—The export price is more than is paid the farmer.

Putting all of these different tables and individual statement of facts together, we are better enabled to arrive at a reasonable and just conclusion as to what has occasioned the fall in the price of farm products.

Now, I want to compare agricultural conditions in different parts of the country. I will start first with New England. I quote information from a work by a Mr. J. R. Elliott, entitled American Farms, printed a few years ago and published in one of the Eastern cities.

Mr. Elliott shows that the property of New England farmers fell in value from $707,942,439 in 1870 to $671,846,058 in 1880. In forty-five agricultural towns in Connecticut the decrease of wealth in eleven years, 1865 to 1876, amounted to $1,893,172; between 1876 and 1886, the decrease ran up to $2,741,520. Out of 603 farmers interviewed, 378 show a yearly loss. He gives it as his opinion that at least 33⅓ per cent of the New England farms, taking them as a mass, are mortgaged for a greater or less amount. In Connecticut, out of 603 farms recently visited by an investigating committee, so says Mr. Elliott, 241, or 40 per cent, valued at $1,008,350, were mortgaged to the extent of $451,109, and he calls attention to the fact that many of the New England farms had been abandoned by their owners.

Mr. President, I will take occasion now to refer to that subject again, for it seems that there is a misunderstanding, or at least a misapprehension upon the part of a great many persons concerning these alleged facts. It is not meant that New England is becoming depopulated, although, if I have correctly read such of the census reports on the subject as have yet been given to the world, the uphill towns, as they are called in Massachusetts, that noble old Commonwealth that every American loves, the number of farmers living in that region is less to-day than it was a hundred years ago, and all through New England, speaking generally, while it is true that many of the farms are tenantless, and some of them absolutely abandoned, it is not because of the fact that the people of that region are all moving away to some other part of the world.

I spent a few days in that romantic region known as the Berkshire Hills, in Western Massachusetts, a couple of years ago, and I found that where there had once been productive farms, where families had been reared and educated, where a grand civilization had grown up, farms had been abandoned by their owners, because they had sold them to men of wealth and leisure, who were beautifying them with splendid buildings and adorning them with shrubbery and all manner of floral decorations; the grounds were graded and drained, beautiful walks had been prepared round about the buildings, and that instead of the value of the land having depreciated, so far as those particular farms were concerned, they have greatly advanced.

It is a fact, nevertheless, that during the same visit to which I have referred I repeatedly saw little signboards by the roadside, with an inscription like this upon them: "This farm for sale." I inquired of my companion, "What does this mean? Why are there so many farms in Massachusetts for sale?" "Why," he said, "the reason is plain; farming does not pay here. Your people in the West have destroyed our agricultural interests to a very great extent. We can not compete with you. You can raise wheat cheaper than we can. Your lands are less valuable than ours. New men, young men, strong and vigorous, go out to your splendid region, and they open farms and raise crops in

competition with old New England. We never were able to raise a very large amount upon an acre of ground, because we have so many hills and rocks; a large part of our country is rugged and rocky, and therefore not so well adapted to agriculture, and especially to grain, as yours is, and that is the principal reason why our farms are being abandoned. The owners can do better in the city or at something else."

So, Mr. President, when I am calling attention to these things, I again wish to emphasize that I am not asserting the poverty of all the people there. I am simply calling attention to the fact; after awhile I expect to show that while agriculture is going down as a business in New England, manufacturing, railroading, banking, money-lending, etc., are increasing at a wonderful ratio; that, taking it all in all, while agriculture is declining in New England yet New England, itself is growing richer and richer all the time. I do not agree that conditions there are favorable for the farmer; I do not agree that the conditions are favorable for the average poor man; but they are good for the manufacturer, for the railroad-builder, for the banker, and for the money-lender.

I had some correspondence about this matter a few years ago with the commissioner of agriculture of the State of Vermont, and also with the officer in charge of the agricultural interests of the State of New Hampshire. They had sent out official communications advertising to the world that there were a great many farms in those two States for sale, lands which could be purchased on very reasonable terms by persons who would come and settle upon them. With those statements was the further statement that nearly, if not quite, all of the farms so advertised were good for dairy purposes, and some of them were good for the raising of grain; that all they required was the hand of a husbandman who would be satisfied with a reasonable compensation for his labor. I am informed that a large number of persons from foreign countries, more especially from Canada, have settled upon many of those vacant lands, and that there are not now so many abandoned farms there as there were a few years ago, the persons settling upon the lands now being content with less income, less yearly profit, than the men who opened the farms. The New Englander, "native" and "to the manner born," does not want to work for low wages, and will go where he can get better wages than he can at home, provided he can find such a place.

The New York Tribune, first in 1888, if my memory serves me, published a statement to the effect that the real-estate assessors in the State of New York had reported to the Legislature that the farm values were falling. In the State of New York real estate is assessed every two years, one-half in the even-numbered years and the other half in the odd-numbered years, thus alternating; and I remember very well reading in the issue of the New York Tribune of March 24, 1890, that the State assessors had reported in language which I shall now read:

There continues to be marked depreciation in the value of farm lands in nearly every county, and the depression among the farmers continues, while the prospect for improvement is not good. Many assert that, after paying expenses, they can not realize from their farms sufficient to pay the interest on mortgages, and consequently thousands of farms are falling into the hands of mortgagees.

On the 5th day of April, 1890, the following dispatch was published in the daily papers:

MAYS LANDING, N. J., *April 4.*

The misfortune which has come upon the farmers of the town of Germania causes intense excitement all over southern New Jersey. Over forty families are now homeless. Sheriff Johnson, of Atlantic County, has sold within the last two days two hundred farms to satisfy mortgages which had been foreclosed.

Mr. W. F. Mappin, in the Political Science Quarterly for September, 1889, published this statement:

Boston numbers more than fifty agencies of farm-mortgage companies. It is computed that Philadelphia alone negotiates yearly more than $15,000,000 on Western loans. Kansas and Nebraska have one hundred and thirty-four incorporated mortgage companies. The companies organized under the laws of other States but operating in these two States increase the number at least two hundred.

In this reckoning—

The same writer says—

no account is taken of firms and individuals, although a large amount of money is directly invested by lenders of this class.

Prof. Gleed, in the Forum for March, 1890, uses this language:

It is impossible to say how much has been invested in the West in real estate securities, but the amount is enormous. Five mortgage companies at Topeka, Kans., report that the loans made by them, and still outstanding, amount to $22,000,000. Of this sum 90 per cent has been invested in Kansas. Five companies at Kansas City report $65,000,000 outstanding. This amount has been placed in a dozen Western States.

Whether this mortgage indebtedness is an evidence of prosperity, or whether it is an evidence of adversity, is disputed by economists; one class insisting that a mortgage represents an investment, and sometimes doubtless it does; another class holding that when mortgage indebtedness becames very general, more especially when it is found to exist in old settled rural communities, it is an evidence of decline, that the business in which the people there are engaged is not profitable. In the newer States, where we are constantly taking in new lands, where, by reason of increasing population and increasing facilities for the transportation of our produce, the values of lands are rising, the influx of population brings with it more or less money, increasing our local valuations. While that is all true, the business of farming as such—speaking of it in a general way—is not profitable in any part of the United States nor in any part of the world.

I know very well, as we all know, that some farmers are making some profit, and I have now in my mind Pennsylvania farmers especially. As far as the price of corn is concerned, they have no special cause for complaint. A short time ago, conferring with an old farmer in the Cumberland Valley, from whom I once earned 10 cents a day dropping corn, that if the price of all other farm products had maintained itself as well as that of corn, the Pennsylvania farmer would not have any great reason to complain; that while the price has fallen, yet the prices of farm machinery have fallen, and the prices of a great many other articles, and particularly since the passage of the McKinley act, the price of sugar has fallen; that, measurably, the outlay of the farmer is not so great as it was in former years; and, taking these things into account, if the fall in wheat and in hay and other farm products had not been greater than that of corn, there would not be any just reason for much complaint about it.

I want to call attention to a local authority in Massachusetts as to the condition of agriculture there. I have here a printed report of the proceedings of the Massachusetts State Grange, an organization of farmers, and one, speaking of it in its national character, which will go down into history as the pioneer in the movement of farmers to take care of their own interests. The Patrons of Husbandry is the name of the order. It was organized in this city in 1867, and grew at one time to a membership which was very large—upwards of 500,000.

At a meeting in Worcester, in December, on the 16th, 17th, and 18th days of that month, in 1890, the committee on unequal taxation made a report to the body, which is full of interest. They speak of unequal taxation and refer to the fact that a large amount of personal property in Massachusetts wholly, or at least to a large extent, escapes taxation. They say that the farmer's property is visible, it is exposed before the eyes of the world, and there is no danger of the assessor missing it; but when it comes to the personal property of men of wealth and of corporations, vast amounts of it wholly escape the eye and the ear and the pen of the assessor, and therefore the farmers are subjected to unequal taxation and they are compelled to bear more than their proper share of the public burdens. They say in paragraph 2:

There is a feeling of uneasiness abroad in all the civilized countries of the world, caused by the belief that legislation either directly or indirectly favors those who are wealthy, at the expense of those with little of this world's goods. The agitation among the workingmen and small property holders of Germany, has caused their young emperor to propose reforms in their system of taxation. In his last speech from the throne he proposes to have taxes so adjusted as to reach more of the funded property of the country, and thus relieve the burden of the communes, the taxes on land and visible property.

Then the committee refer to the course of the Farmers' Alliance in the Southern and the Western States, and add in another paragraph that—

The Patrons of Husbandry—

They are the Grange—

represent better than any other organization the great middle class of citizens of this State, the farmers, home owners, and men of small means. This class of citizens feel the burdens of taxes.

This is in harmony with the proposition with which I set out this morning, that there is no better criterion by which to judge of the general condition of the people than that which is furnished us by the condition of the farmers.

Proceeding, the committee say:

Whatever may be put forward to cloud the issue, the fact is clear and plain that hundreds of thousands of dollars worth of personal property in this Commonwealth entirely escapes taxation. Most of this is the property of rich men, men of assured income, who can well afford their full share of taxes.

But what these men escape must be borne by the owners of property that is in sight and so can not escape taxation.

Mr. President, we suffer from the same trouble in the West, and if there is any portion of the country where the people do not suffer from it, I do not know where it is. The beginning of our tax year is the 1st of March. A very large part of our personal property is not visible on that day, and this refers to the property of stockmen, bankers, money-lenders, real-estate agents, and persons whose property consists of movable material which can be shifted from place to place. Besides that, while money is taxable and while the word money is entered on the blanks which the assessor takes from house to house, yet, under our monetary system national-bank notes are not taxable, silver certificates are not taxable, United States notes, commonly called "greenbacks," are not taxable; there is no kind of money now

in use, excepting gold and silver coin, which is taxable, and there is so small an amount of gold and silver coin at one time in the hands of any particular person, that while he may have in bank or he may have somewhere else, a large amount of what serves his purpose the same as money, yet it utterly and wholly escapes taxation.

I have found in examining this subject in the different States of the Union that the value of personal property is decreasing relatively from year to year, as it appears upon the tax rolls, not that, as a matter of fact, there is any decrease in the amount or value of personal property, but that in some way it escapes the eyes of the assessor and therefore escapes the hands of the tax collector.

But, as this committee so justly say, whatever amount of taxes ought to be raised by an assessment of the property which escapes assessment is placed upon the burdens of the men whose property is visible, and that is one reason why they complain. This condition of things, as the committee go on to say, is brought about largely by the extravagant accumulations of a few wealthy men. The committee proceed:

Those suffering most are those owning houses, farms, and farm stock, and the proprietors of small manufacturing establishments. I should not forget to mention the fact that everyone who rents a tenement also pays a share of the increased tax, indirectly, in his rent. The man who desires to better his condition by buying a farm, farm stock, a team, a home, or starting a mechanical business feels the burden at once, for the first dollar he invests, whether borrowed or from his savings, comes into view and must be taxed, while the capitalist can invest his income in mortgages within the State that are not taxable, or in mortgages on property outside the State, or in stock or bonds of foreign corporations, all paying big interest, but on which the taxes can be shirked or dodged. In this way the man starting in life is handicapped by an unequal share of the burdens of government.

The committee go on to show how that affects the poorer class of the people:

The consequence is that the rich holder of personal property is helped to grow richer at the expense of those whose all, be it little or much, is in plain sight of the assessor.

This is one of the misfortunes, if it may be so called, of which the people are complaining; that because a comparatively few persons, by draining the substance of the people, become fabulously rich; whatever goes to them to make them rich comes from the people, who earn the things out of which the riches come. It is estimated that some of our extremely wealthy men run up even into the hundreds of millions of dollars in their accumulations. Mr. President, do you know that no human being ever earned a million dollars? No mortal was ever able to earn a million dollars. There might be such a thing as that a grateful people would bestow upon some man, who had exhibited heroic qualities in time of need, a fortune, so that he and his family in years to come might be secured from want.

My mind now rests upon a character in our own history who so endeared himself to his countrymen by reason of his great services on the field of war that there would have been no complaint on the part of the people had the Government given to him a rich material endowment; but in that case the man would not have earned it in the ordinary sense of the word "earned"; it would have been an evidence of the country's gratitude and their esteem, a mark of their affection, in order to show that they appreciated the great work done by this distinguished American. But it is a mistake to talk about men earning such vast sums by their labor. The profits which a man receives upon the labor of other men are not earned by him; but he manages to get hold of them and to keep them. The members of this body each receive as their salary $5,000 a year. If we were to save every dollar of it year after year we should have to continue in office and live two hundred years before we would have saved a million dollars.

The point I make, Mr. President, is that by the labor of no human being can so vast a sum of money be earned. Whatever he does accumulate, then, over and above what he earns, is taken from the labor of other men, women, or children, and that is what these farmers of Massachusetts are complaining about in the report of their committee—that the accumulation of wealth in the hands of a few persons is a process of drainage upon their toil and the products and profits of their little farms. The committee give a few figures in order to emphasize the thought. They say:

We do not wish to shirk or dodge, neither are we willing to bear the burdens of those who are able to bear their own. If one-third of the property in the State escapes taxation—

One-third of the property of the State escapes taxation in the way before described, thus putting the taxes necessary to be raised upon two-thirds of the property value of the State.

If one-third of the property in the State escapes taxation, it is certain that the remaining two-thirds must pay its own share of taxation and in addition the honest share of the one-third that escapes. Some authorities claim that the personal property in Massachusetts is four times the value of the real estate. Those who claim to be very conservative, estimate it to be at least double. We have no doubt that the latter estimate is low. The real property of the State was valued for taxation in 1889, at $1,530,000,000, and the personal should have been not less than $3,060,000,000, but only $1,050,000,000 worth of personal property was taxed in 1888. (I have not the figures for 1889.)

Says the chairman of the committee:

Thus more than $2,000,000,000 worth of personal property escape taxation. The average rate of taxation in the State is about $15 on $1,000. If the $2,000,000,000 that escaped taxation had borne its share, the average rate would have been reduced from $15 on a $1,000 to $8.44; a handsome saving to every taxpayer.

Almost 50 per cent would be taken from the taxes of the poor if all the property in Massachusetts, even at a low estimate, were gathered upon the assessor's books and made to pay its just share of taxation. Do you wonder, then, that the farmers are beginning to talk about an income tax or about a tax on large estates of land, when they see upon every hand immense values of personal property wholly escaping taxation and the burden thrust back upon their shoulders?

Then, the committee come back in an appeal mingled with a patriotic devotion which must attract our admiration. They say:

It was in the homes of our fathers, the farmers, poor in this world's goods, who first settled this State, that the principles of civil and religious liberty were first taught. It was there that equal taxation was first preached and first enacted into law. We still have nearly the same law in theory, but in practice it is sadly degenerated. It was founded on the principle that "every man should bear his share according to his strength," expressed by the general court of the Colony of Massachusetts on September 6, 1648, which ordered that every inhabitant "who shall not voluntarily contribute proportional to his ability with other freemen of the same town to all common charges, as well for upholding the ordinances in the churches as otherwise, shall be compelled thereto by assessment and distress." More than one hundred years later the same principle was incorporated into our constitutional law as follows:

"To impose and levy proportional and reasonable assessments, rates, and taxes upon all the inhabitants of and persons resident and estates lying within said Commonwealth."

That provision is still in the constitution of the State.

So these good poople go on, and towards the close of their report they propose—

A plan for having all taxes on credit property paid into the State treasury, and from thence paid out for school expenses and perhaps for repairs of county roads throughout the State, would greatly equalize the burdens of taxation, helping poor towns and taking from those only which have so much property that the taxes assessed are no burden. There are towns in the State whose rate is not more than $5 per thousand, and others where it is $25 per thousand. Many believe that large amounts of money are deposited by capitalists in savings banks, and for that reason think savings-bank deposits should pay a rate more nearly equal to the average rate of assessment in the State.

So they go on suggesting methods of relief from this unjust system, and you observe that the minds of these Massachusetts farmers are running in the same direction in which the minds of other farmers are running, to get at the property which is concealed in one way or another from taxation. They believe that every man and every woman who has savings laid away, or who has the profits of the labor upon other men's toil gathered and garnered in his own coffers, should be subjected to a searching rule of taxation. It is because of these inequalities, brought to light through the pinching pain of depreciating values, that the farmers are being stirred to their depths, asking for remedial legislation, to the end that they may not be required to pay any more than their proper share of the burden of taxation.

Then, in the last paragraph of the report, they come to the means of enforcing their doctrines:

Your committee recommend that every patron—

That, is, every member of the Grange—

inform himself on this whole question of taxation. Discuss it in your meetings. Agitate for reform. See to it that men are nominated by the political parties you affiliate with, who will give conscientious attention to this subject.

Then support the men elected by an enlightened sentiment for tax reform, and by numerous petitions from the people. The owners of railroad stock, bank stock, shares in manufacturing corporations, as well as all owners of real estate of whatever character, and all owners of stocks of goods, are your natural allies, and will be with you unless they own a larger amount of credit property that escapes taxation than of property of the other named kinds that now pays a tax.

The central thought in their concluding argument and suggestion is one drawn from conditions which have been frequently suggested in this Chamber within the last sixty days, that the business of the country is being largely conducted upon credit. Ninety-five per cent of the business of the country, it is said, is being conducted upon credit—not the business of the farmer, not the business of the wage-earner, not the business of the common man who does the manual toil of the country, but it is the business of the banker and the railroad man and the great manufacturer and merchant; they are the men who transact 95 per cent of their business on paper—credit.

The statement of the Comptroller of the Currency for the last year, I believe it was, or perhaps the year before, to the effect that the $20,000,000,000 worth of exchanges which had passed through the banks of the country, the cost of making the exchange was only about eight-tenths of 1 per cent, all of it done by paper, and only here and there an infinitesimal sum by way of settling balances at the clearing houses. Indeed, the estimate

made by the Comptroller does not include the transactions in the clearing houses, but there is always more or less cash required even in the matter of effecting exchanges through the country banks. The farmers see that this sort of business wholly escapes taxation. The credit business, credit property, as the farmers call it, escapes what they regard, and what every fair-minded man, regards their honest share of the public burdens, and to the extent, as the committee well argue, of the accumulation of this credit-wealth, the poor people who own visible property must have increased burdens thrown upon them.

I have some very interesting statements in my possession as to the production of farmers. I shall go into that but very briefly, and shall take my own State as an example. Kansas is an agricultural State, 70 to 75 per cent of our people are farmers. Our land is peculiarly well adapted to the growth of all the cereals, and we are so near to the dividing line between the temperate and the semitropic zones as that the pine and the live oak are brought together at our southern border. Our climate is salubrious. We have one of the most delightful climatic regions in the world. Our atmosphere is mobile. There is scarcely any time when there is not such a movement of Kansas air as to keep the atmosphere pure.

We have currents from the west, coming over the great mountain ranges, cooled by the snows which have fallen there. From the south we have air currents coming up from the Gulf, across Texas, and over the plains of the Indian Territory. Often they come to us warmed and heated; but the two currents coming together, one cooler and the other warmer, give us a very uniform temperature. It is seldom indeed in our winter season that the mercury drops below zero. I do not remember ever to have known it to go farther than 26° below; and it is rare indeed in the summer time that it goes to 100°. Our average temperture during the summer is between 75° and 85°; and in the winter the average temperature during the three months of December, January, and February is above zero.

Our native grasses are nutritious, furnishing beef and mutton that can not be excelled in any part of the world, except only where it is finished by corn, and we make our best product that way; but during the summer season our cattle and our sheep are at all times ready for the slaughterhouse.

In 1888 the total assessed valuation of the different classes of property in Kansas, as shown by the abstracts of the county clerks and tabulated by the State board of agriculture is as follows: Lands, $169,000,000 in round numbers; personal property, $56,000,000; city lots, $74,000,000, and railroad property, $53,000,000, making a total of $352,000,000 in round numbers; most of that we have managed to get upon the tax rolls since 1860; there was very little there before that time.

By referring to the report of the State board of agriculture for the years 1889 and 1890, I find a table showing the aggregate production of the different cereal crops for a number of years, beginning with 1890 and coming on down to 1890. In the year 1889 we produced about 75,000,000 bushels. The value of our lives tock in 1890 was $113,000,000. The value of live stock and the products of live stock, beef, milk, cheese butter, eggs, etc., sold during the year amounted to $39,000,000, giving us a total in ten years, from 1880 to 1890, of $366,000,000, in round numbers, of the surplus of live stock and their products which we have sent away from our farms.

As to the different crops, it is astonishing when one comes to estimate the amount in the aggregate; and yet take all of the agricultural States of the country together and we find that notwithstanding this enormous production and the enormous surplus that we have every year to dispose of, and do dispose of, still farming as a business is not profitable.

I have here one of the most remarkable little books which ever came under my observation. It is entitled Bondholders and Bread Winners. It was printed and published about the beginning of the year 1892, at Kansas City, in the State of Kansas. In this book the author presents the subject which I am now discussing in a peculiarly forceful manner. He draws maps of the different States of the Union, and he compares them as to size in order that the eye of the mind may grasp the contrast from a territorial standpoint. For example, he compares the State of Massachusetts, which contains about 8,300 square miles, with nine of the great agricultural States of the Union in other sections. He presents them so that the eye can make the comparison and witness the contrast. The nine States have an area equal to fifty-eight times that of the State of Massachusetts; they had about two and one-half times as large a population in 1880 as Massachusetts had, and they had nearly as much wealth; yet during the ten census years he shows that there was an actual saving of permanent wealth in the State of Massachusetts exceeding by some $10,000,000 all that was saved in the other nine States.

Then the author compares the New England States with other States. He compares Pennsylvania and New York with other States, the object of the writer being to present in a way that will strike the eye of the mind as well as the eye of the body, the proposition which I have been trying to elaborate, that concentration of the energies of people in a small part of the country, territorially speaking, results in a drainage from all the other sections of the country through absorption of profits on our labor.

We are making no complaint because our neighbors are doing well. It is the effect on us that hurts. It is costing us too much. We want nothing that we do not earn, but we demand all that we do earn.

I will not go through this little book, nor will I call attention further to its details, but it would form an interesting evening's reading to any member of this body if he would get a copy of it and study its interesting pages. While there may be a little political coloring in it, while there is at times a slight betrayal of sentiment, yet the foundation facts upon which the author builds his doctrine are, I believe, impregnable, and more of the people ought to understand them.

As particularly pertinent at this point, I wish to present a statement which was compiled by a very competent gentleman, who has been giving constant attention to this and kindred subjects for many years, Mr. George O. Jones. He has been naturally very much interested in the discussions going on here, and was kind enough to collect a number of important facts for my use. I will ask that the paper which I send to the desk may be read. It is not very long nor very difficult to read.

The PRESIDING OFFICER. In the absence of objection, the paper will be read as requested.

The Secretary read as follows:

The following statements and figures have been prepared to show why American Senators who represent its agricultural and mining interests are the ones most interested in sustaining the price of silver bullion and the continued use of silver money in this country, and why those who represent States that raise the least of its wealth-creading products and whose public press and legislation are now so largely controlled by railroads, banks, chambers of commerce, boards of trade, and other moneyed corporations, all of which are opposed to any measure favoring an advance in the price or the farther use of silver.

According to the report of the Agricultural Department for December, 1892, showing the amounts of certain crops and the States that produced them, it will be seen that the wheat crop for that year was given as 514,949,000 bushels and the corn crop at 1,628,364,000 bushels.

Toward these amounts the State of Maine is credited with raising 75,000 bushels, New Hampshire 38,000 bushels, and Vermont 151,000 bushels of wheat, while the States of Massachusetts, Rhode Island, and Connecticut are not mentioned as having raised a bushel of wheat for that year. This 264,000 bushels of wheat raised in the six New England States shows a total of only about one-half of 1 per cent of the entire wheat crop raised in this country in 1892. Add to this total amount raised in New England, 1,787,000 bushels raised in New Jersey, 1,231,000 bushels raised in Delaware, 6,992,000 bushels raised in Maryland, and 8,405,000 bushels raised in New York, and we have a total of 18,479,000 bushels of wheat raised in these ten States in 1892, or about one-twenty-seventh part of all the wheat raised in this country during that year.

Out of the 1,628,000,000 bushels of corn raised in this country in 1892, the six New England States contributed 6,445,000 bushels, or about one-third of 1 per cent of the entire crop of that year; add to this amount 17,414,000 bushels raised in New York, 9,124,000 bushels raised in New Jersey, 3,775,000 bushels raised in Delaware, and 12,965,000 bushels raised in Maryland, and we find a total of 49,724,000 bushels raised in these ten States in 1892, or less than 4 per cent of the whole corn crop for that year.

Of course, none of these Eastern States produce a pound of cotton nor an ounce of the precious metals; therefore, not $1 is added to the wealth of the country by them from these sources.

That prices for wheat, cotton, and most other products of American labor have followed the price of silver bullion ever since silver was demonetized in 1873 are facts so well known and thoroughly established in every intelligent mind that no honest man will dispute them.

Mr. DOLPH. I interrupt the reading to ask the Senator from Kansas who is the author of this communication?

Mr. PEFFER. Mr. George O. Jones.

The PRESIDING OFFICER. The Secretary will continue the reading.

The Secretary resumed and concluded the reading of the paper as follows:

Therefore, no statement, figures, or arguments are now required beyond those that will show the average prices of silver, wheat, and cotton in this country and England for a long period before our late war, and before silver was demonetized, as compared with their present prices, the losses sustained by their producers, and the States and sections from which most of them come.

Average market price of silver bullion, 1835 to 1873, $1.29¼ per ounce.

Average market price of wheat in England, 1835 to 1873, $1.59¼ per bushel.

Average market price of cotton in England, 1835 to 1873, 11¼ cents per pound.

Average export price of wheat from United States, 1835 to 1873, $1.20 per bushel.

Average export price of cotton from United States, 1835 to 1873, 11 cents per pound.

Average market price of silver bullion, 1893, 75 cents per ounce.

Average export price of wheat from United States, 1893, 73 cents per bushel.

Average export price of cotton from United States, 1893, 8 cents per pound.

This loss of 47 cents per bushel on about the yearly average quantity of wheat raised in this country would amount to about $188,000,000 per year, and to over $3,760,000,000 during the twenty years since silver was demon-

etized in 1873. The loss of 3 cents per pound on cotton, according to its average price before the war as applied to its present price and production, would amount to about $105,000,000 a year, or $2,100,000,000 in twenty years.

The loss of 54 cents per ounce on silver bullion between 1873 and 1893, according to its present average production, would amount to $32,400,000 a year, or $648,000,000 in twenty years.

These totals represent less than the losses sustained by American farmers on their corn, oats, butter, cheese, provisions, fruit, tobacco, and other products, which, combined with silver, wheat, and cotton, would amount to about $13,000,000,000 during twenty years. This enormous aggregate loss to farmers amounts to more than the actual cost of all the railroads, telegraphs, bank capital, and the combined private wealth of all those who constitute our boards of trade, chambers of commerce, and other so-called exchanges that dictate prices for American farm products in the interest of England and those who live on fixed incomes in this country.

According to the last report of the Statistical Bureau over three-quarters of our foreign exports come directly from American farms, and nearly all of our domestic commerce from our farms, mines, forests, and the workshops which prepare them for market.

Now, it seems strange that the twelve Senators from the New England States, which contribute such a very insignificant portion towards the yearly wealth-producing industries of our country, and the eight Senators from New York, New Jersey, Delaware, and Maryland, which add so little to the products of New England as to make their aggregate hardly worth mentioning when compared to the whole country, should all be arrayed against silver when the very life of the mining States and Territories, and the future prosperity of all agricultural sections depend on an advance from the present low commercial value of silver bullion.

This action demonstrates that this is a contest between the moneyed classes and the wealth-producing classes; between those who live on fixed incomes and those who pay such incomes; between those whose interests will be benefited by a small volume of money and those whose welfare depends on a liberal volume of money, and between those whose fixed incomes are written in their bonds and between prices for farm products that are governed by the market price of silver bullion.

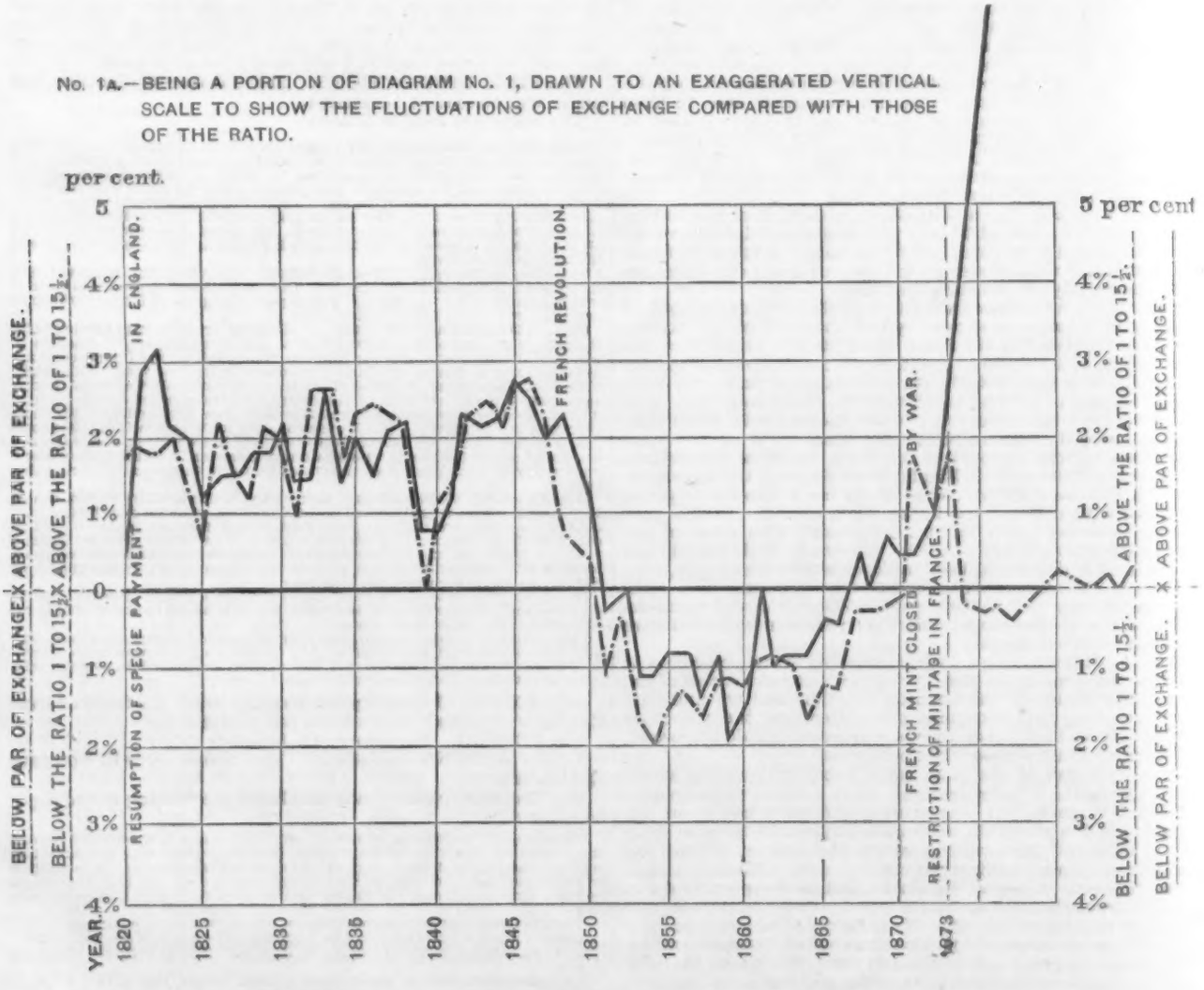
Mr. PEFFER. Mr. President, I ask that certain diagrams which are already in plate matter at the Government Printing Office, and have once appeared in the RECORD, may follow the paper which has just been read. They are diagrams which illustrate the fluctuations of property value and of the value of silver in the market.

The PRESIDING OFFICER. Is there any objection to the request made by the Senator from Kansas? The Chair hears none.

Mr. PEFFER. It has been frequently alleged during the discussion that the farmers demand a larger volume of circulating money. Some time during the early part of last year I had the honor to submit some remarks upon the general subject of agriculture and money in that connection, and among other things presented to the Senate the doctrines and recommendations of the Patrons of Husbandry in their national capacity. I will now call attention briefly to two paragraphs in a letter which was prepared by the national lecturer of the Patrons under date of December 20, 1890, in which he uses the following language:

The National Grange is on record through all the years of its history in favor of a plentiful supply of money for the use of all the people of our

No. 1A.—BEING A PORTION OF DIAGRAM No. 1, DRAWN TO AN EXAGGERATED VERTICAL SCALE TO SHOW THE FLUCTUATIONS OF EXCHANGE COMPARED WITH THOSE OF THE RATIO.



Fluctuations in the London prices of Gold above or below the ratio 1 to 15½ ——————

Fluctuations in exchange between London and Paris denoted thus — · — · — · —

The vertical distance apart of these two lines year by year represents the divergence from the ratio of 1 to 15½ after correction for exchange.

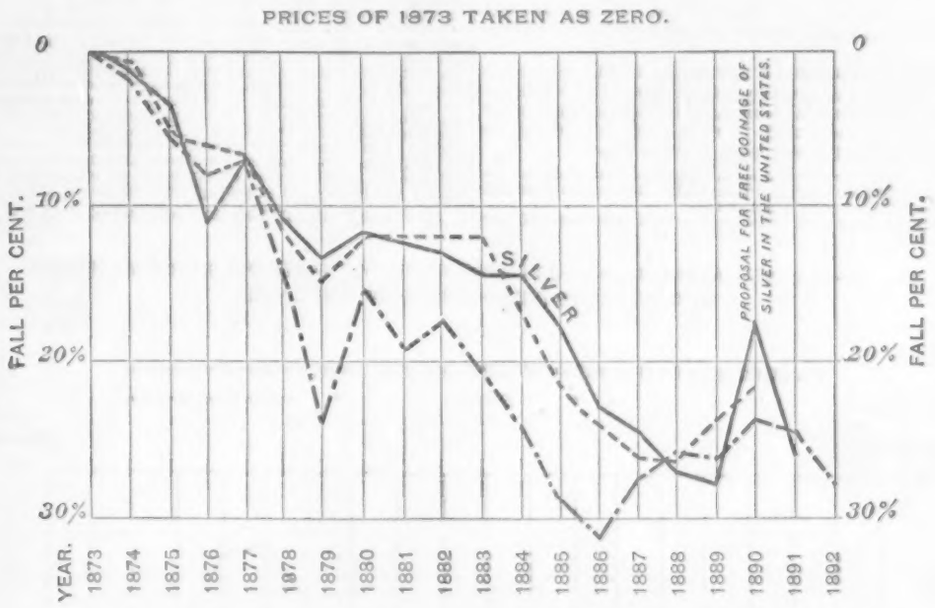
No correction has been made for other factors which would make the coincidence of two lines still more remarkable.

No. 2.—FLUCTUATIONS IN THE PRICE OF COMMODITIES AND SILVER MEASURED BY GOLD.

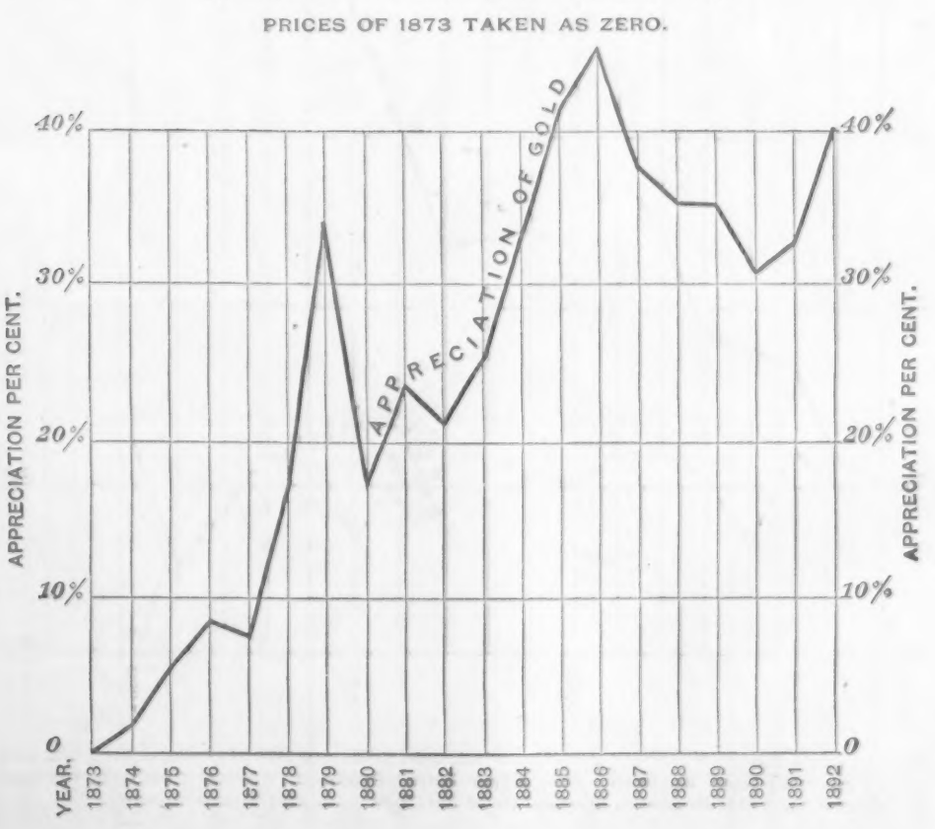
Represents the Economist Index-Numbers for the Wholesale Prices of 22 Principal Articles in the London Market.

Represents Dr. Soetbeer's Index-Numbers for the Prices of 100 Hamburg Articles, and 14 of British Export.

Represents Silver.



No. 3.—APPRECIATION OF GOLD MEASURED BY ITS PURCHASING POWER ON THE BASIS OF THE "ECONOMIST INDEX-NUMBERS."



country, and against the control of money by a few special classes who have it in their power to depress the price of land and all its products, and the products of other labor as well.

However much farmers, in their several organizations, and laboring men in theirs, may differ upon other matters, it is a good sign that, without exception, all the farmers, laborers, and workingmen's societies in the United States have placed the demand for the free coinage of silver in their national platforms, and have recorded themselves squarely on the side of more money and no middlemen to control its supply. All agree that at least $50 per capita should be the limit, and that the supply of currency should increase in proportion to the increase in population.

Thirty-four States and Territories were represented in the body that gave utterance to the last enunciation of principles by the National Grange, and the language which I have just read is the language of the national lecturer in correspondence therewith.

In the same speech I presented a memorial to the Senate, a memorial coming from the executive committee of the National Farmers' Alliance and Industrial Union, by far the largest body of organized farmers in the world, in which the memorialists used these words in the first paragraph of their paper:

Your memorialists, a committee elected by the supreme council of the National Farmers' Alliance and Industrial Union, under its instructions and on its behalf, would most respectfully represent:

That the universal and unparalleled depression in all departments of our great agricultural industry has impressed the farmers of the United States with gravest concern and alarm.

After referring at some length to the general condition of the farming industry, they represent further—

That they are specially charged—

This executive committee is specially charged—

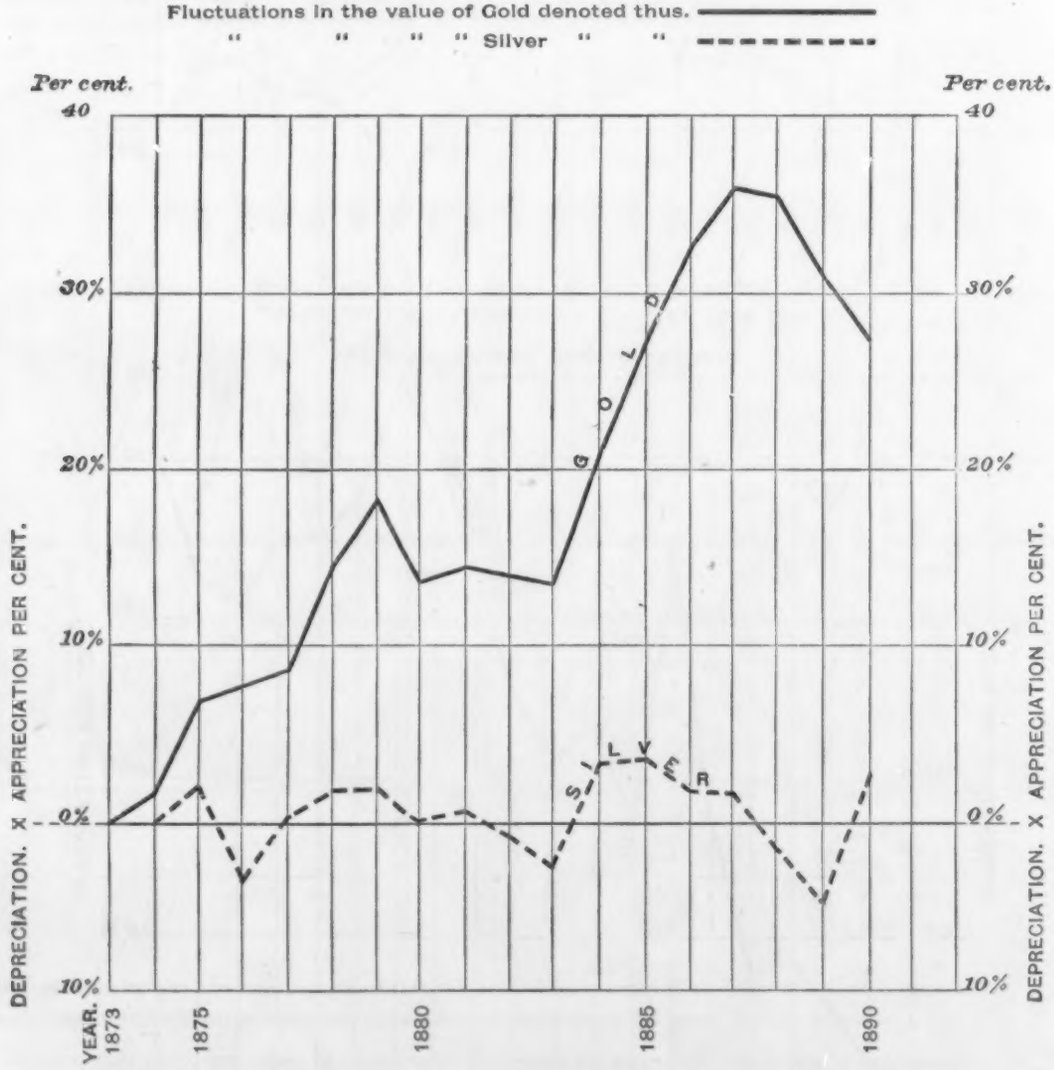
to ask the attention of your honorable bodies—

Referring to the Senate and House of Representatives—

to the great and urgent necessity for immediate legislative action for the financial relief of the industrial and business interests of the country. That they believe that the present financial system of the country is not only inherently defective but that it is incompatible with the genius and spirit of our institutions and is in conflict with the fundamental principles of our Government. That they believe that the system, born of the terrible exigencies of a mighty civil war, purely as a military expedient and necessity, which, while it doubtless saved the life of the nation in war, has been demonstrated, under the test of experience, not to be the system for preserving and perpetuating that life in peace. That they believe that a sacred and steadfast observance and maintenance of the powers and functions conferred upon the Government by the Constitution, for making, issuing, and controlling the money of the people, is absolutely essential to healthful and symmetrical development in our material progress, and that these powers and functions can not in any manner be relinquished or transferred without violence to equity and justice and gravest peril to the safety and liberties of the people.

In the meeting of the last council of that body of which I have

No. 3A.—RELATIVE APPRECIATION OR DEPRECIATION OF GOLD AND SILVER MEASURED BY SOETBEER'S INDEX-NUMBERS* SINCE 1873.



* Soetbeer's Index-Numbers give the wholesale prices of 100 Hamburg Articles, and 14 Articles from England—viz., Agricultural Produce, Animal Produce, Foreign Fruits, Colonial Produce, Mineral Produce, Textiles, and Miscellaneous.

official knowledge there were thirty-six States represented. Their membership at that time was between three million and four million, and this is the language of their declaration of principles in paragraph 3:

3. We condemn the silver bill—

That is, the Sherman law—

3. We condemn the silver bill recently passed by Congress, and demand in lieu thereof the free and unlimited coinage of silver.

I need not go further on that line. It is with substantial unanimity the doctrine of the farmers in all parts of the country that instead of purchasing silver bullion and piling it in the Treasury or in the subtreasury, or anywhere else, and issuing paper money upon it, in the first instance the silver ought to be coined for the people and issued to them in their own hands directly from the mint, relieving the Government from all responsibility for the redemption of any sort of Treasury notes. If then it be desirable, the holders of silver dollars, or silver coins of any kind, may be authorized to deposit the same in a bank, or in any legal depository, and receive certificates in place thereof. At any time the silver would be ready to redeem those certificates, but there would be no obligation upon the part of the Government to pay gold for them.

There is no obligation upon the part of the Government to redeem them otherwise than to pay out the silver which is held on deposit to be delivered upon the surrender of the certificates, and in that way these good farmers believe that there would be no question of parity or disparity between gold and silver raised on the part of any class of our people; that the silver and the silver certificates would circulate as the people wished.

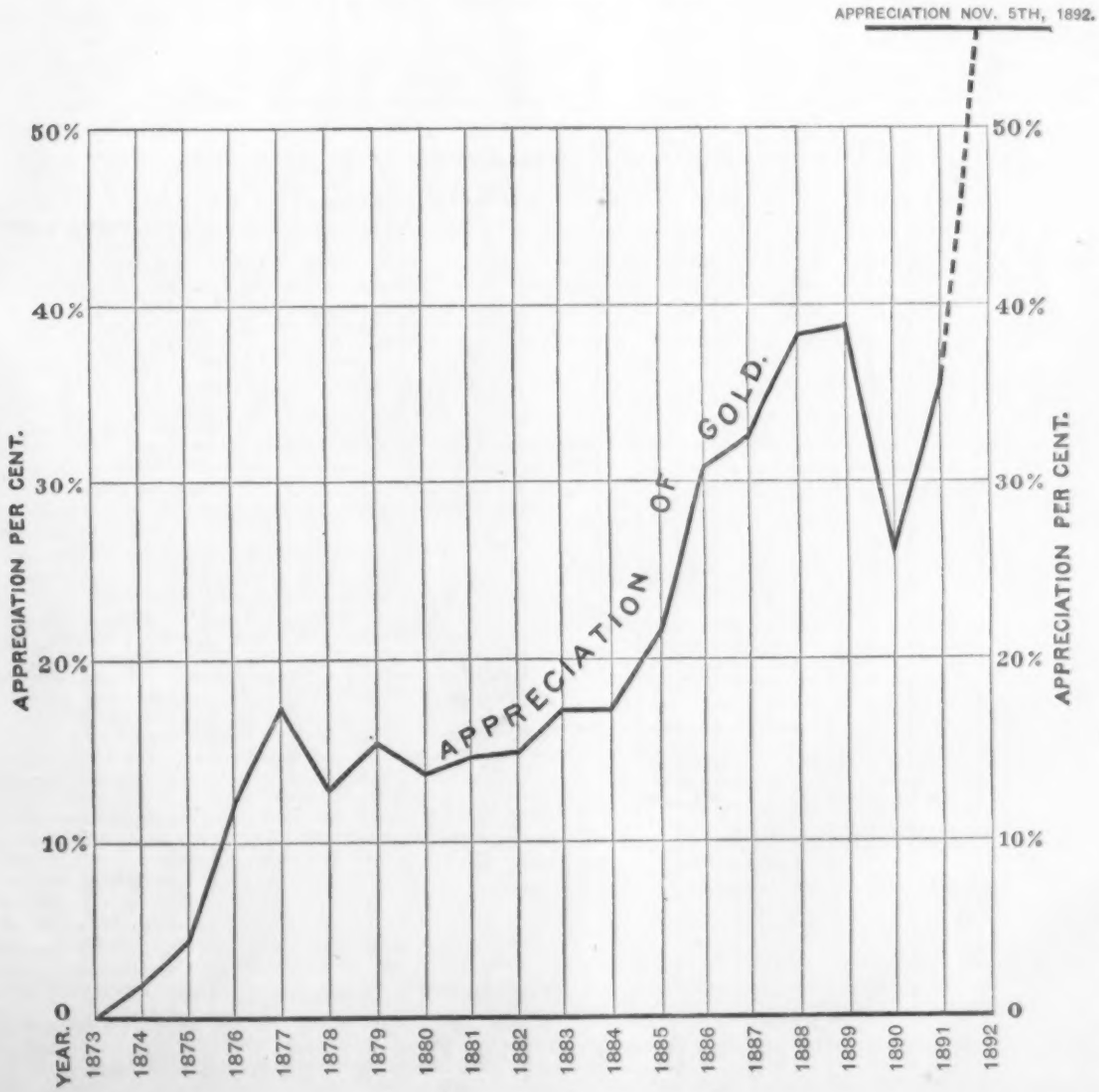
Mr. President, at this place it becomes proper that I should state what are the views of the Populist party touching money. By way of introducing the subject I call attention to remarks submitted a few days ago by the junior Senator from Texas [Mr. MILLS], who is not now in his seat, printed in the RECORD under date of October 19, at page 2824. That Senator was answering some remarks that had fallen from the lips of the senior Senator from Alabama [Mr. MORGAN] a day or two before, in which that distinguished gentleman took occasion to criticise the position assumed by the Senator from Texas in a speech which he had delivered in this body some three weeks ago. In answering the Senator from Alabama the Senator from Texas used these words:

There was a time when I would have listened to compromises; there was a time when I wanted to compromise; there was a time when I talked compromise on this question; but, Mr. President, when Congress first convened and the guns were opened on a Democratic Administration and the chief of that Administration was charged with infidelity to his party, his Secretary of the Treasury arraigned, his Comptroller of the Currency arraigned, and the beginning of an anti-Administration party started on this floor, I cut down my bridges and burned my boats behind me on the subject of compromise.

I am a Democrat and stand by the organized administration of my party, and the Democratic people all over the United States are going to do the same thing. A great many people have told what the people of the country are going to do, and there have been various prophecies. They do not in-

No. 4.—APPRECIATION OF GOLD MEASURED BY SILVER.

PRICES OF 1873 TAKEN AS ZERO.

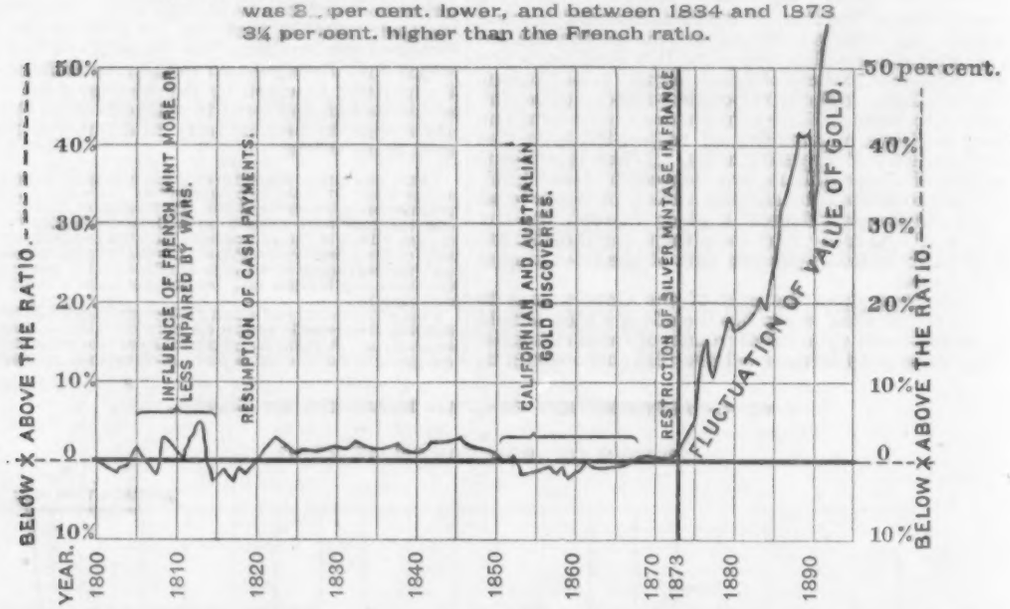


APPENDIX D.

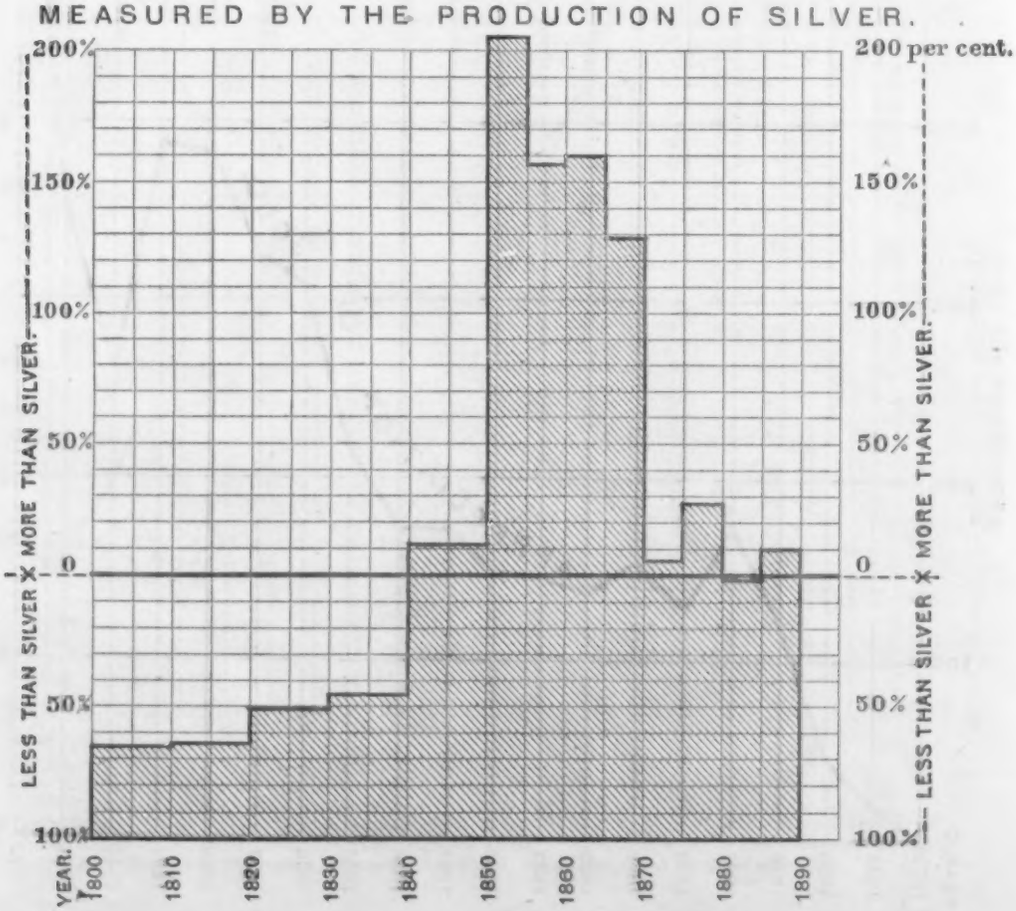
DIAGRAMS PREPARED BY SIR GUILFORD MOLESWORTH.

No. 1.—ANNUAL AVERAGE FLUCTUATION IN THE VALUE OF GOLD MEASURED BY SILVER PER CENT. ABOVE OR BELOW THE FRENCH MINT RATIO OF 15½ TO 1.

NOTE.—Between 1800 and 1834 the United States Mint ratio was 3 per cent. lower, and between 1834 and 1873 3¼ per cent. higher than the French ratio.



RELATIVE PRODUCTION OF GOLD (IN VALUE) MEASURED BY THE PRODUCTION OF SILVER.



tend to abandon that organization, nor do they intend to see the chief of that Administration shot down. They will stand by him when the battle is on, and they will carry him through in triumph, too.

I do not intend to be deterred by taunts that I am serving with the Senator from Ohio [Mr. SHERMAN]; that he is my chief. Politics makes strange bedfellows, Mr. President, and the present condition of the country throws me and a number of my brethren on this side in company with the distinguished Senator from Ohio. But where does it throw the other gentlemen? Under the leadership of the distinguished Senator from Kansas [Mr. PEFFER].

Let everyone go wherever it suits him. The Senator from Ohio and those who are acting with him on his side of the Chamber are standing for the old Democratic doctrine of sound currency, gold, silver, and paper at par all over the country. I give him my hand in this contest. The Senator from Kansas is contending for overturning the whole system of finance, issuing paper money, and lifting the business of the country in the air on paper money, bidding adieu to the basis of gold and silver. He is for Government ownership of railroads, and telegraphs, and perhaps every other thing that it can find laying loose around about in the country.

If there is more affinity, if there is more of attachment and kinship for the doctrine of the Senator from Kansas, I say to my friend, go as you like. I shall stand with those who stand for a sound and stable currency, and nothing short of that. I will not knowingly vote for anything that banishes either of the metals out of the circulation of this country. I will not vote for any measure that banishes both metals out of circulation in this country and puts its finances on a paper standard.

In answer to the suggestions of the Senator from Texas, I wish first to refer to one portion at least of the record of that Senator, which may have some bearing upon the subject.

By reference to the CONGRESSIONAL RECORD of June 19, 1879, it will be found that there were various propositions before the House of Representatives in relation to the discontinuance of trade dollars, their recall, and the taking away of their legal-tender quality, etc. Among the various propositions which were offered, was the following amendment offered by the gentleman from Texas, Mr. MILLS. I find this on page 2193:

In line 5 strike out the words "silver dollars;" and insert "Treasury notes;" so if amended the bill will read:

"That the Secretary of the Treasury shall cause to be exchanged at the Treasury, and at all subtreasuries of the United States, legal-tender Treasury notes for trade dollars, at par."

It had been proposed to exchange silver dollars, standard dollars, for the trade dollars. The silver dollars were as they always had been, legal tender for any amount whatever, but the gentleman from Texas, now the Senator from that State, was in favor of substituting for silver dollars legal-tender United States Treasury notes.

Mr. President, I do not refer to this for the sake of criticising the Senator from Texas, but for the purpose of showing that the doctrines which I preach in this body and out of it are none other than the doctrines which the Senator from Texas preached at that time and preaches now, but that the difference between that Senator and the Senator from Kansas is, I have maintained my attitude before the people and before this body, that I am preaching for and defending the same doctrines here that I have taught before the people, and that the party to which I belong have published to the country as their doctrines.

In the national convention of the Populist party at Omaha, July 4, 1892, a platform was adopted. It has become common in this Chamber to refer to party platforms. This is the first time, I believe, that I have undertaken to read ours, and the contrast presented between it and that of either of the other parties upon this money question is very marked.

We demand a national currency—

Just such a currency as we have now. I am reading a paragraph from our platform—

We demand a national currency safe, sound, and flexible.

Just the sort of currency that has been advocated by every Secretary of the Treasury for the last fifteen or twenty years. I do not remember to have read a single report of one of the Secretaries of the Treasury since 1873 that does not refer to this matter of flexibility, a currency that can be expanded according to the needs of the people. It was because of this want of flexibility in our currency that the Farmers' Alliance was formed. When the time came for moving the crops of the country money was scarce; it had to be borrowed through the banks; advances had to be made, credit used with merchants, and property warehoused at great expense, all for want of money in the community with which to move the crops. In order to avoid that difficulty, which grows more apparent and more troublesome every year, this great organization of the farmers was brought about. So in the platform of the Populists we refer to that.

We demand a national currency, safe, sound, and flexible—

And we demand that it shall be—

issued by the General Government only—

Not through banks, not through corporations, not through any kind of an interest-charging concern—

by the General Government only, a full legal tender for all debts, public and private.

That is the kind of money the Senator from Texas was in favor of a few years ago when he was a member of the lower House. I understand that that distinguished gentleman is in favor of the same kind of currency to-day, but that what he opposes is silver money. He says that the party to which the Senator from Kansas belongs is opposed to the use of gold and silver. Now we will see. In paragraph 5 of our platform I read:

We demand the free and unlimited coinage of silver and gold at the present legal ratio of 16 to 1.

Anybody can understand that. The Senator from Kansas has been urging that doctrine with all the force he could bring to bear. So have his colleagues in this body. We do not want to discard gold and silver as long as the people of the country want to use metallic money. Nothing is so well adapted to money uses in the way of metals as gold and silver, unless it may be the new metal, which is becoming popular recently and proving to be useful in many ways—aluminium. Aluminium is lighter in weight, it is of a beautiful, bright color, and its ductility, I am informed, is very great. It might properly be used for money to greater advantage than nickel or copper. Indeed the time may come when it will be largely used as money, but we do not want to discard either gold or silver; we want to use both of them, but we are resolutely opposed to cutting off one of them unless you cut off both.

That is where the Senator from Texas and the Senator from Kansas part company upon this question. Let us have all the gold and silver money that we can get, gold to be used in the payment of large amounts and silver to be used in the payment of smaller amounts, and let one circulate among that class of people who deal in large transactions and the other circulate among the people whose dealings are in small transactions, so that we may all have first class basic money—full legal tender.

That is what the Populist party wants; but we do not want one money for the rich and one money for the poor, nor do we want to strike down the legal-tender quality of one-half of our money and put all the burdens of exchange upon the other half, making it more valuable and our property less valuable. The Populists believe in the very best money. Nor do we belive in an illimitable amount of money. What we do believe in is what both of the old parties say they believe in, but what they are using all their organized energies to defeat; that is, that the people shall have enough of money so that all classes shall be able to procure money in abundance whenever they are able either to afford sufficient security or to afford sufficient labor to procure it.

I repudiate, as we all do, the suggestion that we propose to grind out money the same as a sausage grinder turns out sausage to the poor on the street, to be given to everybody who comes and grabs a morsel. We are not wild men, nor fanatics, nor fools. We want the very best kind of money that is obtainable, based upon whatever the people see proper to use as a basis; and over and above all we have still greater faith in the property, the labor, the credit of the American people, and in the honor and integrity of our Government. We believe that the credit of the nation is at all times sufficient to justify the confidence of all mankind.

I have deemed it proper to say this much, for the metropolitan press and the press of great influence in all the large cities is against the Populist party and against the promulgation of our doctrines. The telegraph facilities are against us; all the great organized forces of the country are against us. We are left to get our doctrines before the people as best we may.

It is not our purpose, Mr. President, to overturn the Government. It is not our purpose to create a revolution. It is not our purpose to either foster or to encourage anarchy. Indeed, one of our strongest arguments in opposition to the present condition of things is that the conduct of organized power is breeding anarchy.

We avail ourselves of every appropriate opportunity to impress upon the people the loyalty and the patriotism, not only of our conduct, but of our views. We would have all the gold that comes to our mints coined; we would have all the silver that is or may be brought to our mints coined likewise. If the coins of the two metals are not sufficient to afford to the people an ample currency, then we would issue Treasury notes, and we would not only issue them in the proportion of three dollars to one of coin, nor would we permit them to be measured by gold, but we would have them prepared and issued in any quantity that the people in their business need; for we know, as all men know, that there is not enough of gold and silver accessible to effect all the exchanges of the people.

We have to-day about $7 of paper money in circulation for every $1 of gold that we have in existence, and we could float three times as much paper if we were disposed so to do; aye, five times as much, for then we would not have any more in proportion to our business and our population than we did have during the closing years of the great war; and our paper currency—that part of it that was recognized as the permanent currency of the country, the greenbacks—maintained its relative parity with the products of the country with remarkable uniformity.

Mr. President, before concluding I wish to present a thought

about that paper currency of the war period. My position is that we can float as much paper money as the business of the people requires. I have said several times that in recent years the Treasury Department has been misleading the people. A few evenings ago we had some discussion here upon that subject. It is represented in all of the recent reports that we have upward of $2,000,000,000 of money of all kinds in the country, but that, as I took occasion to state when the discussion was on, includes duplicates of about $500,000,000; that is to say, it includes silver and gold coin and silver and gold certificates which are based upon that coin. The actual amount of money in the country when you exclude one or the other of those items—coins or the certificate—is about $1,600,000,000 and not $2,000,000,000.

In addition to that this $1,600,000,000 is presented to the country as being in circulation, and that is a proposition which we deny. It is not all in circulation. I have here a fair statement from the Acting Secretary of the Treasury, in a letter to the Senate under date of February 19, 1891, in answer to a resolution of this body inquiring about the amount of the different kinds of money then in circulation. The Secretary takes the close of the calendar year 1890 as the basis. He gives the amount of the different kinds of money that have been issued and that were in the Treasury, showing that there were then about $1,528,935,943. That is the amount of money at the close of the calendar year 1890 which was in the country all told, estimating the gold and silver of course.

Mr. PLATT. In circulation?

Mr. PEFFER. No, not in circulation. That is the amount that was in the country. Then he proceeds to show the amount of gold, silver, and paper held by national banks and by the other banks of the country. He shows in another table the amount held by the Treasury. Then he estimates the amount of mutilated paper, of lost paper which may properly be deducted, and he finally comes down to the table on page 5 of his report, and I will quote his language in introducing the table:

The following table, which is the final one of the series herewith submitted, shows approximately the various kinds of money in actual circulation among the people, after deducting the estimated amounts of each held in national banks and other banking institutions and the estimated loss through destruction of paper money:

Then follows the table. I will give the total, and let the table be incorporated with my remarks. The amount of money in the country at the end of the year 1890 was $1,528,935,943.

Cash in national banks and other banking institutions, $478,571,115.

Estimated loss of paper money, $12,452,100.

Deducting these several items from the aggregate, the balance is $1,037,912,728.

Amounts of money in circulation after deducting the cash in national banks and other banking institutions, and the estimated loss on paper money.

Kind of money.	Reported circulation Jan. 1, 1891.	Cash in national banks and other banking institutions.	Estimated loss of paper money.	Estimated net circulation.
Gold coin	$411,080,597	$167,029,692	----------	$244,050,905
Standard silver dollars	67,547,023	11,373,314	----------	56,173,709
Subsidiary silver	58,051,154	7,001,666	----------	51,049,488
Gold certificates	144,047,279	118,182,687	$200,000	25,664,592
Silver certificates	308,289,463	22,163,077	447,004	285,679,382
Treasury notes, act July 14, 1890	21,896,783	125,860,702	5,410,541	234,110,925
United States notes	343,485,385			
National-bank notes	173,938,250	26,959,977	6,394,555	140,583,727
Total	1,528,935,943	478,571,115	12,452,100	1,037,912,728

This is the amount of money then estimated to be in actual circulation doing duty as money. It excludes all the money that is in the banks, all the money that is in the Treasury, counting only that which was not then locked up in the banks and in the Treasury, amounting, as I said, to $1,000,000,000 in round numbers. By dividing that sum by the population of the country in 1890 we have a per capita circulation of $16 instead of $21 and some cents, as was given in the usual reports as the circulation of the country at that time. The per capita circulation was $16 instead of $21.

By reference to page 23 of the Statistical Abstract of the United States for 1886 we shall find a statement of the different classes of money in the country in circulation at that time, from 1865 down to 1886. It shows that the amount of gold and of silver, of bank notes, United States notes, and other classes of currency at the end of the year 1865 was $1,180,197,147.76. Taking the total amount as given and the estimated population at that time (34,748,000), we had a per capita circulation of $34. That is, according to this summary, the amount of money in circulation in 1865, and it excludes the seven-thirty notes, but it includes all the other classes of paper which were then circulating to a greater or less extent from hand to hand among the people, was equal to $34 per capita, an amount twice as great as we had in 1890, according to the report of the Secretary, just referred to, and twice as much as we have in circulation at this time. Yet it is being hammered into our ears from year to year and from month to month that we have a larger circulation now than we ever had, when the truth is, that excluding the seven-thirty notes altogether, we still had a circulation of $34 per head in 1865.

I asserted in our discussion a few days ago that our average per capita circulation in 1865, at the conclusion of the war, was upward of $52, and I proved it. I included the seven-thirty notes, the compound-interest notes, and the one, two, and three year notes, and the demand notes.

Mr. President, coming down to last year and taking the record as it is given to us, we have an aggregate amount of money in the country now (estimating the gold to a very large extent and the silver to some extent) of $1,601,347,187. The bank reserves and what is in the Treasury amount to an aggregate of $652,305,747. Deducting these reserves, the amount that is not in circulation at all and not intended to be, from the aggregate amount of money in the country, and we have a balance of $949,041,440. If you divide that by our population, which on the 30th of June last year was about 66,000,000, you will find that it gives us a per capita circulation of only $14.40, instead of $24, as is being published to the world.

Mr. President, what the Populists are trying to do is to put before the country its condition honestly, in order that after we have compared notes one with another, representative men from the East, the South, the West, and the North, meeting together, as we are met in this great body, conferring about our common interests, we may evolve something better than we have. We do not want to abolish all the things we have; we want to improve them. We do not want to destroy; we want to create. Nor do we wish to tear down, Mr. President; we want to build up. We believe that our monetary system and our financial methods are fatally defective. We believe that in their progress the great mass of the people are being impoverished, while a very small number are being enriched. What we want is a better system. If we are not able to suggest what meets the approbation of our fellow-men, let them suggest something better, unless they are quite satisfied with what we now have.

This extraordinary session of Congress is evidence that at least one portion of our people are not satisfied. There are few men in the country who believe that our financial system is what it ought to be. I have conferred during the last six months with a great many men handling large business, and invariably they say to me, "Our system is imperfect; our methods are defective; but we have not given our attention to these things; we do not know what to suggest; we expect our public men to devise better methods." That, Mr. President, is what we men of the Populist party are honestly, earnestly, and sincerely trying to accomplish. It is to improve conditions, and not to make them worse.

Now, Mr. President, I have said all that I wish to say to-day. Perhaps I have already occupied more of the time of the Senate than I ought to have devoted to this question. But the subject has no boundary lines. It is one that concerns not only the present generation, but the future through all the ages and the cycles to come, because in the progress of human society our industries are not only growing more and more diversified, but with that endless and continuous diversification will come a closer association of the people under coöperative methods, and the thing that we call money, with its wonderful functions vitalizing all the avenues of trade, will be more and more useful to the end of time. That is the thing that we are talking about, the most sublet agency that is known in human affairs.

Amendment to our Naturalization Laws.

SPEECH
OF
HON. THOMAS M. PASCHAL,
OF TEXAS,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, October 31, 1893,

On the bill (H. R. 3299) to amend the naturalization laws of the United States.

Mr. PASCHAL said:

Mr. SPEAKER: The wisdom and policy of adopting the proposed amendments depends upon the following propositions: First, whether existing laws meet the ends for which they were designed in all material respects; second, whether conditions are so changed in the last quarter of a century as to necessitate

a change in order to free our republican institutions from the danger of ultimate fundamental subversion.

I submit to the intelligence and patriotism of this House that the man who approaches the consideration of this grave question in any spirit of partisanship, far less with a view to promote his political fortunes, or in fact in any other than is legitimately embraced in the above propositions, is untrue to himself, to his country, and her best institutions. Nero's occupation when Rome was in conflagration correctly typifies the man who would willfully seek to make political capital when the very foundation stones of the Republic were quaking beneath his feet.

Mr. Speaker, I denounce as a baseless fear the intimation that our serious and candid attention to our defective naturalization laws in a spirit of broad, earnest desire to prevent the flagrant abuse of those laws and consequent hurt to our country and its institutions will bring down upon our offending heads the anger and political proscriptions of any considerable and respectable number of our foreign-born citizens.

The very allegation, to my mind, carries its own refutation, and were I, Mr. Speaker, a foreign-born instead of a native American citizen and was a true and devoted son of my adopted country, loving alike its starry flags as the symbol of those priceless and deathless principles of civil liberty that have come down to us since Runnymeade, I would hurl back the insinuation as a reflection upon my patriotism, my intelligence, and my love for the land of my birth; and in fact, Mr. Speaker, such will be the response of the great mass of that splendid naturalized citizenship the great Aryan race has given to this country.

If, however, this problem ever resolves itself into the alternative that some gentlemen on this floor have expressed to me privately, then, Mr. Speaker, I for one would not hesitate an instant to so amend our laws as to preserve and transmit intact to future generations the great fundamental principles of civil liberty. Further notice of argument proceeding from such a low plane is unnecessary.

The time allowed me precludes the possibility of entering upon details to show that our laws do not meet the design for which they were enacted, whatever may have been originally true in respect to them. A glance at the loosely worded law itself, the purely *ex parte* character of the evidence offered under it, the machinery and mode of its execution, the gristlike manner of turning out citizens, the total lack of anything in the process that inspires the applicant with either respect, love, or appreciation of the great change he is undergoing and functions he is about to assume in this republic of republics, the numberless frauds daily practiced under it, all alike testify to its insufficiency.

I yield, Mr. Speaker, to no man in my admiration of and hearty welcome to the honest, industrious foreign-born citizen, who assimilates with our institutions and is indoctrinated with our fundamental ideas of government and liberty. To them America owes much that has swelled its wealth, its culture, and prosperity; in music, painting, sculpture, literature, science, and government, the imprint of their genius is indelibly stamped in our history. The fires of patriotism have burned as brightly on their altars as on those of us "to the manor born."

Why then, Mr. Speaker, in the name of our common country and its heritage to mankind this outcry and protest when the manifest weakness of our naturalization law is pointed out, and America seeks to elevate its citizenship to a higher plane? I answer, Mr. Speaker, the triple curses of the day, ignorance, demagoguism, and un-American tendencies and modes of thought, intensified by wild visionary schemes for the amelioration of society and government, which, if successful, would destroy that splendid individuality of man to which alone the triumphs of our civilization is indebted, and erect thereon that Dead Sea level of nationalism, in which man the unit is nothing, and whose very identity is swallowed up in an iron-bound social paternalism, where skill, talents, knowledge, genius, science, art are no longer factors in the development of civilization for want of that encouraging admiration, that fostering care, and rich guerdon that all ages and people have bestowed upon them. It is the physical against the metaphysical, mind against muscle, individualism against socialism, paternalism, and centralization.

Whatever form or phase, Mr. Speaker, the struggle may take, when resolved into its constituent elements it will come to this. There! are the forces, my brothers, that with ominous leer demand that the American Congress shall not legislate to perpetuate American citizenship and American institutions, and that the patriotic foreign-born citizens will deprecate and scorn as truly as his native-born countrymen.

My district is largely composed of foreign-born citizens. I know their loyalty to American institutions, their devotion to the principles of the Constitution, I know they view with alarm those methods and practices that permit the high standard of citizenship they have attained to be lowered and adulterated; the oath of "attachment to the principles of the Constitution," with them is pregnant with meaning, and, Mr. Speaker, I declare now, here in my place on this floor, that the naturalized citizens of my district hurl back the base imputations from whatever source it comes—Jew or Gentile—that they are opposed to the enactment of laws that will permit the degredation of American citizenship, or that they favor the retention of those under the cover of which that oath may become a meaningless mockery.

History and experience teach us that the imperishable principles of political and civil liberty become lost to a people just in proportion as a long and uninterrupted enjoyment lull them into fancied security. The preservation and transmission of free institutions and not their achievement is the problem that presses for solution to-day in this country. An American interviewer said to that profound philosopher, Herbert Spencer:

"We Americans think it involves too much loss of time and temper, and does not pay, to make ourselves disagreeable by resenting every trifling aggression." "Exactly," responded Mr. Spencer, "that is what I meant by character. It is their easy-going readiness to permit small trespasses, because it would be troublesome, or profitless, or unpopular, to resist, which leads to the habit of acquiescence in wrong and the decay of free institutions."

It is axiomatic that a nation has the right to prescribe the conditions upon which they will admit an alien to citizenship. Have the United States done so? Section 2165, Revised Statutes United States, prescribes that—

An alien may be admitted to become a citizen of the United States in the following manner, and not otherwise.

There are six subdivisions of this section. The third provides that—

During that time—

That is, five years—

it shall appear to the satisfaction of the court that he has behaved as a man of good moral character, attached to the principles of the Constitution of the United States, and well-disposed to the good order and happiness of the same.

Construing this clause the Supreme Court of the United States (in the matter of Clark, 18 Barb., 444) say:

The powers conferred upon the courts to naturalize aliens are judicial and not ministerial, and require an examination into each case, sufficient to satisfy the court.

The converse of the proposition is undeniable that if the court be not so satisfied it shall deny him citizenship, and to become satisfied the court may question the applicant, and when deemed advisable hear proof *aliunde;* these are legal corollaries to the proposition laid down, and no trained legal mind would ever think of invoking the doctrine or principle of free speech to avoid them, but which it is now proposed to engraft upon our laws.

Let us analyze for a moment the oft-repeated assertion that however radical a man's views on fundamental principles of government, they do not militate against his right to be naturalized, even though he takes the oath of attachment to those principles in one breath and breathes destruction of them in the next, for if the contention be well founded and no real inconsistency or antagonisms be apparent, then we need not amend our laws to guard against the admission to citizanship of such persons, however much they may despise the Constitution they are swearing their attachment to.

We take the well-known case of a man who avowed a belief (and purpose to attempt to carry it out) in the power and duty of the Government to forcibly take or confiscate a man's real property over a certain amount and give it to his neighbors who owned none. The question arises, what fundamental principle of free institutions is this belief antagonistic to? It is a principle that lies back of the Constitution itself. The right of property is before and higher than any constitutional sanction. It means the taking by the Government of private property for private use. This right was first secured in that great fundamental bill of rights, Magna Charta, which in these days, when there is much prating and little knowledge about the fundamental rights of property and persons, it may not be amiss to quote:

No freeman shall be taken or imprisoned or disseized or outlawed or banished or anyway destroyed, nor will the king pass upon him nor commit him to prison unless by the judgment of his peers or the law of the land.

The latter phrase has received a settled judicial interpretation in this country. In the Dartmouth College case Mr. Webster defines it to be—

The general law; a law which hears before it condemns; which proceeds upon inquiry and renders judgment only after trial. The meaning is that every citizen shall hold his life, liberty, property, and immunities under the protection of the general rules which govern society. Everything which may pass under the form of an enactment is not, therefore, to be considered the law of the land. If this were so acts of attainder, penalties, confiscation, reversing judgments, and acts directly transferring one man's estate to another, decrees and forfeiture would be the law of the land. There would be no general permanent law for men to live under or courts to administer. The administration of justice would be an idle ceremony.

That great American jurist Thomas Cooley, in his work on

Constitutional Limitations, in speaking of certain fundamental rights of persons and property lying behind all constitutions, uses the following language:

It—

The Constitution—

is not the cause but the consequence of personal and political freedom; it grants no rights to the people, but is the creature of their power, the instrument of their convenience. Designed for their protection in the enjoyment of the rights and powers which they possessed before the Constitution was made, it is but the framework of the political government, and necessarily based upon the preexisting conditions of laws, rights, habits, and modes of thought. There is nothing primitive in it; it is all derived from a known source. It presupposes an organized society, law, order, property, personal liberty, and enough of cultivated intelligence to know how to guard it against the encroachments of tyranny. A written constitution is in every instance a limitation upon the powers of government in the hands of agents, for there never was a written republican constitution which delega ted to functionaries all the latent powers which lie dormant in every nation, and are boundless in extent and incapable of definition.

When an alien applies to an American court and is required to prove to the satisfaction of that court that he is "attached to (*i. e.* loves) the principles of the Constitution and is well-disposed to the good order and happiness of the same," and in one breath avows his belief in the right of the Government (and his determination if admitted to seek to empower the Government to enforce that right) to strike from our free institutions, the very keystone of the arch on which depends the whole superstructure, duty, wisdom, and patriotism alike demand that he be not allowed to invest himself with the insignia of American citizenship by the mockery of an oath.

Laws framed during the early years of the Republic, when the great bulk of immigrants sought our shores as an asylum from political oppression, and left their native land with a love of our country, its flag and free institutions, did not need a rigid enforcement, so far as the likelihood of error in admitting unfit persons was concerned.

But the experiment or neglect of yesterday becomes precedent to day, and is vigorously contended for as a correct guide to-morrow.

Now that changed conditions confront the American people, and thoughtful citizens are startled by the steady and insidious attacks upon our free institutions, these laws no longer suffice to protect the country from that class of people.

There is no sufficient procedure whereby the court can determine the existence of the prerequisites of naturalization; an intelligent conception of the fundamental principles on which this Government rests should be required; the right to cancel or vacate the judgment of naturalization on account of fraud, misrepresentation, or mistake should be given the courts upon proper proceedings and proof. And to keep alive that waning knowledge of the principles of our free institutions, which to a certain extent has been driven from the minds of our people in their mad rush after wealth and by contact with large masses of unassimilated citizens, who instead of adopting the laws, customs, and language of the country they have sworn allegiance to, have literally, in many instances, bodily transplanted those of their native land.

I believe the proper remedy to counteract these causes would be the teaching or explaining of those principles in our public schools. Will the Congress take a firm, patriotic stand, or will indifference, demagogy, or, worse still, unwise partisanship triumph and defeat the aspirations of every native and naturalized patriot in the land? This session will tell the story. Six distinguished American statesmen from each of the great political parties could, if they would, lift this great question from the mire of party partisanship, and make it as safe from that character of assault as the ark of the covenant.

Brave words were those of Mr. Cleveland which fell from the lips of that distinguished American on the occasion of his address in December, 1891, before the New England Society. Like the tones of a silver bell upon a frosty night, there is no mistaking their ring of true Americanism:

This certainly do s not mean that a spirit of narrowness or proscription should be encouraged, nor that there should be created or kept alive a fear concerning such additions to our population from other lands as promise assimilation with our conditions and coöperation in our aims and purposes. It does, however, mean the insistence that every transfer of allegiance from another government to our own should signify the taking on at the same time of an aggressive and affirmative devotion to the spirit of American institutions. It means that with us a love of our Government for its own sake and for what it is is an essential factor of citizenship, and that it is only made full and complete by the adoption of the ideas and habits of thought which underlie our plan of popular rule. It means that one fills a place in our citizenship unworthily who regards it solely as vantage ground where he may fill his purse and better his condition. It means that our Government is not suited to a selfish, sordid people, and that in their hands it is not safe.

In his admirable address in commemoration of the inaugural of George Washington, Chief Justice Fuller, of the Supreme Court, says:

What Washington desired, as Lodge's fine biography makes entirely clear, was that the people should become saturated with the principles of national unity and love of country; should possess an American character; should never forget that they were Americans. Hence he opposed education abroad, lest our youth might contract principles unfriendly to republican government, and discouraged immigration, except of those who, by an intermixture with our people, could themselves, or their descendents, get assimilated to our customs, measures, and laws; in a word, soon become one people.

To be an American was to be part and parcel of American ideas, institutions, prosperity, and progress. It was to be like-minded with the patriotic leaders who served the cause of their native or adopted land from Washington to Lincoln. It was to be wedded to the virtues of republican government as the bulwark of the true and genuine liberties of mankind.

What some, at least, of those principles are we trust we have shown elsewhere; whether the existing naturalization laws and the usual mode of administering them is likely to preserve and transmit them are questions concerning which every intelligent and patriotic American, whether native or naturalized, must entertain grave doubts.

I have not, nor can I within the limits assigned, touched upon the questions of ethics involved in this question; suffice it to say that as now or heretofore administered, with a uniformity that was absolutely startling, an alien might declare to an American court, I propose to vote (when admitted to citizenship) to abolish your Constitution that recognizes your elective franchise, your right of trial by jury, your writ of habeas corpus, your rights of person and property, but I demand and claim citizenship by virtue of that Constitution which guarantees the right of free speech. Was ever sophistry carried to a greater extreme. Was ever a nation called on to surrender the fundamental principles of its existence with more shameless effrontery.

It will be apparent that while the proper interpretation and enforcement of our naturalization laws will do much towards lessening the evils alluded to, yet it will be equally clear that no adequate remedy exists short of a thorough revision upon the lines indicated.

It will not suffice to respond that the ignorant and those of lawless instincts alone constitute a menace to our institutions, and that rigidly enforced immigration laws will afford an adequate remedy. Fleeing from tyranny, unequal laws, and unjust social conditions in the Old World, his mind filled with the visionary and impracticable schemes of writers honestly seeking to ameliorate the conditions of humanity, yet totally unable to grasp that vast problem in all its intricacies, finding in this land of plenty and of freedom thousands who have failed to learn that great lesson of the race, "In the sweat of thy face shalt thou eat bread," and ready in consequence to decry the institutions of the country, and demagogues ever ready to pander to his narrow and distorted views of society and government. Is it any wonder, then, that under these favorable conditions many immigrants of to-day mistake liberty for license, and under the sacred garb of free speech, with his oath of allegiance to American institutions fresh upon his lips, proceeds by word and deed to assault the very foundations on which rests the superstructure of the Republic? No Aladdin's lamp enables him to at once command the genii of a fabulous wealth his dreams and literature have depicted as awaiting all in this free and favored land who have the nerve to summon it. A "sovereign" among "public servants," his dull perception can see no reason why existing institutions, however venerable and tried in the crucible of experience, which stand between him and that alone for which he has sought these shores, should not be removed without ceremony.

Knowing little if anything concerning the history of Anglo-Saxon liberty and their legitimate outcome, constitutional Government in the United States, a stranger to its language, laws, and customs, it can not rationally be expected that his sensibilities would experience a shock over any change in the fundamental laws of the country, however radical, or subversive of its institutions and form of government.

It is not contended that radical reforms by our people are unnecessary, or that a constitution framed to meet the exigencies and wants of three millions of people a century ago is sufficient for all the requirements of sixty-five millions to-day, under the new and extraordinary conditions that now confront us. Neither do we hold it to be an unreasonable contention that our fundamental law should be sufficiently elastic to meet the changed conditions of society. But it is respectfully submitted that the guidance of the great ship of state should be intrusted to those alone who are familiar with its history, attached to the original purposes of its creation, experienced in its management, and having an abiding faith in its manifest destiny, whether native or naturalized.

Any effort to deflect the vessel from her course thus early in her journey will as surely land her in a different port as the slightly erring aim of the marksman is sure to cause the bullet to speed wide of its mark. It matters but little to those interested in the preservation and transmission of free institutions

whether the hands that wrecked them did so through ignorance or design; it is the paramount duty of the hour faithfully to guard against either contingency.

Touching the clause relating to reading the Constitution in the applicant's language, I question both its sufficiency, wisdom, or policy; but I do insist, for the reasons given, that the court should be required to furnish a printed slip attached to his oath which should contain the vital and fundamental principles of the Constitution and Government, and of civil liberty, and that the same should be fully explained to him and his signature attached thereto if accepted by him; and if gentlemen are wise in their day and generation they will not resist a demand so just, reasonable, and patriotic.

Remonetization of Silver.

SPEECH
OF
HON. JOHN MARTIN,
OF KANSAS,

IN THE SENATE OF THE UNITED STATES,

Wednesday, October 11, 1893.

The Senate having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. MARTIN said:

Mr. PRESIDENT: Heretofore I have refrained from taking any part in the great controversy that for the past two months and more has engaged the anxious attention of the Senate and country, to the exclusion of all other matters. I have chosen to pursue this policy of silence, hoping that the wisdom and patriotism of the more experienced members of this body would suggest some plan or method by which all conflicting interests might be finally reconciled and a policy adopted that would at least command the united support of the Democratic majority in the Senate; a policy that would meet the approval of the country and be of permanent public advantage. And I have felt disinclined to add a word that might postpone these results or tend to make them more difficult of attainment. So far, this desirable and important result has not been reached, nor are the prospects for such settlement hopeful or promising.

In my judgment the time has now come when every Senator should boldly and clearly announce his position respecting the pending measure and his purposes in relation to the same.

Mr. President, I have not and do not share or sympathize with the opinion so frequently expressed in this Chamber in the last ten weeks that we were or are confronted by a serious financial disaster or a fearful national peril. That there has been and still is a condition of unrest, a series of financial disorders, and, if you please, a money panic, I concede. But that there ever existed or now exists any just or legitimate cause or causes for these conditions I deny. Nor do I believe that the so-called Sherman law has had the slighest influence, naturally or legitimately, in producing these conditions. That the law in question has been by bad, selfish, and unpatriotic men made a pretext for these disorders is, to my mind, a palpable and incontrovertible fact.

A few days ago the Senator from Missouri [Mr. COCKRELL], in addressing the Senate, made the declaration that it is a "bankers' panic, and made to order for the shameful and wicked purpose of destroying silver as a part of the national currency." I believe this statement to be absolutely true. A few days later the Senator from South Carolina [Mr. BUTLER] declared that the "panic," as it is called, was largely the result of dishonest and reckless business methods by bankers, stockbrokers, and their associate classes, and I thoroughly concur in this opinion. Entertaining these views, I have favored a policy of making haste slowly. Experience and observation have led me to believe that periods of excitement and panic are not conducive or favorable to wise, prudent, and useful legislation on any subject. And those who are charged with the high and responsible duty of formulating policies and conducting public affairs should be the last to yield to public excitement or unreasoning clamor of any description.

It is the highest duty of public men to be guided by wisdom, courage, and cool deliberation, by prudent action to quiet excitement, and by reason and courage to dispel and conquer panics. The highest test of the great soldier is his ability to inspire confidence and courage in a panic-stricken army, and by prudent action to convert apparent defeat into splendid victory. He is the great commander who remains cool and collected amid the perils of threatened shipwreck; who can quiet the fears of those subject to his command, dispel panics, restore confidence, and save his charge from disaster and death. And if we courageously resist the arrogant and selfish demands of panic-stricken money-changers, reckless stock-gamblers, and their associated agencies, our ship of state will successfully ride the storm that they have wickedly provoked, and very soon we shall enter into calm and quiet seas and in the end reach a friendly, safe, and profitable harbor.

Mr. President, I have said that I have not shared in or sympathized with the "calamity howl" that has been indulged in in this Chamber in regard to the financial condition of the country and in the agency of the Sherman act in producing this supposed fearful situation. On the 15th day of June last I expressed my opinion in regard to this matter in a telegram to the New York Times, which I shall read to the Senate. It is as follows:

NEW YORK, *June 9, 1893.*

Hon. JOHN MARTIN, *Topeka, Kans.:*

On equally good security money now loans in England at one-quarter the current rate in the United States. In the opinion of prominent financiers, if the Sherman act is to be repealed immediate relief will result from prompt assurance thereof, and resulting in a flow of cheap money from London to America. Will you oblige the Times by writing briefly, at our expense, whether you favor repeal of Sherman law, and what plan of currency issue you favor?

NEW YORK TIMES.

TOPEKA, KANS., *June 15, 1893.*

To the Editor of the New York Times, New York City, N. Y.:

I answer your telegram of June 9 as follows:

First. Your statement as to the relative rates of interest in England and the United States is not true.

Second. I have no confidence whatever in the opinions of your "prominent financiers." They were never known to be right.

Third. The Sherman law has not caused the present financial troubles, and its repeal will have no such result as they assume.

Fourth. We neither want or need "cheap" money from London or elsewhere.

Fifth. The Sherman law is and was intended as a trick and scheme to destroy silver as money, and should be immediately repealed, provided proper silver legislation is substituted.

Sixth. I am in favor of a currency of gold, silver, and Treasury notes agreeably with the demands of the Democratic national platform.

Seventh. If the Secretary of the Treasury firmly resists the dictation of your "prominent financiers" and their associate conspirators in Europe and elsewhere the present financial flurry will be brief and harmless.

JOHN MARTIN.

This telegram to the New York Times clearly expressed my views on the 15th of June; and I have neither seen nor heard of any substantial reason since then that would justify or require a change of any opinion then expressed. That we are confronted, however, Mr. President, by a condition of public disturbance affecting to some extent the business interests and industries of the country is a fact, however much we may differ as to the causes that have led to these results, and later on I shall endeavor to establish by conclusive proofs the main causes that have produced the present distress and business disorders. In my judgment the real issue involved in this controversy is whether we shall eliminate silver from our currency, and establish an exclusively gold standard. Evade and explain as we may, the fact remains that the present controversy is a war against silver as a part of the money of the country.

It is largely a contention between the creditor and the debtor classes. It is to a very great extent a conflict of interest between the West and the South on the one part and Eastern interests upon the other. In this aspect of the case it becomes more of a sectional than a party question. Eastern Democrats and Eastern Republicans are arrayed upon the one side in opposition to silver and in favor of the gold standard. Upon the other hand Western and Southern Democrats, Republicans, and Populists are in favor of both gold and silver. Under these circumstances the public interest demands a settlement of the controversy by mutual concession and compromise. And upon this point I heartily concur in the eloquent declarations of the Senator from Kentucky [Mr. BLACKBURN] submitted to the Senate a few days ago. I believe with him that this controversy ought to have been adjusted at the very outset by a Democratic caucus; a settlement that would alike have been fair and just to all interests and to all sections of the country.

The interests of the Democratic party demanded this action. That party is in absolute control of every department of the Government having to do with the enactment of legislation, and it will be held to the strictest responsibility by the country upon this and all other questions of public policy that may be formulated during the present Administration. And the country will not and ought not to tolerate any evasion or pretense for nonaction. Nor will the country look to the Republican party for relief, nor will it hold the Republican party responsible for any results that may come, whatever they may be. And where differences are so radical, compromise and concession in the public interest and upon an honorable basis are always just and right. Human society exists upon the basis of concession and compromise. Social organization is a compromise. Government itself

is the result of a series of compromises. The business relations of life are adjusted upon the theory of mutual concession and compromise. And, as a general rule, all great and useful legislation has been and will ever continue to be based upon the theory of compromise.

It was concession and compromise that united the thirteen colonies against Great Britain, in the beginning of our history, and that led to our freedom and independence. Without compromise and concession the government under which we live, and of which we are all so proud, could not have been formed. It was the spirit of concession and compromise that controlled and governed the action of the statesmen and patriots who formed our present constitution. And without this spirit of compromise our present form of government would never have existed, and the perils, hardships, and sacrifices of our revolutionary ancestors would have been in vain. In 1819–'20 compromise averted threatened serious national disaster and the probable disruption of the republic. In 1850 this same spirit of compromise preserved us from civil strife and possible disunion. And in 1860–'61 it was for the lack of this spirit of concession and compromise that the civil war was brought on, which drenched the country in fraternal blood and afflicted our people with all the horrors of civil war. And those of us who believe in the use of silver as a part of the constitutional currency of the country are of the opinion that it is a matter of such grave and vital importance that patriotism and public interest, present and future, emphatically demand that this controversy shall be settled by such compromise and concession as will be fair and just to all.

Mr. President, it has been said of us by our political opponents that the Democratic party is incapable of self-government and unequal to the task of managing public affairs. And I am frank to say that it does seem to me that the Democratic majority in this Senate is doing all in its power to demonstrate to the country the truth of these Republican charges. The Democratic party has a clear majority in the membership of this body. At the very outset of our legislative career we are torn and rent by factional and conflicting interests. The integrity of the party is threatened, business enterprises and the public interests imperiled because of selfish local demands. Are we dead to the dictates of reason and patriotism?

Is not the preservation of the Democratic party of sufficient importance to the present and future welfare of this country as to justify and even demand the exercise of such mutual concession in the formation of some definite policy as will relieve the party and the country from the present dangerous environments and utterly disarm our Republican friends of their unfriendly criticism? Is it true that we are not capable of formulating and executing public policies that will bring peace, happiness, and prosperity to the country? Or are we to verify the predictions of our friends on the other side of the Chamber, that if we were intrusted with power we would prove incapable of exercising it for the public good? I fear, Mr. President, that the experience of the last sixty days is rapidly tending to verify such predictions.

Mr. President, I have said, and repeat, that in my judgment the so-called Sherman law has had but little if anything to do with producing the present disturbed condition of financial affairs. Upon the contrary, I believe that these results have been produced by dishonest and bad business methods, at home and abroad; that one of the chief factors is the stock-gambling operations in our large cities. Another cause is the dangerous centralization of the money power in our commercial centers. Another cause is the uncertainty respecting the character and modification of our tariff laws. And I am very much inclined to agree with our Republican friends that the latter has much more to do with our present unfortunate condition than has the Sherman law. I am in favor of radical tariff reform and reduction. And however wise and fair this policy may be, it must for the time being naturally be productive of anxiety and uneasiness in the minds of the manufacturers of the country. And so whatever action may finally be taken with respect to the tariff, we must reasonably expect a season of anxiety and partial distress.

Mr. President, I am not a friend of the Sherman law. I think it essentially bad in every respect. It is a deliberate attempt to legislate a part of the Constitution of our country out of existence. Instead of treating silver as money and as a money metal, as required by the Constitution, it has converted it into an article of commerce; and the common experience of mankind has taught us that the destruction of the monetary quality of either gold or silver will always impair its value and limit the circle of its influence and usefulness. I do not believe that the coinage of 4,500,000 ounces of silver per month, or the issuance of silver certificates to that amount, could or would create an excess of currency or have any influence in producing, in and of itself, the financial panic and disturbance that we have witnessed. And as a matter of fact, statistics that have been read in the Senate demonstrate the fact that within the last six months there has been no great disparity between the imports and exports of gold to and from the United States. And when we take into consideration the additional fact of the accumulation of gold from our own mines, there can be no just cause for the apprehension of danger from any exportation of gold.

But, Mr. President, I believe the real cause of our present trouble was a deliberately formed plan upon the part of our great bankers and their allied interests in the city of New York and elsewhere to take advantage of the disquietude in manufacturing circles already noted and to bring about the present condition of affairs for two purposes: First, to compel the Federal Government to issue its bonds in order that they might control them for investment and speculative purposes; and second, to discredit silver and prevent its further use as a part of the currency of the country. And, while it is impossible, in the nature of things, to establish this proposition by direct evidence, the circumstantial evidence is so clear and satisfactory as to leave but little if any room for doubt in the minds of careful and impartial judges.

The Senate will remember that toward the close of the Administration of Mr. Harrison, the subject of issuing the bonds of the Government was seriously considered by that Administration, and strongly pressed by the bankers of New York and elsewhere. And I believe it is a part of the unwritten history of that Administration that an opinion had been obtained from the then Attorney-General confirming the power of the Secretary of the Treasury to issue such bonds; and that in addition to this, the then Secretary of the Treasury went so far as to prepare dies and plates for these bonds; that upon consultation it was concluded to abandon the plan and throw the responsibility for such action upon the present Democratic Administration. It is also a well-known fact that the present Secretary of the Treasury had been frequently urged to issue bonds at various times since March 4 last.

But, to his credit, he has steadily refused to do so. At the several times when the issuance of bonds was being pressed the subject of the repeal of the purchasing clause of the Sherman law was also considered and urged. And these importunities were invariably instigated by Eastern bankers and their associates. In other words, it was clearly and manifestly the Wall-street policy to issue bonds and to stop the coinage and use of silver. To justify this policy there was no pretense on the part of any one that there was too much money in the country. Upon the contrary, the proposition was almost universally conceded that there was an insufficient supply of money in the country to transact our constantly increasing trade and commerce.

If this be true, the inquiry naturally arises why the money-changers of the country should be so solicitous for the issuance of Government bonds and the demonetization of silver. It will hardly be contended that these gentlemen were influenced in making their demands by considerations of public interest. On the contrary it is quite clear that these people were considering their own interests alone. Large volumes of money had accumulated in the cities of New York, of Boston, and Philadelphia, and elsewhere in the East, that was unemployed. Investment was refused because safe and remunerative returns were not absolutely assured, hence the object and purpose of the money-changers was to secure an issue of United States bonds in which to invest their surplus earnings. And secondly, they proposed to decrease and limit the amount of circulating medium in order that it might be more convenient for them to control it. And thirdly, these bonds were desirable and necessary for the perpetuation of the national banking system.

These are the three material considerations that lie at the base of this entire monetary conspiracy. The parties to this conspiracy finally concluded to renew their operations in the city of New York; and, as preliminary to thi' contemplated action, the banks in New York, Boston, and elsewhere were extremely busy in proffering advice and assistance to the Secretary of the Treasury, on terms altogether favorable to themselves, of course, to meet any possible reduction of gold in the Treasury. They were free and profuse in their offers of assistance, as well as in their prophecies of an impending panic. In proof of this proposition we have seen that letters were addressed to the Secretary of the Treasury from various quarters, tendering to him the use of large amounts of gold. And the following is the text of Secretary Carlisle's letter of thanks to the Boston bankers:

TREASURY DEPARTMENT,
April 25, 1893.

MY DEAR SIR: I desire you to convey to the associated banks of Boston my sincere thanks for their generous and patriotic action in tendering gold to the Treasury. If all the banks in the country which now hold gold would imitate the example of Boston, the financial situation would soon be changed and there would be no doubt hereafter as to the ability of the Government, with the patriotic assistance of the people, to maintain its credit, even under the most unfavorable circumstances.

Very truly, yours,

J. G. CARLISLE.

MR. PHINEAS PIERCE,
Chairman Clearing-House Committee, Boston, Mass.

It will be observed that this letter is dated April 25. On the 26th of April the following notice was published in the Boston papers:

BOSTON, *April 26.*

Secretary of the Treasury Carlisle has returned his thanks to the associated banks of Boston for their tender of gold coin, and has accepted the offer. Phineas Pierce, chairman of the Clearing-House Committee, has so notified the banks. The action of the Boston banks will place at the disposal of the Government between $5,000,000 and $6,000,000 in gold.

The Senate will remember that on the 27th of April a naval parade was to occur in the harbor of New York. On the 26th of April, the following Washington dispatch appeared in the New York papers:

WASHINGTON, *April 26.*

The President to-day designated Assistant Secretary Hamlin to act as Secretary of the Treasury in the absence of Secretary Carlisle, who left this afternoon with the President and other members of the Cabinet for New York, to be absent one week. Mr. Hamlin had a conference with Secretary Carlisle this morning and was made acquainted with the general policy of the Treasury Department, especially as regards the present gold question. The situation to-day shows improvement. Gold in small quantities was offered from several points this morning and accepted. The policy of the Treasury Department will be to accept all gold offered, unless the conditions imposed are disadvantageous to the Government.

The President and Secretary Carlisle show by their action in leaving the capital at this time plainer than words can make it their entire confidence in the financial situation. Gold will be paid out as demanded for Treasury notes, without inquiring whether the gold reserve is thereby invaded or kept intact. It has been practically turned into the Treasury's available cash since the President's announcement that gold would be paid for all Treasury notes.

Secretary Carlisle said this morning that there was nothing new to say of the situation, except that he was daily receiving offers of gold which he was accepting.

One important fact to be noted in this dispatch is that at that time there was no fear or apprehension, so far as the President and Secretary of the Treasury were concerned, respecting the financial situation of the country. If this dispatch was authoritative, the policy of the Administration was clearly defined; and it is equally clear that there was no indication or intimation of any financial troubles existing or likely to exist by reason of the operations of the Sherman law. And, in the language of the dispatch, "The President and Secretary Carlisle showed by their actions in leaving the capital at that time, plainer than words could make it, their confidence in the entire financial situation."

But, unfortunately, the matter was not to be left in that shape; and the further device was adopted by the New York bankers of obtaining an interview with the Secretary of the Treasury at the earliest possible moment for the purpose of impressing upon him their views of the situation. Hence it was arranged that upon the arrival of the Secretary of the Treasury in New York, or as soon thereafter as possible, he should be accorded an opportunity of meeting and conversing with the "financiers" of New York: and the result of that scheme is to be found in the New York Sun of April 27, 1893, which reads as follows:

TO CONFER WITH CARLISLE—BANKERS EXPECT TO MEET HIM TO-DAY OR TO-MORROW.

It is the opinion of financiers who have talked with the President that he will do nothing tending to defer final action toward the repeal of the Sherman law.

Secretary Carlisle arrived in town last night. Early in the day Assistant Treasurer Jordan received word from him that he would be in town and would remain over to-morrow. Mr. Jordan immediately conferred with bank presidents and private bankers to ascertain when it would be most convenient for them to meet the Secretary.

To-day is a legal holiday, and many of the bankers are on the various Columbian committees. The majority believed that they could not get away from their duties until late this afternoon, and even then the festivities of the evening would prevent them from giving the time necessary to talk over the financial situation with the Secretary.

It was suggested that the bankers meet the Secretary to-morrow morning at 11 o'clock. Secretary Carlisle is booked to accompany President Cleveland to Chicago to-morrow morning, but he is suffering from a severe cold and may not be able to go. Mr. Jordan visited the Secretary last night and told him of the situation. If the Secretary decides that he will be only able to see the bankers late this afternoon telegrams will be sent to them. Any conference held to-day will doubtless be at either the Fifth Avenue or the Victoria Hotel.

A number of the bankers had an impression that no material results concerning a bond issue would come from any talk with Secretary Carlisle. An influential New York Democratic Congressman recently had a talk with President Cleveland concerning the repeal of the Sherman law. This Congressman told the President that the best way to have the Sherman law repealed would be to demonstrate the evil effects on the business community of the country. The President seemed to agree with the Congressman. Several financiers of repute in New York came from Washington yesterday, and they had gathered the opinion that it is the purpose of the Administration not to take any steps that in anyway would tide over the results of the Sherman law. In other words, so far as they could learn, President Cleveland had ascertained that there was no alternative, and that to step in now and issue bonds would only defer final and conclusive action toward the repeal of the Sherman law.

The Washington people were strong in this belief. They pointed out that in the President's manifesto he had said that he would continue to pay the Government's obligations in gold. Since that declaration the great supply of gold all over the country has been demonstrated, and Secretary Carlisle has been daily in receipt of offers of gold. Should these offers be discontinued there would be only one thing to do, and that would be to dip further into the reserve. However, nothing certain concerning the Government's policy will be known until President Cleveland returns from Chicago.

In the meantime Secretary Carlisle will talk with the bankers and ascertain their views. President J. Edward Simmons, of the Fourth National Bank, said that the talks with the Secretary would be free and frank, and that there was every disposition to get along pleasantly and harmoniously. The bankers will do everything reasonable, but they can not be expected to turn in their gold to the Treasury and injure their reserves at a time like this.

No gold has been engaged for shipment on Saturday, the decline in sterling exchange having temporarily interfered with shipments.

It will be noted that this article outlines a plan of meeting with the Secretary of the Treasury, and that the matter of issuing bonds and the repeal of the purchasing clause of the Sherman act was to be the subject of that conversation is conclusive; and it is so important in demonstrating the truth of the proposition that I advanced in the outset that I again call the attention of the Senate to that part of it referring to the issuance of bonds and the repeal of the purchasing clause of the Sherman law:

A number of the bankers had an impression that no material results concerning a bond issue would come from any talk with Secretary Carlisle.

This paragraph clearly demonstrates that one of the important elements to be considered in that meeting was the issuance of Government bonds; but the parties interested in it had little hope of its success, because of the fact, generally known, that Mr. Carlisle had resolutely set his face against any operation of the sort. The article further states:

An influential New York Democratic Congressman recently had a talk with President Cleveland concerning the repeal of the Sherman law. This Congressman told the President that the best way to have the Sherman law repealed was to demonstrate the evil effects on the business community of the country.

As to who this Congressman was, I have no knowledge. That he was a representative of the banking interests in New York is quite clear; that he was authorized by them to suggest to the President the idea of an "object lesson," which they subsequently adopted and enforced, is conclusive. And the suggestion thus made is in absolute harmony with subsequent events. The article further says:

The President seemed to agree with the Congressman.

Now, Mr. President, that part of the story that seeks to implicate the President as seeming to agree with the Congressman I do not believe. I do not believe that either the President of the United States or the Secretary of the Treasury had any connection whatever with these suggested plans and schemes. My knowledge of the men and their well-earned reputations for integrity and justice, utterly forbids the idea that either the President of the United States or the Secretary of the Treasury would by word or deed be a party, directly or indirectly, to the wicked, corrupt, and dishonest methods of procedure suggested by these banking associations. The article further says:

Several financiers of repute in New York came from Washington yesterday, and they had gathered the opinion that it is the purpose of the Administration not to take any steps that in anyway would tide over the results of the Sherman law.

In other words, so far as they could learn, President Cleveland had concluded that to step in now and issue bonds would only defer final and conclusive action toward the repeal of the Sherman law. In other words, the President had settled in his mind that the then existing condition of public affairs would not warrant an issuance of bonds, nor was it apparent to him that any conditions were likely to exist that would authorize it. Thus we find, Mr. President, that the preliminary steps to this conspiracy were formed, and were to be put in operation, if at all practicable, upon the occasion of the visit of the Secretary of the Treasury to New York. And what further occurred will plainly appear later on. On the next day an article appeared in the same journal, the Sun, April 28, 1893, headed:

BANKERS MEET CARLISLE—AN HOUR'S TALK AT THE HOUSE OF PRESIDENT WILLIAMS—THE SECRETARY REPEATS HIS DECLARATION THAT THE REPEAL OF THE SHERMAN LAW WAS THE PRIME DUTY OF THE ADMINISTRATION—NO NEW BONDS EXCEPT AS A LAST RESORT.

No new bonds except as a last resort. That was exactly the statement that these gentlemen did not wish to hear from the Secretary of the Treasury. The unquestioned object of the meeting, as suggested in the article of the 27th, was, if possible, to induce the Secretary and the President to issue bonds, and that policy is clearly outlined in the article to which I have just called the attention of the Senate. It was suggested in that article that on the next day there would be a meeting of the bankers and Mr. Carlisle to talk the situation over. On the 27th, in pursuance of the previous statement, they did meet at the house of President Williams, and here is what took place:

[New York Sun, April 28, 1893, page 7.]

BANKERS MEET CARLISLE—AN HOUR'S TALK AT THE HOUSE OF PRESIDENT WILLIAMS—THE SECRETARY REPEATS HIS DECLARATION THAT THE REPEAL OF THE SHERMAN LAW WAS THE PRIME DUTY OF THE ADMINISTRATION—NO NEW BONDS EXCEPT AS A LAST RESORT.

Secretary Carlisle decided yesterday morning to have a talk with the New York bankers. Late on Wednesday evening after his arrival from Washington, he conferred with Assistant Treasurer Jordon, and ex-Assistant Treasurer James J. Canda. As a result the Secretary yesterday morning suggested that he met the bank presidents and private bankers at four o'clock in the afternoon. The postponement in the naval review because of the storm caused some delay, as Secretary Carlisle accompanied President Cleveland on the Dolphin.

The Secretary landed with the Presidential party at the foot of Ninety-sixth street, and was there met by the Columbian reception committee, including President J. Edward Simmons, of the Fourth National Bank.

The Secretary and Mr. Simmonds were driven to the home of President George G. Williams, of the Chemical Bank, and chairman of the Clearing House Association, at 34 West Fifty-eighth street.

The following gentlemen were there to greet the Secretary: Mr. Jordan, Mr. Canda; President Perkins, of the Importers and Traders'; President Sherman, of the Bank of Commerce; President Cannon, of the Chase; President Ives, of the Western; President Gallatin; President Coe, of the American Exchange, and President Woodward, of the Hanover; all national banks. The conference between the Secretary and the bank presidents lasted somewhat over an hour. There was the utmost good feeling displayed, and the Secretary said that he was there to make a free, frank, and open statement of what he believed to be the financial policy of the Government.

In the first place, the Secretary said that an issue of bonds just at this time might be an effective remedy, but it would only be temporary, and that it would be followed by disturbances in the money market, and would in the end retard the determination of the Administration to repeal the Sherman silver law. The Secretary said positively that there would be no bond issue except as a last resort. As the Secretary outlined the policy of the Government, it was that nothing would be done that in any way would retard or check the determination of the Cleveland Administration concerning the repeal of the Sherman law. The Secretary went over the currency laws of the country, and said they were in bad shape and needed revision. He said the revision should start with the Sherman law. There is a determination also to show to the miners of silver the evil effects of the Sherman law on their own fortunes.

President Cleveland's advisers have told him that the only way to induce the Western and Southwestern Senators and Congressmen to consent to a repeal of the Sherman law is to demonstrate to their constituents that they are losing money every day that this law is in operation. The missionary work in that direction has been started by a number of the bankers in the solid communities of the East. They are daily refusing credits to the South, Southwest, and West, fearing the effects of the Sherman law.

The Chicago bankers, it was said, are carrying out the same line of policy. Secretary Carlisle, in his talk with the bank presidents, made his stand very clear. It is to be heroic treatment all the way through on the Sherman law, and possibly by the next session of Congress the silver-mine owners and the adherents of silver in the Senate and the House will be ready to consent to a repeal of the law.

The bank presidents, replying to Secretary Carlisle, cordially informed him that they would be ready at all times to coöperate with him in the successful administration of the financial policy of the Administration. Everybody shook hands, and there was harmony all round.

In the meantime the Secretary continues to receive offers of gold from unexpected sources.

Mr. President, I submit that the testimony offered establishes beyond question the truth of the proposition that this panic "was made to order"—manufactured expressly for the occasion and for the three purposes already stated, to wit: To force an issue of bonds, the destruction of silver as a money metal, and the perpetuation of the national banking system. If the matter was submitted to the consideration of a fair and impartial jury upon this testimony there could be no doubt about an affirmative judgment on the propositions that I have named. In making this statement, I want it distinctly understood that I acquit the President of the United States and the Secretary of the Treasury of any complicity in it. I do not believe that either of those distinguished gentlemen were advised or had any knowledge of the specific objects and purposes of this meeting.

Nor do I believe that they or either of them would under any circumstances have given an approval, direct or indirect, to the wicked and fraudulent schemes of the gentlemen that the Secretary met at the house of President Williams—the purpose and effect of which was to destroy and paralyze, at least for the time being, the business interests of the country. I apprehend that all Mr. Carlisle did was to meet these gentlemen as a matter of ordinary courtesy and politeness, and to afford to them the privilege of presenting their views, as he would have accorded a like opportunity to any other citizen of the Republic.

Mr. President, it conclusively appears from the article last read that the bankers of the United States, forgetting their duties as citizens and their obligations to the Republic in which they live and to the laws of the land that secure to them the enjoyment of their possessions, and in defiance of every principle of good citizenship of morality and patriotism, deliberately entered into a conspiracy to paralyze and destroy for the time being the business interests and industries of the country, for the purpose of securing to themselves unjust and unconscionable advantages. The rights of the people were to be ignored; the interests of the Republic were to be ruthlessly trampled under foot; the wheels of industry were to be stopped; commercial enterprises were to be suspended; the fires and forges were to be smothered; all enterprises were to come to a standstill; the people of the silver States and the silver-mine owners of the West were to be crushed out—hardships of so onerous a nature were to be imposed upon them as to make it an "object lesson." And in their distress and peril they were to be forced to consent to conditions that their judgment and interests repudiated.

Those dependent upon banks and bankers for means to carry on their business were to be denied accommodation; credit was to be withdrawn, and banking accommodations were to be refused. The businessmen of the South and West and Northwest were to be crippled, crushed, and destroyed, ruthlessly and relentlessly. Men, women, and children were to go hungry and be forced to beg for bread in a land of plenty. They were to be starved into submission, and the accumulated perils and hardships, suffering and sorrow, distress and pain, which we have witnessed in the last six months were to be endured. The business interests of the country, the happiness and prosperity of its people, all to be wickedly and criminally jeopardized or destroyed for the sole purpose of subserving the merciless ends of conscienceless money-changers.

Mr. President, upon the evidence submitted "guilty" would be the verdict of an impartial jury against the money power of the United States; and punishment, swift, just, and relentless, ought to follow in the wake of such a verdict. But, Mr. President, we are not compelled to rely alone upon the evidence already submitted. It is supplemented by the further fact that on the 23d of September last an article appeared in the Manufacturer, an industrial trade journal published in the city of Philadelphia. I am told that it has a reputable standing, and is conducted and controlled by men of high character and intelligence, who are deeply interested in observing the course of events. This article reads:

HAS IT BEEN AN ARTIFICIAL PANIC?

The prostration of manufacturing industries is due to the uncertainty whether they are soon to be without tariff protection, and this industrial prostration is the great and governing cause of the general paralysis in business. But there has been, besides, a financial panic, a withdrawal of money from banks, a refusal of banks to pay their depositors on demand, and, beyond that, a practical suspension of bank functions in the collection and remittance of money. This financial trouble was superadded to the other, and it has caused great additional loss and injury. The question has been, from the first, how far this panic was natural and unavoidable, and how far it was artificial and manufactured.

It was observed that in those New York journals whose daily aim and purpose it is to serve the foreign and importing interests, regardless of the interest of the American Union, there was about four months ago a diligent effort to increase the natural anxiety caused by the outflow of gold. What are called "scare" heads, and "scare" paragraphs on the editorial pages, were used day after day, soon causing alarm as to the financial situation, and then developing that drain of the bank deposits which has been the main feature of evil in the money market. This "scare" was evidently artificial in a large measure. It is, moreover, believed by many that it was deliberately planned to excite public distrust, to give excuse for the assembling of Congress, and to exert "pressure" for the repeal of the Sherman act. It was to be an "object lesson" to the country, to convince business men, especially in the West, that the policy outlined in New York must be followed as the only way of escape from further distress.

That this charge was just, shocking as it seems, now receives support by fresh evidence. The hesitation of the Senate to repeal "unconditionally"—as the New York demand upon it reads—the silver-purchase clause has developed a new threat from that city that more object lessons will be given if the Senate halts longer. Thus in the money article of the Press of this city, on Saturday last, there occurs this statement:

"There is more time money offered and some commercial paper is being sold chiefly to country banks at 8 and 10 per cent. It is well understood that the New York banks will not freely lend money until the Senate votes for the repeal of the silver bill."

The threat in this may be said to be somewhat veiled. But that it is a threat appears from the dispatch sent at the same time from New York by the correspondent of the Ledger, of this city, and printed also on Saturday. This dispatch, speaking of the stock market in New York, said:

"It (the stock market) is waiting to hear from the Senate, and not without some apprehension that some further 'object lesson' may be needed to move that body."

This is certainly more definite, and can not be considered obscure. The threat that there shall be more "object lessons" is such a menace as all can understand. But in the money article of the Press on Monday there is a still more plain statement of the case. In that article there are these extraordinary sentences:

"The mercantile community which desires banking accommodations has not felt the improvement, and the reason is the New York banks have determined not to let money loose until the Senate votes for the repeal of the silver law of July. There is plenty of idle money in New York which business men could use to advantage, but the policy of the banks is to hold off. * * * According to some street authorities additional and aggressive steps will be taken in New York to impress silver Senators. The following was sent around the street on the news tissues on Saturday: 'Our statement that steps were under consideration likely to exert pressure for repeal was supported by facts which came to light during the day pointing to the possibility of an early advance in rates for sterling exchange to figures which would make talk of gold exports instead of imports.'"

Two matters are alleged in these passages: (1) That the banks will not accommodate the mercantile community until the purchase clause is repealed, though there is plenty of idle money; and (2) that there is to be such an advance in the rates of exchange as will cause "talk," and consequent alarm over gold exports. The latter was "under consideration," according to the tissue bulletins, but the former was a line of action which had become definite and well settled.

Upon such announcements as these comment must be practically superfluous. To endeavor to create, by manipulation and artifice, fresh financial distress, is simply an attempt to commit a public crime, compared to which arson is trivial. But, like any other criminal design prematurely disclosed, it ought to defeat itself. We trust it may.

One thing must be remarked in this connection: It will be a dire misfortune if the national banks of the country are betrayed into complicity with such of those in New York as are helping to concoct this scheme of public injury. Because, if they shall be—if the whole national-bank system is to be tarred with this infamous stick—how is it supposed they can be effectively supported when their time of trial comes, as it presently will? The distinguished men at Washington in whose company the implicated New York banks may now suppose themselves safe, will not help to defend the national-bank system; on the contrary many of them will turn to rend it. And is it supposed that the mass of the people, if further convinced that the money panic was artificial—in part, or entirely a "set-up job"—will rally in the bank's defense?

Gentlemen, whoever you are, who propose to make distress wantonly, you are playing with fire, and may perish in the flame of your own creating.

So the opinion of these very able journalists is that—

The prostration of manufacturing industries is due to the uncertainty

whether they are soon to be without tariff protection; and this industrial prostration is the great and governing cause of the general paralysis of business.

Mr. President, while I do not believe this statement to be entirely true, I do believe that the fear and apprehension entertained by the proprietors of the large manufacturing industries of the country is the result of anticipated changes of the tariff laws of the country; and it has had very much more to do with the financial disorders and business depressions of the last six months than all other causes combined. And when the tariff question comes up for discussion in this body you will hear this proposition advanced day after day by our friends on the other side of the Chamber. And very little if any of these disorders will be attributed to the Sherman law.

You will be told very pathetically too, and with great earnestness and eloquence by our Republican friends, that it was not the Sherman law that closed up the furnaces and forges and turned thousands of laboring men into the streets and made thousands of bread-beggars in the city of New York. And I am very much afraid that some of my Eastern Democratic friends whose homes are in the shadows of great manufacturing buildings, will be very much inclined to agree with them if they do not coöperate with them in order to prevent what I would call legitimate and proper tariff legislation. The article quoted from proceeds to say:

But there has been, besides a financial panic, a withdrawal of money from the banks and a refusal of banks to pay their depositors on demand.

That statement is true, Mr. President, and it is precisely the consummation of the purpose outlined in the article in the Sun of April 28. And here we might briefly inquire again, what was the policy to be pursued, as outlined in the Sun of April 28? What sort of an object lesson was to be presented to silver-coinage States and to Western Senators and Representatives, to compel them to vote for the unconditional repeal of the purchasing clause of the Sherman act? It seems that—

Some of the President's advisers had told him that the only way to induce Western Senators and Representatives to assent to the repeal of the Sherman law was to convince them that their people were losing money every day that this law was in operation.

I do not believe that the President ever had an adviser that gave him any such counsel or advice. I do not believe that the President would ever have submitted to any such suggestion. Certainly no friend of his or of his Administration ever advised such a course or policy. That such selfish suggestions were made to somebody by the bankers of New York, I have no doubt. It is in harmony with the methods usually adopted by gentlemen of such class. We are also advised that there was a determination to show to the miners of silver the evil effects of the Sherman law upon their own future. We are further advised that the necessary work in that direction had been started by a nubmer of the bankers in the "solid communities" of the East, and also in Chicago. And this object lesson was to be taught, and was taught, by daily refusing credit to the South and Southwest, and the West. In other words, in New York and elsewhere in the East, millions of money that legitimately belonged to the Southern, Western and Southwestern bankers, were locked up in New York and payment thereof refused when demanded.

Loans were to be refused to business men—loans required by them to enable them to carry on their operations. All the arts and wiles of banking were to be brought into effective operation for the purpose of creating a stringency in the money market. This would depress business, necessarily result in financial disaster, the closing of factories and forges, stopping the wheels of industry, paralyzing all commerce, producing an army of the unemployed—these were results that would necessarily follow the wicked and criminal conspiracy that was entered into by the New York and other bankers for the purpose of giving an object lesson to the "silver Senators," and to the Southern and Western Senators generally, thereby forcing them to vote for the unconditional repeal of the purchasing clause of the Sherman law.

Mr. President, this conspiracy and scheme was wicked, criminal, and infamous. It merits and should receive the unreserved condemnation of every man, without reference to his locality or his political relations. That these men could have entered into this conspiracy and could have pursued the plan so cunningly devised, in ignorance of its disastrous results, is absolutely impossible. Every man of ordinary judgment must have known that the execution of the plan agreed upon to bring about the terrible condition of affairs that we have witnessed would necessarily produce these precise results.

Unfortunately, Mr. President, the bankers have brought to their aid in this miserable piece of work a vast majority of the great newspapers of the country. Venal and corrupt as nine out of every ten of them are, these newspapers have been a part of the machinery—the engines, the mediums—by and through which these infamous schemes have been presented to the public. And day after day they have contributed their full quota of fraud and misrepresentation to inflame and excite public opinion. It is to be regretted, Mr. President, that the great newspapers of our country have to a very large extent ceased to perform the great functions for which they are intended. They are too often owned by speculating syndicates, gamblers, and brokers, and are published for the money in the enterprise without regard to any public interest. They are influenced and controlled by their environments—are often mortgaged to speculating capitalists, and, too frequently, their editorials are paid for at so much per line.

There was a time in the history of this country when a great newspaper stood for a principle. It had regard for the public welfare, was broad and comprehensive in its views and conceptions of public duty, and wielded great power for the public good. But this time has gone by. Now they too rarely represent a healthy political principle of any description. As a rule no words of condemnation have appeared in them denouncing the methods pursued by capitalists and bankers during the progress of this conspiracy, and notwithstanding the fact that these great moneyed institutions have withdrawn credit from the South, West, and Northwest, have deliberately refused to pay depositors their money, and have ceased to perform the ordinary functions of banking institutions in the collection and remittance of money, and have otherwise neglected and refused to discharge their duties to the public as contemplated and required by the very charters under which they exist. Not a word in condemnation was heard from our metropolitan press, because these acts are parts and parcels of the scheme to rob, oppress, and plunder the people of the West and South in order to force them to yield obedience to the money kings of the East.

Mr. President, I have heard it repeatedly stated on the floor of the Senate and elsewhere that large amounts of money were collected by Eastern banks and bankers and that they have actually refused to pay over such collections to the banks and persons for whom they were made: that when drawn upon for the money so collected they deliberately and arrogantly refused to pay it, giving as reasons therefor that "times were hard," that "financial conditions were dangerous," and that "we are afraid to part with the money." And, in addition to this, they have resorted to evasive plans and schemes unauthorized by law and in open violation of the very law under which they have their existence. They have associated themselves together and introduced and forced upon their creditors "certificates" and subterfuges of various kinds, never contemplated or authorized by law or by honesty. I particularly call the attention of the Senate to the following paragraph from the article quoted from the Manufacturer:

This financial trouble was superadded to the other, and it has caused great additional loss and injury. The question has been, from the first, how far this panic was natural and unavoidable, and how far it was artificial and manufactured.

It was observed that in those New York journals whose daily aim and purpose it is to serve the foreign and importing interests, regardless of the interest of the American Union, there was about four months ago a diligent effort to increase the natural anxiety caused by the outflow of gold. What are called "scare" heads, and "scare" paragraphs on the editorial pages, were used day after day, soon causing alarm as to the financial situation, and then developing that drain of the bank deposits which has been the main feature of evil in the money market. This "scare" was evidently artificial in a large measure. It is, moreover, believed by many that it was deliberately planned to excite public distrust, to give excuse for the assembling of Congress, and to exert "pressure" for the repeal of the Sherman act.

It was an "object lesson" to the country to convince business men, especially in the West, that the policy outlined in New York was the only way to escape further disaster. Mr. President, that the statements contained in this paragraph are true does not admit of a doubt. They are in harmony with the articles already quoted from New York papers and in line with actually occurring and existing facts. It presents a picture of wickedness and crime unparalleled in the history of financial operations.

Mr. President, we are not left to one incident; we are not remitted to one circumstance; we are not forced to rely upon one theory, or piece of evidence, to establish the truth of this criminal conspiracy. Turn whatever way we may—to the right, to the left, to the present, to the past—we find an abundance of evidence of the most conclusive character to establish this conspiracy, its objects and purposes. And now, having wickedly planned it, and having wickedly and in cold blood executed it, with resulting starvation, suffering, prostration of business, destruction of industries, the paralysis of commerce; having caused thousands and thousands of poor men, women, and children to be thrown out of employment, with an army of the unemployed in the streets of New York begging for bread; with the cries and lamentations of your victims ringing in your ears day and night, you turn and ask Congress to relieve you from the evil consequences of your own wicked and infamous conduct. And you assure us that the repeal of the purchasing clause of the Sher-

man act, which had no legitimate part in producing the troubles you complain of, will relieve the country from all its embarrassments.

Mr. President, as a link in the chain of circumstances tending to establish the existence of the conspiracy which I charge, and its objects and purposes, I quote further from the article in the Manufacturer:

> The hesitation of the Senate to repeal "unconditionally"—as the New York demand upon it reads—the silver-purchase clause has developed a new threat from that city that more object lessons will be given, if the Senate halts longer. Thus, in the money article of the Press of this city, on Saturday last, there occurs this statement:
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> "There is more time money offered and some commercial paper is being sold, chiefly to country banks, at 8 and 10 per cent. It is well understood that the New York banks will not freely lend money until the Senate votes for the repeal of the silver bill."

Mr. President, it is difficult to understand and appreciate the full force and meaning of this paragraph. The threat to the Senate therein contained is, in substance, that unless we immediately repeal the purchasing clause of the Sherman act we are to be visited with another "object lesson." That such is the purpose of the men who are engaged in sowing the wind, in the first place, I have no manner of doubt. That they will be bold and wicked enough to attempt its execution I verily believe. With a full knowledge of what was threatened in April last, and in view of what has taken place since that declaration of war was made, and also bearing in mind the natural, universal, and ever-present insolence, intolerance, and cold-blooded tyranny of what is known as the money power, wherever it has reigned, there can be no doubt in the mind of any fair man about the execution of this new threat. Indifferent to the ruin they have wrought, careless of the happiness and rights of their fellow-men, unmoved by the spectacle of the poor and the distressed, earnestly resolved upon the accomplishment of their own wicked ends at whatever peril and however disastrously it may affect the rights of others, these men are prepared to recklessly and relentlessly enforce their "object lessons" until their purposes are gained.

Present conditions are not without a parallel in the history of the United States. There are those yet living who have some recollection of the terrible war waged by the old Bank of the United States against the Administration of Andrew Jackson. The present attitude of the national banks of the United States presents an exact parallel to the controversy between Andrew Jackson and the money monster of that day. The old institution was cold-blooded, selfish, insolent, intolerant, and reckless. It sought not only to control the financial operations of the United States, but endeavored to establish a mastership in every department of the Government. It even invaded the Executive Mansion, and threatened the very life of the President himself. It demanded servile obedience from Cabinets, and insolently stalked into the very Senate Chamber and boldly and arrogantly made its demands.

This is precisely what the same power is doing to-day. Its object is to turn the Executive Mansion into a temple of the money-changers and to convert the Treasury Department into an annex to Wall street. And it demands that the Senate of the United States shall be its craven agency in the accomplishment of its ends. The question, Mr. President, is whether the Senate of the United States shall be the refuge and shield of the people from wrong, injustice, and tyranny, as it has often been in times past, or whether it shall yield and abdicate its functions for the benefit of a relentless and selfish class. It is not so much a question whether the purchasing clause of the Sherman law shall be repealed, or whether it shall not be—however momentous the issues involved therein. A greater issue is presented, and it is whether government by the people of the United States shall continue, or whether the Government shall be delivered over to the dominance and control of an unscrupulous, arrogant, and selfish class. For one, so far as I am concerned, I intend to stand by the people and against classes, of every name and nature.

Even, Mr. President, if I were halting between two opinions upon the subject of repeal—if I were hesitating as to the line of duty I should pursue at this time—if I had doubts as to what the wishes and interests of my own constituents are—if I were uncertain of the line of policy to pursue in regard to the pending bill—the conduct manifested by the banking interests of the United States would alone be sufficient to determine my action and record my vote against their demands. If I doubted, I should resolve the doubt in favor of the people, against whose interests the plans of these gentlemen are aimed. In any event their attitude toward this bill would be sufficient warrant for any honest man to hesitate and pause for solemn inquiry as to the steps that he should take. And this Senate would do well to think often and seriously before yielding to dictates and demands of the character that I have endeavored to describe.

Mr. President, we can not rid ourselves of the conclusion nor divorce ourselves from the conviction to which I have directed the attention of the Senate by simply saying that the proofs offered "are simply newspaper articles." It is true they are newspaper articles, but they and the multitude of newspaper articles with which the Senate is familiar generally were written for a purpose. Many of them are articles that have been paid for. They are articles which reflect and represent the interests they speak for. They are not the vaporings of the idle and malicious. Nothing of the kind. They are declarations made for the benefit of men whose interests they represent. And there is no escaping that conclusion by any wave of the hand or mere declarations that they are irresponsible newspaper clippings or the statements of irresponsible men. No, sir; the effect of them can not be avoided in any such way. They simply reveal the objects, purposes, and interests of what is known as the money power with brutal frankness.

Let me again call the attention of the Senate to the closing paragraph of the article last quoted from:

> There is more time money offered, and some commercial paper is being sold, chiefly to country banks, at 8 and 10 per cent. It is well understood that the New York banks will not freely lend money until the Senate votes for the repeal of the silver bill.

Mr. President, I am not a very old man, but I am old enough to remember that there was a time in the history of this Government when we heard a great deal from certain men north of Mason and Dixon's line about the slave-driver, and the crack of the slave-driver's whip. Times have changed, sir. If it be true that at one period of the country's history we had a slave oligarchy in the South, it no longer exists.

Now we are afflicted and threatened with an infinitely more dangerous oligarchy—a money oligarchy—and the crack of the slave-driver's whip is no longer heard in the cotton fields of the South. It has been transferred to New York and Boston and Philadelphia, and other seats of the money power. And its crack is now heard in the temples of your money-changers and where fortunes are gambled for on your boards of trade, and like palaces of robbery and shame. These are the places where it is heard nowadays, and as a rule it is not in the hands of as brave, manly, and a generous people as in the days gone by; but it is wielded by the hands of cold-blooded Shylocks, whose prototype and ancestor Shakespeare found and immortalized by his genius.

There is one other fact, Mr. President, that I desire to call attention to in this connection, and that is, that notwithstanding all the clamor we have heard about the "money market" the fact is that the money market and the business industries of the country have been steadily improving since about the 1st of July. This is a fact that can readily be verified by the daily reports of Eastern newspapers, commercial journals, bank magazines, and financial papers all over the country. Upon an examination of these journals you will find that day after day and hour after hour the volume of trade, traffic, and commerce of every description has been on the increase. Day by day money has become more plentiful. Week after week the trade reviews are of the most encouraging character. Manufacturing establishments, after a period of idleness, have been put in active operation.

Gold has been constantly flowing into the country, so that at this hour we probably have more gold in the country or quite as much as we have had at any time in the last twelve months. And the New York, Boston, and Philadelphia papers, in their commercial reports, give evidence of an improvement in trade of every kind and character, which will no doubt continue in the absence of further "object lessons." There was and still is an abundance of money in the banks. Deposits are increasing by the million, loans are constantly increasing at a low rate of interest, and every movement gives clear indication of a return to order and prosperity. The new-threatened crusade may, and as a matter of course will, naturally, change these conditions. It will be instituted for the purpose of changing them. The people, and particularly Southern and Western Senators who are in favor of silver, must be treated to another "object lesson," and as a matter of course this object lesson can only be taught through the instrumentality and the devices that have heretofore been so disastrously used.

And why has this apparent season of prosperity set in? Simply because there was never any natural reason for the former disturbance. There never has been and is not now any legitimate financial trouble in our immediate presence. Hence the necessity for the object lesson for the purpose of deranging business, producing suffering, bringing distress upon the people in order to force an issue of bonds and to demonetize silver. And notwithstanding all the infamous schemes resorted to to emphasize this "object lesson" they were not sufficiently potent to prevent the resumption of trade and business according to the ordinary methods and principles. These conditions existing, the Senate is slow to act because there is not now and never has been a single hour since the Senate convened, a majority of its membership in favor of unconditional repeal.

Nor does a majority of the Senators to-day, nor has such a majority at any time, entertained the opinion that the Sherman law was the cause of the financial disturbances that we have had. Not even the "object lessons" have been sufficiently strong to induce the people or the Senate to believe anything of the kind. But the people have not yet suffered sufficiently, and have not sufficiently atoned for their independence in resisting the demands of the money lords; and I suppose the result will be a few more object lessons. And still we are gravely told by the newspapers, and sometimes inferentially by Senators on the floor of this Chamber, that the business interests of the country demand immediate action.

Mr. President, it may be important and useful to inquire what is meant by the "business interests" and the "business men" of the country. I have heard that phrase used so frequently in the discussion in this Senate that it has suggested to me the propriety of inquiring who these "business" men are that are demanding the repeal of the Sherman law. Judging from what I have heard, I would conclude that the millions of farmers, who raise the corn and the wheat, and the cattle and the hogs, and the millions of agricultural products that supply the land, these farmers are not to be classed as "business men." The blacksmith, the carpenter, the laboring man, and all those who are engaged in the arts and the sciences and the operation of the general industries of the country, are not to be regarded as "business men"?

Mr. President, the vast majority of the people in this country are included in the classes that I have named. Do they not constitute the great body of your citizenship, and are they not entitled to more consideration than the others? I think so. And yet they seem to receive less consideration at the hands of public journals and at the hands of certain politicians than any other classes. And I am sorry to say, Mr. President, that the classes for whom I speak now—the farmers, the mechanics, the laboring men, the men in the mines, and those engaged in the general productive industries of the country, the small merchant, the doctor, the lawyer, and the millions of people included in these callings—receive and have less consideration at the hands of the Federal Government than any other classes of our people. It is time that this condition of affairs was changed. We have had class legislation and class favoritism long enough; and now the people and their interests ought to be considered by the American Government.

Listening attentively to the debate in Congress, I have sometimes been amused at the nervous anxiety exhibited when the subject of national banks is mentioned. Stretch forth your hand and touch a national bank, and you are guilty of sacrilege. You have touched something holy, in the estimation of some people, and immediately you hear a storm of indignation as if you were invading the very holy of holies and rifling the temple of the sacred vessels. Advance a proposition which has some general tendency to benefit the whole people of the country, of making the laws uniform in their operation and in their results, that their blessings, like the showers of heaven, may fall upon all the people—the rich and the poor, the high and the low alike—and you are confronted by the proposition that you are treading upon holy ground, that you are imperiling the business interests of the country, and it must not be done.

Submit a proposition such as was recently done by the Senator from Missouri [Mr. COCKRELL] to authorize the Government of the United States to issue Treasury notes to take up and retire certain past-due national bonds—as we undoubtedly have a right to do—and instantly you are met with the proposition that "it can not be done; you are advocating the issuance of fiat money; you are jeopardizing the business interests of the country by the issuance of an irredeemable paper currency." And we were told that to do this would be highly improper, exceedingly injudicious, and absolutely unwise. But submit a proposition authorizing the issuance of more bonds or to amend the laws, giving to national banks the right to issue all the additional money that the country may need, and it is, in the estimation of these financiers and venerable statesmen, a highly proper thing. But for the Government to issue its own circulating medium is altogether improper.

It is entirely proper, in the estimation of many, to suffer an irresponsible agency, cold-blooded, selfish, and tyrannical in its nature, to control the monetary interest of the people. But when the Government undertakes to transact this business for itself and for the people you are forthwith met by some great constitutional or financial objection that is as idle and as unstable as the wind. All this must be relegated to the judgment and direction of our great financiers. And yet, Mr. President, I have never known in the whole course of my life of a great financier engaged in the banking business whose judgment I would be willing to accept over night when it comes to the formation of a great financial policy. I have never known one of them to make a prophecy respecting the financial operations of the Government that ever proved true, unless, indeed, it was of the kind and character we now have under consideration, where the bankers have deliberately and boldly formed a conspiracy to bring about certain conditions for their own advantage and and benefit.

I have some knowledge of prophecies made by "great financiers" in the past, and the result has never been favorable or complimentary to their judgment. The average "financier," as he is called, outside of the mere formula of loaning money, speculating in stocks, and collecting interest, knows less of the basic principles of monetary science than almost any other man in the community. And this is the result of his training and environments. In this connection, Mr. President, I want to direct the attention of the Senate again to the telegram received by me from the New York Times on the 9th of June last. It reads:

On equally good security money now loans in England at one-quarter the current rate in the United States. In the opinion of prominent financiers if the Sherman act is to be repealed immediate relief will result from prompt assurance thereof, and resulting in a flow of cheap money from London to America.

Now, Mr. President, if there were no other reason for my voting against the unconditional repeal of the purchasing clause of the Sherman act, I should do so for the very reason suggested in this dispatch, namely, that we should have a "flow of cheap money from England." I sincerely hope that this is a condition that will never exist in this country. We have had enough of "English cheap money." We have had too much of it. And conditions to-day would be infinitely better if we had never had a dollar of it. The fact is that we neither want nor need cheap money from any foreign country. What we do want and what we need—and a great deal more of it than we have—is the old-fashioned, Jeffersonian, constitutional, Democratic money, of gold and silver and greenbacks—greenbacks or Treasury notes issued by the Federal Government and not by national banks—gold and silver and greenbacks in abundance to supply all the reasonable wants of trade and commerce—that is the best money that can be possibly made.

It is good money; it is honest money; it is sound money, and the more we have of it the better. And the less "cheap English money" we have the better off we are. I am of the opinion, Mr. President, that the "English cheap money" which is now invested in watered stocks, fraudulent railroad bonds, and wild-cat securities of every description, is one of the causes of the financial derangement of the present time. I trust and earnestly hope that the time may come, and come soon, when this great nation of 65,000,000 freemen—this magnificent empire, with all its splendid possibilities, greater than all Europe; this great, aggressive, intelligent, and self-reliant people, the most highly educated, the most enterprising of which history gives any account; the most capable of self-government that has ever existed on the face of the globe, will have a financial policy of its own.

A political policy which shall be known as an American policy; a financial policy which shall be essentially American. What we most need at this time, Mr. President, is a broader, deeper, and more intense spirit of genuine Americanism, a business system adjusted to the needs, interests, and conditions of American citizens. In other words, an American political and social system, an American commercial system, a system in all respects in harmony with the greatness and spirit of our own people, in order that we may become what we ought to be absolutely independent of the nations of the earth. Unfortunately, a false system of political economy and vicious business methods has mortgaged us to Europe and enslaved our commerce and trade, and made us the financial slaves of England.

These shackles and bonds which paralyze and enslave us must be broken before final and complete commercial independence and prosperity come to us. I hope the time will come soon, when we shall be absolutely free from all the nations of the earth and have no union with Great Britain, except such as shall come from history and tradition. No nation can ever grow great, wise, or independent that is financially and politically subordinate to another. No people can ever rise to the highest degree of intelligence and manhood so long as its financial system is subject to the dominance, control, or interference of a foreign power. So the best possible thing that can happen to us as a people, the best thing that can happen for the benefit of our children and our children's children, for all generations to come, is that we shall end all financial dependence upon the outside world. When we become the masters of our own financial as well as our political conditions we will be in a position to assume among the nations of the earth the rank, dignity, and power which our resources, intelligence, thrift, industry, manhood, and courage entitle us to occupy, and not till then.

Turning again, Mr. President, to the question of financial prophets, it is to be remarked that one of the peculiarities of these

financial gentlemen is their habit of assuming a monopoly of knowledge about everything. The representative of this class promptly assumes that he knows everything about finance and that you know nothing. He is of the opinion that by virtue of his money-changing and stock-jobbing operations he has become absolute master of the science of finance in every respect whatever. The result of my observation is that as a rule they know less of the real laws of finance and are the most unsafe and unreliable judges of broad financial operations and principles, as well as governmental science, of any class of people on earth. I have a recollection of some singular financial prophecies connected with political actions and results occurring within the last twenty years.

In the great political contest of 1872, when we Democrats so loyally supported Horace Greeley for President of the United States—a circumstance of which I have always been proud—our Republican friends became somewhat alarmed as to the possible result of that Presidential campaign. And they felt constrained to call upon a financial prophet to give the country some reasons why Horace Greeley should be defeated and why Gen. Grant should be reëlected. If my memory serves me correctly, they called forth a prophet for that occasion, a gentleman of the name of Jay Cooke, who had been, I believe, a banker and a Government agent, and who was supposed to have grown enormously rich through this agency—a highly estimable gentleman of distinguished talents—and, as suggested by my friend from Delaware [Mr. GRAY], Mr. Cooke thereafter grew enormously poor; and I shall tell you how that happened.

Our Republican friends called upon Mr. Cooke to express his opinion as to the financial situation and the probable disasters and financial results which would overtake the country in case of the election of Mr. Greeley. So, in the latter part of the campaign a circular letter was issued by Mr. Cooke, a financial address from a Republican standpoint, advising the electors of the country to cast their votes for Gen. Grant; that the election of Mr. Greeley would be disastrous, and would dangerously disturb the financial interests of the country; that Mr. Greeley was not a financier; that he was without experience in the practical affairs of life, had no acquaintance with financial laws, and that it would be a serious mistake to elect him to the office of President. But, on the other hand, if they would vote for Gen. Grant, keep the Republican party in power and maintain its financial policies, continued peace and prosperity would hover over the land, and the smiles of Providence would be continually and perpetually upon us.

Unwisely, as people sometimes do, they obeyed the advice of this prophet and did vote for Gen. Grant. But notwithstanding the prophecy of Mr. Cooke that in the event of the election of Gen. Grant peace, happiness, and financial prosperity would continue, within less than a year from the inauguration of Gen. Grant we had a serious financial panic, in the very face of the predictions of Mr. Cooke. And the singular thing about it was that the very prophet who had so predicted was one of the earliest victims of the disaster which he had predicted would not occur if Gen. Grant should be elected. The result was that Mr. Cooke became poor because of uttering false prophecy—the natural and proper penalty for the false prophet.

Mr. President, I remember another instance which occurred during the Presidential election of 1876. Our Republican friends were much disturbed at the possible result of that campaign, and they called in another prophet and political financier. He scanned the political horizon, and in the deep and far-away skies he saw visions of peace and happiness and prosperity to the country if Mr. Hayes should be elected and Mr. Tilden should be defeated. At the solicitation of our Republican friends he put forth flaming manifestoes, advising the people of the country of their prosperous and happy condition and assured them of a continuance of that peace, happiness, and prosperity in the event that Mr. Hayes should be elected.

Upon the other hand, he pointed out in lurid language the calamities and misfortunes that would befall the country and ruin our people if Mr. Tilden should be elected, and particularly if we should adopt his 3-per-cent bond policy. This great political financier and prophet, this master in finance, was Henry Clews, of New York, a banker, broker, stock-dealer, a gentleman of character and intelligence, standing high in his business vocation, and enjoying, undoubtedly, the confidence and respect of his fellow-citizens. I believe Mr. Clews had been a Government agent for the sale of its bonds and other securities, and that out of it he had accumulated, by the toil and sweat of his brow, a handsome fortune; just how much I do not know, but he was the chosen prophet of all other prophets selected by our Republican friends for this special occasion. Like Saul among his brethren, he stood head and shoulders above them all. And as a matter of course, he prophesied in favor of the Republican party and the election of Mr. Hayes. The result was that the people, as a matter of fact, ignored the prophet and his prophecy and elected Samuel J. Tilden to the office of President. Our Republican friends by some manipulations of doubtful propriety, but with which they seemed to be entirely familiar, got the advantage of us, and gave the office to which Mr. Tilden had been elected to Governor Hayes, of Ohio. Following this result retributive justice again came to the front. With smiting hand she justly and righteously punished this second false prophet.

So our Republican friends deliberately cheated the people out of their man for the office of President and installed another in his place, and because of this false prophecy, and this great public wrong, divine justice visited the country with swift and heavy punishment. Mr. Hayes had not been in office more than about six months when we were overtaken by the great financial crash of 1877, which more seriously affected the interests of the country than any occurrence of like character that had happened in many years, and curiously enough history repeated itself, and the very prophet that had been selected to warn us of the dangers that lay in front of us in case of the election of Mr. Tilden—the very man who had been selected as high priest and prophet to warn us against Mr. Tilden's financial methods, was the very first man to bend to the storm. History does repeat itself. It is sort of a retributive justice, but another proof "that justice walks with leaden feet, but strikes with an iron hand."

Mr. President, the financiers of the present are false prophets. They are endeavoring to mislead the people. They are endeavoring to mislead us to the injury and ruin of the country. They have selfishly and wickedly "sown the wind," and are justly and properly "reaping the whirlwind." They are now beseeching us to relieve them from the burdens and from the just penalties incurred by reason of their own ill-advised conduct. I am not in favor of extending to them any benefit or advantages whatever resulting from their own cruel and wicked policy.

Shall we adopt the plan of giving special privileges and advantages to bankers or to any other class of citizens and permit them to use those rights, privileges, and prerogatives in such a manner as to produce harm and hurtfulness to the people and imperil and destroy their business industries through manipulations started originally for the very purpose of advancing their own personal interests? I do not believe such a policy would be either wise or just, and if such special privileges and advantages are accorded to any class of men and they shall abuse them to their own hurt no act of Congress ought to shield them from the consequences thereof. But in this as in all other cases swift and speedy punishment should follow the commission of the wrong.

Mr. President, I think I may be pardoned for diverging at this point from the line of argument I had intended to pursue in order to say that just so long as we continue to permit any sort of alliance and association between private individuals and the Government of the United States in financial operations, we shall have financial troubles. It is the history of the world repeated a hundred times, and always with the same result; and it always will be so, so long as human nature is actuated and dominated by the laws of avarice and selfishness. Whenever you unite the financial and political power of the Government with the interests of private individuals and corporations, you are sowing the wind and will as sure as death reap the whirlwind in the end. There can be no safe operation of any of the powers of Government when connected with individual enterprises.

Hence, Mr. President, I am unalterably opposed to a national banking system of any kind or character or any banking system subject to the supervision or control of the Federal Government. It is wrong in principle, dangerous in practice, and fatal in results. It may be possible for a man to be a Democrat and favor the existence of national banks; it is possible that a man can believe in the Christian religion and wholly reject the divinity of Christ, but I do not understand how it may be so. My theory of Democracy forces me to conclude that it is utterly impossible for a man to be a Democrat and at the same time believe in the principle of national banks: it may be possible that a man can be a Democrat and believe in a protective tariff, but to my mind the proposition is an impossible one.

It may be possible that a man may be a Democrat and loyal to the Constitution of his country and at the same time believe in a single gold standard, in the very teeth of the Constitution. Yet I confess that to me the proposition is a doubtful one. He may believe in a national bank and be a good citizen; he may believe in the protective tariff and be a good citizen; he may believe in the gold standard and be a good citizen; but to believe these things and be a good Democrat is to my mind incompatible. There may be harmony between good and evil, but I do not understand it. There may be no conflict between right and wrong, but I do not so understand it. It may be that there is no antagonism between virtue and vice, but I am unable to so understand it.

In my judgment the theory of national banking of any name or nature is contrary to every principle of Democracy; contrary to every Democratic platform that was ever written: and no instance can be found, so far as my knowledge goes, where a Democratic convention, State or national, has ever declared in favor of national banks. In my judgment the principle of national banks is absolutely at variance with the letter and spirit of the Constitution, as truly and completely so as is the right to protection for protection's sake. I have heard it said that there is a very great difference between our present national banking system and the old national bank of 1816. As a matter of course there were differences in the two systems, but in principle they were precisely the same. In my judgment the existence of any national banking system is contrary to the genius and spirit of our institutions and at war with the history and traditions of the Democratic party.

It is a constant menace and challenge to the financial operations of the Government itself. At every turn it challenges the safety, security, and happiness of the people. There is but one safe method to pursue in order to preserve our liberties and the rights of the people and the safety and security of the Government itself and that is to perpetually divorce the Government from all banking operations.

Mr. McPHERSON. Will the Senator yield to me for a question?

Mr. MARTIN. Certainly.

Mr. McPHERSON. The Senator knows very well that the system of national banks is one which the Democratic party have inherited. They are really not responsible for it as a party, and I should like to ask the honorable Senator, inasmuch as we have no other appliance, no other machinery for banking today, except that of national banks, and as we must have something to meet all the mutations of confidence and credit—is it not the safest and best course to maintain the national banking system until we find something else to take its place?

Mr. MARTIN. Mr. President, I take great pleasure in answering the question of my friend from New Jersey, because I have great respect for his opinions and character, and I am glad the suggestion I made brought him to his feet, for I want to get him out of the slough of despond and place him on safe Democratic ground. The Senator says, and says properly, that the existence of national banks is a matter for which the Democratic party is not responsible. He is right in that. They seem to have grown out of the conditions that appeared to make them necessary at the time they were instituted, but in my judgment it was a deliberate violation of the Constitution, a violation of every principle of sound government, financial and political.

The PRESIDING OFFICER. The Chair suggests to the Senator from Kansas that unless he addresses the Chair it is impossible for his remarks to be heard.

Mr. MARTIN. I thank you, Mr. President, for the suggestion. I shall endeavor to conform to it hereafter, but I was deeply interested in answering the question of my learned friend from New Jersey, and inadvertently turned my face his way. As a further answer to the Senator from New Jersey, I say unhesitatingly that I believe the wisest and best thing the Democratic party can do is to repeal the entire body of our national banking laws, and the quicker this is done the better. And while it is true that the national banking system is an inheritance for which the Democratic party is not responsible, the party is not bound to accept the inheritance or to become chargeable for its longer continuance. It is better for the public interest that we reject a bad inheritance at the earliest possible moment, and be thereby relieved from all responsibility for its further existence.

I understand and appreciate the fact that an immediate and utter destruction of all national banks would produce some inconvenience and trouble. Nevertheless the laws can be immediately repealed, saving to existing banks the right to continue in business until the expiration of their present charters, so that no additional banks can be hereafter organized. And while it is true that the plan suggested might cause some financial disturbance, the permanent dangers to result from their continued existence would more than counterbalance any temporary inconvenience. If the body be afflicted with a cankering sore, the sooner the sore is removed the sooner the body will be restored to a sound condition. Whatever conditions of a dangerous and perilous nature we find existing in the body politic, wisdom and prudence dictate that they should be removed at the earliest possible moment.

The Senator from New Jersey [Mr. McPHERSON] asks me what agency I would substitute for national banks. I answer that, while I am not what is sometimes termed a "fiat-money" man, I do believe in gold and silver, the constitutional money of the United States; and I believe it perfectly competent for Congress to authorize the issue and use of the old-fashioned Treasury notes. I do not believe that the United States or any State can make anything except gold and silver a legal tender for the payment of debt, notwithstanding the judgment of the Supreme Court of the United States to the contrary. However, as a good citizen, I accept the judgment of the court in that behalf as final and conclusive.

I accept this judgment of the court as I do many others that have been made. I do not believe that by judicial legislation immortality and individuality can be given to a corporation, thus clothing it with the rights of constitutional citizenship. Nevertheless we accept the decision as a fact and yield respectful obedience to the decree. I do not believe that a public officer of the United States, in the discharge of a doubtful public duty, or otherwise, can deliberately kill another citizen and be exempt from trial or other responsibility to the laws of the State in which the killing occurred.

To my mind the proposition is a monstrous one, and emphasizes the dangers of "judicial legislation," and the natural tendency of judicial tribunals to cling to power and grasp at jurisdiction. I would substitute for national banks gold and silver, and Treasury notes issued by the Government of the United States in the ordinary transaction of its business, and in accordance with the provisions of the Constitution. And if local banking institutions are convenient and necessary for the transaction of the business of the country, as I think they are, I would leave the matter of their establishment and regulation to the several States. The people of the several States are certainly capable of regulating their financial affairs in a safe and convenient manner. And one supreme advantage in the establishment of State fiscal institutions would be the decentralization of the money power in the United States.

A few days ago the Senator from New Jersey [Mr. McPHERSON] declared from his seat in this body that he was "opposed to converting the Treasury Department of the United States into a junk-shop." I agree with him on that point. I do not believe it any part of the duty of Congress to authorize the purchase of either gold or silver for any purpose. I do not think that Congress possesses any more power to establish a depository for gold and silver than it has to establish a depository for corn or wheat or cotton. Hence I have always opposed and am still opposed to the principle involved in what is known as the Sherman silver-purchasing act. I believe it is the purpose of the Constitution that Congress should coin money and regulate the value thereof, and of foreign coins, and not establish a depository for the reception of the same.

I believe it was the intention of the framers of the Constitution that the money of the country should be gold and silver, and that it should be coined upon terms of equality, without limitation or condition so far as the amount is concerned. Beyond this, I am in favor of the restoration of the old-fashioned democratic system of using Treasury notes or greenbacks, and I believe the Constitution authorizes and justifies the issuance of such notes, and to such an extent as may be necessary to meet the wants of the Government and to accommodate the commerce and business of the country.

I do not share the opinion that has been so frequently expressed in the Senate that the free and unlimited coinage of silver would produce too much money. I believe that the great commerce of this country will justify the coinage of every ounce of silver at the present ratio of 16 to 1 that can be produced in this country or elsewhere. Other gentlemen think differently. I respect their opinions. I may be mistaken. I may be right—I think I am—nevertheless it may be that I am wrong and that our Eastern Democratic brethren may be right. This is a matter that can only be determined by time and experience. I have not observed anything in the past history of the country that will induce me to believe that there is any danger to be apprehended from the free and unlimited coinage of silver.

I admit that there are arguments and conditions which should be fairly considered on both sides of this question. That there is a conflict between the East and the West and the East and the South in regard to this matter is manifest. It is not only a conflict of opinions, but it is a conflict of interests. And because it is a conflict of interests, a conflict between debtor and creditor, a conflict between borrower and lender, the greater the reason why some fair and honorable settlement should be made of this vexed question.

Mr. McPHERSON. The Senator is sure he is right on the greenback question?

Mr. MARTIN. There is no doubt about that.

Mr. McPHERSON. The Senator acknowledges that he may be wrong on the silver question, but on the greenback question he knows that he is exactly right.

Mr. MARTIN. Yes. I am absolutely certain that I am right on the greenback question. I think I am right on the silver question. But I mean to say that there is a possibility of my being wrong respecting the unlimited coinage of silver at pres-

ent. I do not believe, however, that the Senator from New Jersey and myself will disagree upon the question of the constitutional demand and requirement for the use of both gold and silver as money. Nevertheless, I understand the Senator from New Jersey to be opposed to the further coinage of silver at present under any conditions; while I am in favor of the continued free and unlimited coinage of silver at its present ratio. If I am correct in stating the position of the Senator from New Jersey, it would seem that he is in favor of legislating silver money out of existence, in violation of the letter and spirit of the Constitution.

But in view of the wide differences of opinion that exist at present respecting the coinage of silver upon the theory that I have suggested, and for the sake of producing harmony and peace in the ranks of the Democratic party, and throughout the country, and out of a due regard for all the interests involved, I should be willing to accept, in lieu of the present bill, any compromise measure that would be reasonably fair and just to all sections of the country. If it shall be the general judgment of Congress that the free and unlimited coinage of silver at the present ratio of 16 to 1 would be dangerous, and would likely imperil the business interests of the country, at an early day I am willing to accept, for the time being, some other fair ratio.

I am frank to say, however, that in my judgment the mere matter of ratio plays but a small part in the solution of this question. If it shall be the general opinion of Congress that the unlimited coinage of silver would endanger the business interests of the country, then in the interest of peace and for the purpose of doing justice to all sections of the land and dealing fairly with all the interests involved, I would accept, for the present, a limitation of the amount of coinage per month or per year. No man can say with an absolute certainty what would be the result if either or any one of the suggested plans were adopted. We can learn from experience alone what the result will be.

What I am particularly contending for, Mr. President, is an unmistakable vindication and establishment of the constitutional doctrine of the free coinage of silver. I am anxious to get rid of the false and pernicious doctrine that has embarrassed and paralyzed and uniformly discriminated against silver as money since 1873. At that time it was wickedly, unjustly, unfairly, and unconstitutionally stricken down in the house of pretended friends; destroyed as a money metal and relegated to the domain of commerce. And this is the material fact that has contributed from thence to the present time to the supposed depreciation of the value of silver. And I undertake to say, and without fear of successful contradiction, that if both metals had been continuously treated in the constitutional manner as money metals upon a basis of equality and fairness and without discrimination for or against either, that no such disparity in value would exist as we find to-day.

It is simply absurb to say that silver is worth as money only so much per ounce as compared with gold. In a commercial sense that is true. In a money sense it is not true, and never has been. It is true because by unjust, unwise, unfair, and unconstitutional methods, silver has been discriminated against, and gold made the favorite metal. If our financial policy had been reversed in 1873 and gold destroyed as a money metal as silver was, and made practically an article of commerce, and silver had been made the standard of value and receivable in the payment of all debts public and private—in other words, if silver instead of gold had been made the money of the country, no such difference would have existed between the value of gold and silver as we find to-day.

Upon the contrary, the advantage would have been on the side of silver, because of the fact of this favored legislation. The value of any metal as money depends largely upon the extent of its usability; and the decree of government fixing it legal status and the extent of its usability in payment of all debts public and private—in other words determining its legal-tender quality—is more potent and effective than any merely supposed value of the article itself. As a matter of course I am now speaking not of paper but such metals as are generally recognized by the civilized and trading nations of the world as money metals.

Mr. McPHERSON. If the Senator will pardon me——

Mr. MARTIN. Certainly.

Mr. McPHERSON. I know that the Senator's Democracy is of the cordial, ardent, and energetic kind. I should like to ask the honorable Senator what he would recommend to a Democrat—such a Democrat as I have just described—who would violate the very terms, conditions, and demands of the Democratic platform, made in national convention assembled by the Democratic party, demanding that if we shall proceed to coin money from the two metals, gold and silver, they must be intrinsically and exchangeably equal? The Senator speaks of "coining" at the rate of 16 to 1, when to-day it requires 28 pieces of silver to 1 of gold to make them intrinsically and exchangeably equal. He certainly would not want me to violate the platform to that extent?

Mr. MARTIN. Mr. President, I feel it not only a duty but a pleasure to answer the question of my friend, the Senator from New Jersey. He asks what I would do with such a Democrat as he is, who believes as he does. The first thing I would do would be to induce him to repent, believe, and be baptized. Then his political and financial sins will be forgiven. The Senator speaks of the impossibility of coining silver and gold upon terms of equality, because he claims that to-day it requires 28 pieces of silver to 1 of gold to make them intrinsically and exchangeably equal.

Mr. President, as a commercial proposition the statement of the Senator may be true. As a monetary proposition it is not true. Because, as a matter of fact, every silver dollar that has ever been issued by the American Government and every silver certificate that has ever been issued by the Government, whether redeemable in coin or bullion, is for all monetary and exchangeable purposes worth 100 cents on the dollar, measured by his gold standard, in every spot on the American Continent. So that his proposition as a statement of monetary conditions is not correct. The commercial difference exists largely for the very reasons I have already mentioned, and those reasons are: Because, of the universal use and debt-paying power accorded to gold by law, and the unwise and unjust and unfair limitations imposed by law against silver in the limitation of its use and debt-paying power. And if the laws of the country would place the two metals upon a plane of equality, so far as their coinage and use as money metals and debt-paying power is involved, no such difference in value as suggested by the Senator from New Jersey would or could possibly exist.

I am also glad, Mr. President, that the Senator has called my attention to the demands of the Chicago Democratic platform upon this subject. I listened a few days ago with deep interest to his interpretation of the Chicago platform and its demands. I do not know whether my friend from New Jersey is a lawyer or not. But judging from the course of his argument the other day, I infer that he is not. I also listened a few days ago to the very able argument of the distinguished Senator from Delaware [Mr. GRAY] upon this same question; and I always pay more attention to the remarks of the Senator from Delaware than almost anyone else, for the reason that I have the very highest estimation and appreciation of his judgment, character, and fairness.

And I must confess that I was somewhat amazed at the construction placed by my friend from Delaware upon the Democratic platform. As a matter of course, his argument was happy, agreeable, and interesting, as everything he says is, but it reminded me of a distinguished judge, who upon one occasion heard a very distinguished lawyer argue a case before him. And after the lawyer had concluded the judge was asked by a brother attorney his opinion of the argument to which they had listened. The judge replied by saying that he had never heard in all the course of his life so much bad law so pleasantly stated in the same length of time. It occurred to me that that was the exact condition of the argument of my friend from Delaware.

Mr. President, I have the Democratic platform adopted at Chicago last year before me. I have read it with care, and have endeavored to ascertain to the best of my ability what it means, and I think I have fairly succeeded in that respect. In their speeches in the Senate a few days ago the Senators from Delaware [Mr. GRAY] and New Jersey [Mr. McPHERSON] insisted that we must pass this bill in its present shape and without condition, because the fifth subdivision of the Democratic platform distinctly and unconditionally demanded the repeal of the purchasing clause of the Sherman act. I deny this. There is no such demand contained in that section or any other section or subdivision of that platform.

In the first place, one would naturally assume that in the formulation of that platform, those matters that were regarded as the most important would be the first treated of; and that all public policies would be considered in the platform in the order of their importance. This is a fair rule of interpreting any statute, contract, or written document. If we adopt this rule of interpretation and apply it to this platform, we find that the Democratic national convention did not attach the importance to the Sherman law that the friends of the present bill claim. If the repeal of the purchasing clause of the Sherman act was regarded as so vital and important to the welfare and interest of the country, it would undoubtedly have been the first proposition considered in the platform, certainly the second. Upon the contrary, it is the fifth proposition.

Now, this method of argument, as a matter of course, is not conclusive; but it is nevertheless a potential factor, and one that must be taken into consideration in the determination of the

amount of importance attached to the Sherman law by the Chicago convention. If it be true that the convention regarded the Sherman law or the purchasing clause thereof as being so dangerous as to challenge the welfare of the country and imperil its financial interests and industrial conditions, it is but fair to say that it would have been the very first subject treated of in the platform. But it was not. Tariff reform was by that convention regarded as of paramount importance. Opposition to Federal election laws was of supreme concern. But the Sherman law was relegated to the position of fifth in line of importance in the judgment of that great convention. Mr. President, my friend from New Jersey, and every other Democrat who participated in the campaign of 1892, knows as a matter of fact, that the great, overshadowing issues in that campaign were, first, the repeal of the McKinley law; second, the prevention of any force-bill legislation by our Republican friends.

The money question was discussed but little, if any, in New England and in the Northern States east of the Allegheny Mountains; but it was discussed and thoroughly considered in the southern, southwestern, and western part of the Union. And these sections of the Union were as deeply and as vitally interested in the money question as they were in the subject of tariff reform and in opposition to Federal election laws. And I may here add, that in my judgment, if the candidate of the Democratic party had at any time during that campaign written a letter or made a statement respecting his financial views, of the character embodied recently in the letter written by him to the governor of Georgia, or if the Democratic party at Chicago had assumed that position in its platform, or if the Democratic campaign orators throughout the country generally had made such speeches upon the silver question as we have had from the Northeastern Senators in this Chamber within the last two months, the Democratic party would have been utterly defeated.

If, during the last campaign, the Democratic party had assumed the position upon the money question now occupied by the Senator from New Jersey and those who act with him, Benjamin Harrison would to-day be President of the United States. Mr. President, in further answer to the question of the distinguished Senator from New Jersey [Mr. MCPHERSON], I repeat that in the construction of laws, of contracts, and agreements affecting the rights and interests of States or individuals, the natural and logical order of procedure would be to put in the foreground those things which are deemed fundamental; to name first the pivotal facts, around which details must cluster. Fundamental purposes are always placed in the beginning of the contract, statement, or agreement, while the incidental conditions take their places naturally and orderly in the subsequent parts of the contract or agreement. The Sherman law occupies no such important relation to the Democratic platform.

It is further insisted, Mr. President, by some of the friends of this bill that the different parts and subdivisions of the several sections of this platform must be separated one from the other; that each section contains many subdivisions, and that each must be treated as an independent proposition. One may be enacted to-day, another to-morrow, and a third some other day, and thus, by piecemeal, the contract may be enforced. I am amazed that a lawyer would advance a proposition of this kind. It is unsound in law, wrong in morals, and unjust in enforcement. To interpret a law, contract, or agreement upon such a basis would not be tolerated in any court of justice anywhere. In the first place, in the formulation of that platform, and particularly in the formulation of the fifth section, the Democratic party sought to announce a financial theory, a plan, a scheme of finance.

The reference to the Sherman law is incidental—not the basis of a financial scheme, and the plan was intended to be executed as a whole; not in parts, not in subdivisions, not by paragraphs. And this is manifest from the very language of the section. Good faith, common fairness, homespun honesty, require that the Democratic party and the Democratic members of Congress and the Democratic Executive of the nation shall construe this section of the platform according to its letter and in harmony with the manifest will and wishes of the convention that framed it. In the first place, and it has been repeated over and over again, that the Democratic national platform unequivocally demanded the repeal of the Sherman law; and I have even heard it stated that "the Democratic national platform demanded the immediate and unconditional repeal of the purchasing clause of the Sherman law."

I deny that the Democratic national platform makes any such demand. There is no such declaration in it. Not a word to be found that justifies any such conclusion. In fact, there is no declaration or demand of that kind to be found in any part of the platform. And I am unable to understand why it is that able and distinguished men of long experience and service in this body should have fallen into the habit of making such statements. But, as a matter of fact, what does the platform say upon this subject? I will read, and comment as I proceed:

We denounce the Republican legislation known as the Sherman act of 1890 as a cowardly makeshift, fraught with possibilities of danger in the future, which should make all of its supporters, as well as its author, anxious for its speedy repeal.

Mr. President, this great convention of the greatest political party on earth, the greatest political party that ever existed, met in the city of Chicago in national convention in June, 1892. Up to and at that time no Democrat in or out of that convention—not even the Senator from New Jersey [Mr. MCPHERSON], who was a member of the convention—had discovered that there had been any unusual dangers or perils in the operations of the Sherman law. Nor had the convention or the Senator from New Jersey up to that time discovered that it was fraught with a then present danger of any kind. All that the convention said, all that the Senator from New Jersey said (because he was a member of the platform committee and agreed to the proposition which I have read) was that the act was a—

cowardly makeshift, fraught with possibilities of danger in the future—

Not that it had produced any danger; not that any evils had resulted from it; not that any were then threatened, but simply that it was—

fraught with possibilities of danger in the future.

There was not a word or sentence in that platform condemning the Sherman law because of any evil results it had produced. There is no declaration to be found in the platform that it was even likely to produce dangers or disaster in the future. The sole declaration was that it was—

a cowardly makeshift, fraught with possibilities of danger in the future.

Mere possibilities, and nothing more. I have heard it repeated in this Chamber over and over again that the Democratic party has placed itself on record condemning the Sherman law as being the cause of all our financial disaster. I deny that the Democratic national convention said a word of the kind. There was nothing in the platform from beginning to end that justifies, wholly or partially, the statement.

Mr. President, I agree with the platform that the Sherman act of 1890 was a "cowardly makeshift." It was a cowardly attempt to evade political responsibility. It was a dishonest effort to save the Republican party from defeat in the election of 1892. It was a wicked and cruel measure, designed in part and by at least a part of those who voted for it, to complete the scheme begun in 1873 of utterly destroying silver as a money metal in this country.

And, Mr. President, I denounce the bill now under consideration as another cowardly makeshift to undo in part the wrongs of the former "cowardly makeshift," and for the further wicked and unjust purpose of forever and eternally eliminating silver as a part of the constitutional coinage of this country.

So, Mr. President, up to the time that that platform was reported to the convention for adoption by the appropriate committee, and of which committee my distinguished friend from New Jersey was a member, and in whose deliberations he participated, and in the presentation of the platform to the convention he was a party and for which he voted, neither he nor the convention nor anyone else had ever heard, suspected, or believed that the Sherman law had produced any serious financial disaster, or immediately threatened trouble in the United States. No one had discovered the fact that it was liable to imperil the business industries of the country, or that we were standing upon the brink of bankruptcy and ruin. But the convention said that the law was "fraught with possibilities of danger in the future," not that it was certain to produce any disaster or trouble; not that it was surely liable to do so; not that it would naturally or logically bring about any of the wrongs at present laid at its door, but that it was simply "fraught with possibilities" of such danger.

I agree, Mr. President, with that declaration. I believe that it is a bad law in every sense of the word and in every aspect of it. I believe that it is "fraught with possibilities of danger," but not of the kind or character or for the reasons suggested by the friends of the pending bill. It is fraught with the certain danger of impairing the usefulness and value of silver as a money metal. It was designed for that purpose. It is fraught with the danger, necessarily, of forcing the Government to depart from the constitutional method of treating silver as money. It is fraught with the possibility of ultimately destroying silver as a money metal, to the immeasurable hurt of the great body of our fellow-citizens not engaged in banking, stock gambling, and kindred pursuits. The platform further says that the law is—

a cowardly makeshift, fraught with possibilities of danger in the future which should make all of its supporters, as well as its author, anxious for its repeal.

Mr. President, I am not one of its supporters. I never have been. I am not its author. No Democratic Senator on this floor

was its author. No Democratic Senator on this floor is its supporter, and none ever was. It occupies, in the legislative history of this country, the unique position of having neither friend, guardian, nor defender, and no one seems to be willing to assume the role of father; and I apprehend that but few, if any, would be willing to be recognized as its mother. As to the question of its paternity, that must be referred alone to the distinguished Senator from Ohio [Mr. SHERMAN.] So much, Mr. President, for the Democratic national platform and the Sherman act of 1890.

The next declaration in the platform reads:

We hold to the use of both gold and silver as the standard money of the country, and to the coinage of both gold and silver without discrimination against either metal or charge for mintage. But the dollar unit of coinage of both metals must be of equal intrinsic or exchangeable value, or be adjusted through internation l agreement or by such safeguards of legislation as shall insure the maintenance of the parity of the two metals, and the equal power of every dollar at all times in the markets and in the payment of debts. And we demand that all paper currency shall be kept at par with and redeemable in such coin. We insist upon this policy as especially necessary for the protection of the farmers and laboring classes, the first and most defenseless victims of an unstable money and a fluctuating currency.

So, Mr. President, we find that this convention declared in favor of the—

use of both gold and silver as the standard money of the country.

This is sound Democratic doctrine. It places the party in harmony with the Constitution, in harmony with its history and traditions.

The Constitution says that Congress shall have the power to—

coin money, regulate the value thereof and of foreign coin; and no State shall make anything but gold and silver coin a tender in the payment of debts.

These constitutional provisions are alike binding on Congress and the several States of this Union.

The platform says:

We hold to the use of both gold and silver as the standard money of the country.

Not to gold as the standard, not to silver, not to either metal partially or wholly, not to either one alone, but to both. They walk hand in hand, as faith and charity. They are as closely allied as truth and justice. And they are bound as closely and as perpetually together by constitutional ligament as were the "Siamese twins," and no casuistical reasoning or metaphysical quibbling can ever separate them.

Mr. President, in the interpretation of the law and of contracts and agreements and all papers of a like character we must apply broad and comprehensive rules, not narrow, illogical, or technical reasoning, rules free from quibbling and broadly and comprehensively in harmony with the great objects and purposes to be attained—justice, right, and the public good. We must interpret the words contained in such laws, contracts, and agreements agreeably with their common and ordinary acceptation amongst men. The sense of the whole must be expressed as men usually express their thoughts, their wishes, their purposes—in the plain, ordinary language of the country. This is the rule of interpretation that the law fixes. In addition to that, the law requires as a universal rule that in the construction of laws, contracts, and agreements the whole of a paper relating to any particular subject—the whole of the law relating to any particular matter—shall be construed together; that is, as a whole, in order to gather the full meaning and purpose and intent of those who are to be bound by it.

It is contrary to every principle of law and justice that one party to a contract containing mutually beneficial conditions and fixing mutual rights shall be permitted to enforce such contract against the other party in such manner as to exclude such other party from presenting and litigating, in the same suit, his corresponding rights under the same contract. Under the same law, each man must have his day in court, each in the same suit to prosecute and defend whatever rights each may have against the other. To permit one neighbor to enforce the provisions of a mutual contract against another neighbor without permitting such other neighbor to enforce other provisions of the same contract against his adversary, would be unconscionable and unjust.

The Senator from North Carolina [Mr. VANCE] aptly and truly stated, in his recent speech in this body, that the fifth section of the Democratic platform was intended to formulate a Democratic policy as a whole; to fix a financial scheme and theory, to be applied in the administration of the Government. And that in justice and fairness this financial plan should be adopted as a whole, not by piecemeal, not by "cowardly makeshifts" dealing with one item at a time. And in this the Senator was correct. Such piecemeal legislation is neither wise, prudent, nor patriotic. It is essentially unjust and it is particularly unfair in that class of legislation where it is manifest that justice can only come through compromise and concession.

Mr. President, it is not alone the gold and silver already coined that is to be the "standard money of the country." No man ever dreamed of any such interpretation as that. It would hardly be fair to impute to any fair-minded man of ordinary intelligence a contention for a construction of that sort. But that convention, Mr. President, meant to include in that declaration not only the gold and silver then in use, but that the coinage of gold and silver should thereafter be continued, and should be used as standard money in the same way. Because it not only declares in favor of the use of both gold and silver as the standard money of the country, but it declares in favor of the coinage—

the coinage—

Referring to the future—

of both gold and silver, without discrimination against either metal or charge for mintage.

So good faith requires, and party honesty requires, the contract demands that the gold and silver coin of the country shall constitute its standard money, but that we shall thereafter continue to coin both gold and silver, without discrimination against either metal, or even mint charges, and that such money shall constitute the "standard money of the country." The use of the words "standard money" in this platform means lawful money—money that shall be receivable in the payment of all debts, public and private—it means constitutional money, that is the money that was contemplated by the convention, and it was intended that its coinage should be continued.

Mr. President, as before stated, there are two other rules of construction that are applicable to all written instruments, laws, contracts, or agreements. One is, that the whole and every part of such instrument shall be given force and consideration and that every word and sentence shall be construed to mean something and to mean that which the language used naturally implies. The second rule is that the whole of every part of a contract, statute, or agreement relating to a particular subject must be construed together as a whole in order to give the document under consideration harmony, uniformity, fairness, and justice. Adopting this universally-recognized principle of construction, accepted by every civilized nation on the globe, and applying it to the platform as I have read it, that platform means simply that the Democratic party have declared unmistakably for the continued use of both gold and silver as the standard money of the country; that it has declared in favor of the continued coinage of both gold and silver as the standard money of the country without discrimination against either metal so far as the right of coinage and mint charges are concerned.

The very language used utterly forbids the conclusion that that convention favored in the slightest degree the suspension of the coinage of either gold or silver. There is no inference to be drawn from the language that there was to be a limitation or suspension of the coinage of either metal. Every word used had reference to the future. It had reference to an enlargement and increase of the currency. Every word was a word of encouragement and commendation for the use of both gold and silver. And this is made the more manifest by the further declaration that the two metals should be coined, so as to maintain their parity and the equal power of every dollar, whether gold, silver, or paper, at all times in the markets and in the payment of debts. These were the only limitations placed upon it.

Now, my friend from New Jersey says that it is impossible that gold and silver, under present conditions, could be made of equal intrinsic and exchangeable value. The platform recognized the fact that there was a possibility that that exact condition might occur. So it provided for it, and has expressly declared that—

the dollar unit of coinage of both metals must be of equal intrinsic value or be adjusted through international agreement or by such safeguards of legislation as shall—

Do what? Make them of equal intrinsic and exchangeable value? Not at all. But the platform proceeded to say—

by such safeguards of legislation as shall insure the maintenance of the parity of the two metals, and the equal power of every dollar at all times in the markets and in the payment of debts—

and—

the parity of the two metals—

means simply the equal money use of the two metals. And this fact is emphasized by the further requirement that every dollar shall at all times—

be equal in the markets and in the payment of debts.

It is therefore clear that the Democratic convention meant to say that both gold and silver should continue to be coined so long as they were capable of performing the office of money in the markets and in the payment of debts.

The VICE-PRESIDENT. The Chair desires to call the attention of the Senator from Kansas to the fact that it is impossible for the reporter to hear his remarks.

Mr. MARTIN. Mr. President, I am so deeply interested in reclaiming my friends on the Jersey coast that I can not resist the temptation to turn and talk to them occasionally; but I shall endeavor to observe the suggestion of the Chair.

Is it not a fact, Mr. President, that every dollar of currency

that we have to-day, whether of gold, silver, or paper, is precisely the kind and character of money demanded by the Democratic platform?

I hold in my hand a ten-dollar silver certificate, redeemable by the payment of ten silver dollars. Is it not true that this silver certificate is worth 100 cents on the dollar, and is daily performing the office of money at that rate? That is precisely what the Democratic platform demands that it shall do. I hold in my hand a ten-dollar gold piece. In the markets of the country and in purchasing power and in debt-paying quality, is it not precisely of the quality and value as money as the silver certificate—nothing more, nothing less? I hold in my hand ten silver dollars.

Is it not a fact, beyond question, that these ten silver dollars, in purchasing power in the markets of the country, and for all money purposes, are each worth 100 cents on the dollar? Is it not a fact that these ten silver dollars will purchase as much of every article, will pay debts as readily, and be receivable in the discharge of every legal obligation of every kind and character in any quarter and locality on the American continent as the ten-dollar gold piece that I last exhibited? This is certainly true. If so, these facts constitute a literal compliance with the demands of the Democratic platform.

So, Mr. President, all this cry that we hear about the "cheap dollar," and the "dishonest dollar," and the "60-cent dollar," is pure demagogy and without foundation in theory or fact. The fact is, Mr. President, we have no "cheap" money in this country. We have no inequality of money. Every dollar that we have, whether of gold, silver, or paper, for all practical purposes, and in purchasing and debt-paying power, is the equal of every other dollar. And this particular fact is of more real value in the determination of the question now under consideration than all the metaphysical reasoning of a lifetime. When we have in use three classes of money, each possessing the same purchasing power, the same debt-paying power, each performing the same office as money in every market in every locality on the American continent, I submit that it is utterly useless, foolish, and absurd to waste time in the consideration of mere abstractions. No man makes complaint that our money is worthless. No man refuses to take it in exchange for any property or article of merchandise that he has for sale. No man hesitates to accept it, whether of gold, silver, or silver certificates, in the payment of any debt or obligation due him.

There is no complaint from any quarter that we have too much money. Upon the contrary, it is generally conceded that the supply of our money is inadequate to the business demands of the country. Hence it is a waste of time to listen to essays as to what may possibly happen in the future. The dangers that are supposed to lie in front of us are not apparent to the ordinary observer. No facts or conditions exist to warrant the belief that any such perils confront us.

The Senator from Delaware [Mr. GRAY] and others have advanced the theory that the Democratic platform does not warrant the conclusion that our financial policy shall be established and formulated in one bill. He admits that it might be done by one bill or two or half a dozen. To a certain extent I agree with the Senator.

But I submit, Mr. President, that by no fair rules of interpretation can it be established that the Democratic party intended or contemplated that its financial policy should be established by piecemeal. The fifth section of the platform must be accepted as a whole as the declaration of the policy to be enacted—not in part but altogether. As a matter of course the details of this policy are not outlined in the platform. General principles simply are announced, and upon this declaration of general principles it was intended that a permanent, broad, and comprehensive financial policy should be formulated and established.

I have shown that there was no distinct demand contained in the platform for the repeal of the Sherman law as a whole or in part; and the demand for its repeal is more a matter for inference than it is of direct statement. Hence, good faith, fair dealing, and common honesty demand that whatever legislation is had should be framed so as to protect the just rights of all interests. In politics as well as everything else I believe honesty to be the best policy. I do not believe in temporary makeshifts. I do not believe in evasions, tricks, and schemes that in the end must deceive and defraud somebody. And I repeat what I have heretofore said, that I believe the pending bill to be so bad, so wicked, so cruel, so remorseless in its provisions, so unjust in its conditions, that I feel justified in resorting to every known constitutional method for the purpose of its defeat. If the Constitution authorizes me to resort to dilatory methods, or filibustering, as it is called, for the purpose of preventing the passage of this bill, I shall not hesitate to avail myself of such methods.

Mr. President, I beg to call the attention of the Senate to certain other facts that I think of some value in the determination of the purposes and meaning of this platform. While it is true that there is no direct pledge or promise made in the platform for the repeal of the purchasing clause of the Sherman act—unconditionally or otherwise—the fair inference to be drawn is that the party was pledged to the repeal of the law as a whole. In that part of the platform treating of tariff legislation there will be found a distinct pledge for the immediate repeal of the McKinley act. In that part of the platform treating of the force bill it pledged the party unequivocally to resist at all hazards any attempts of the Republican party to pass any legislation of that character.

These three facts are of great value in the interpretation of the fifth section of the platform. They prove, first, that the convention attached more importance to tariff legislation and to a resistance to force-bill legislation than it did to the Sherman act. That convention believed, as I believe, that the country was in far greater peril and was likely to suffer more serious disaster from our tariff laws and force-bill legislation that it could or would from the Sherman law. Hence, in regard to the McKinley tariff, "repeal" was the watchword; and in the force-bill legislation "resistance" was the war cry. But, after all, no man supposed then or believes now that the convention meant that the McKinley law should be immediately and unconditionally repealed. In the demand for repeal was involved, necessarily, the idea and purpose of some additional and further tariff legislation as a substitute for the McKinley bill. And if this be true, the argument applies with infinitely greater force in the case of the Sherman law than it does in the case of the McKinley bill. Let me call the attention of the Senate to the declaration of the platform on the subject of force-bill legislation:

> Believing that the preservation of republican government in the United States is dependent upon the defeat of this policy of legalized force and fraud, we invite the support of all citizens who desire to see the Constitution maintained in its integrity with the laws pursuant thereto, which have given our country a hundred years of unexampled prosperity. And we pledge the Democratic party, if it be entrusted with power, not only to the defeat of the force bill, but also to relentless opposition to the Republican policy of profligate expenditure, which in the short space of two years squandered an enormous surplus and emptied an overflowing Treasury after piling new burdens of taxation upon the already overtaxed labor of the country.

In this case the convention specifically pledged itself as a party to the defeat of the force bill. In regard to the Sherman law, they simply say that it is so bad that the author and advocates of it ought to be ashamed of themselves and willing to see it repealed. As before suggested, no one supposed that the convention intended to pledge the party to an unconditional repeal of the McKinley law, without a proper substitute of some character. Let us see what the convention said on the subject of the McKinley act:

> We denounce the McKinley law, enacted by the Fifty-first Congress, as the culminating atrocity of class legislation. We indorse the efforts of the Democrats of the present Congress to modify its most oppressive features in the direction of free raw materials and cheap manufactured goods that enter general consumption. And we promise its repeal as one of the beneficent results that will follow the action of the people in entrusting power to the Democratic party.

Here is a distinct promise that it shall be repealed, but no expressed promise to substitute anything for it. In the case of the Sherman act, its repeal is impliedly promised, and in connection therewith we have the positive declaration that the party is in favor of the continued use and coinage of both gold and silver upon terms of equality, so far as mint charges are concerned, and the continued use of both metals as money. By every rule of interpretation, according to every principle of fair dealing, these two propositions must stand or fall together. The language does not admit of piecemeal legislation. It does not warrant the adoption of cowardly makeshifts or subterfuges of any description. And it seems to be bad faith in those Democrats who are now clamoring for the unconditional repeal of the purchasing clause of the Sherman act and who refuse to offer us any financial relief or to provide any money system in its place.

To show that I have correctly understood and properly interpreted the Democratic platform, I propose to read from Mr. Cleveland's letter of acceptance. This letter, like all of Mr. Cleveland's state papers, is clear, terse, strong, and manly. It shows that Mr. Cleveland understood this platform then as I understand it now. He says:

> The people are entitled to sound and honest money—

That is correct. Such "sound and honest money" is the gold and silver and silver certificates that I have exhibited to the Senate to-day. Sound and honest money is that sort of money that will pass current in all the various business transactions of life at 100 cents on the dollar—that will be accepted as a medium of exchange in the purchase and sale of every species of property. It is that sort of money that will be receivable in the payment of every debt that any citizen of the Republic owes.

It means that sort of money that the merchant will accept at 100 cents on the dollar for all his goods, wares, and merchandise; that will buy every foot of land on the American continent; that has built every ship that floats on the ocean; that has constructed

every railroad that gridirons the continent; that will buy every bushel of wheat, every pound of pork, and every article of commerce that is vended in the markets of the land. It means that kind of money that has the confidence of the people amongst whom it is to circulate. It is the exact kind and character of money that constitutes the sole circulating medium amongst the people at this hour. The letter adds:

abundantly sufficient in volume to supply their business needs. But whatever may be the form of the people's currency, national or State, whether gold, silver, or paper, it should be so regulated and guarded by governmental action or by wise and careful laws that no one can be deluded as to the certainty and stability of its value. Every dollar put into the hands of the people should be of the same intrinsic value or purchasing power. With these conditions absolutely guaranteed, both gold and silver can be safely utilized upon equal terms in the adjustment of our currency.

When Mr. Cleveland wrote this letter he contemplated the continued growth and development of our country, the increase of its commerce, internal and external, and the continued growth and prosperity of our people. He contemplated the fact that this increased trade and commerce would necessarily demand and require a continual increase in the volume of our circulating medium. Mr. Cleveland appreciated the fact that the American people were steadily and rapidly growing in wealth, in intelligence and population, and in power; that the field of our enterprise and energies is being constantly enlarged and developed. He appreciated the fact that for the development of these conditions there would be an increased demand for the use of a greater volume of money, and that as the people themselves increased in intelligence and progressed in social conditions their demands for better food, better clothing, better social advantages, and more of the luxuries of life would be likewise increased.

The people, therefore, were entitled to a "sound and honest money," and a continued increase of it to meet their business demands. And hence he declared that it was immaterial what kind of money we had, whether gold, silver, or paper, so that its certainty and stability of value was established, and that every dollar of it should be of the same intrinsic value or purchasing power. The words "or purchasing power" employed by Mr. Cleveland in his letter of acceptance, make clear beyond doubt the meaning of the Democratic platform. As between gold and silver, strictly speaking, there could be no such thing as equality of intrinsic or exchangeable value. It was the money value, not the commercial value, of gold and silver that was meant in the platform, and this proposition was made clear by Mr. Cleveland in the use of the words "or purchasing power."

Hence, so long as the purchasing power of gold and silver coin could be maintained at any given standard, that was all that was contemplated, expected, or hoped for. It was the present silver dollar and the present gold dollar that was under consideration. It was the coinage and continued use of this silver dollar that was referred to by the convention and its nominee. And if any gentleman in or out of this Senate can establish the fact that the purchasing power of the present silver dollar or the present silver certificate is not equal to 100 cents on the dollar as compared to the gold standard, or any other standard, then I am ready to vote for a change of ratio in order to preserve the parity of the two metals as money.

Mr. President, the Democratic party in its national platform, by history and by tradition, is unequivocally committed to the continued coinage and use of both gold and silver as a part of the currency of the country. In June, 1892, in national convention, it solemnly pledged itself to this policy. I do not believe that any conditions or circumstances have occurred since that time that can justify the party in disregarding these solemn pledges. Good faith, fair dealing, common honesty, and good citizenship demand an absolute and unconditional redemption of those pledges. No evasion, subterfuges, or false pretenses will be accepted by the people as a condonation of broken faith. If this Democratic Congress fails to keep in good faith these party promises; if we shall deceive the people; if we shall disregard and disappoint their just and reasonable expectations by any subterfuges, schemes, tricks, or devices, or cowardly makeshifts of any name or nature in regard to this money question, an independent and outraged people will visit swift and sure punishment upon us.

If the Democratic party deliberately proves false to the great trust that has been committed to its keeping, if it fails, neglects, or refuses to redeem in good faith its honest pledges—if it shall fail to keep faith with the people—very soon the places that know you now will know you no more forever. Platforms are supposed to be declarations of governmental principles and policy to guide the action of political parties, and the successful party stands pledged to the redemption of its promises.

A political party is as truly bound to keep faith with the people and execute in good faith its covenants and agreements as a business man is required to keep and perform his business engagements; a failure or refusal to do so ought to incur the penalty of political death. And the burial place of such party so faithless should be marked with a monument of shame having engraven thereon the history of its violated pledges and broken promises as a warning to its successors.

Mr. President, permit me to submit a few words of warning to my Democratic friends who are clamoring for the unconditional repeal of the purchasing clause of the Sherman act. You may accomplish this repeal, and after that, what? After death comes the judgment. You can not carry through this Senate unconditional repeal without the aid of your Republican allies. This unholy alliance is temporary. The day of parting will soon come. After this bill has been passed other matters will engage the attention of this body, such as tariff reform and the repeal of the Federal election laws, and then your allies will utterly abandon you.

By accepting their aid and assistance you have been placed in the uncomfortable position of having failed to keep your party pledges. After this will you be in a condition to redeem other solemn pledges that you have made? I think I hazard nothing in saying that your temporary friends who are now crying "Crucify him! Crucify him!" will very cheerfully and gladly resort to obstructive tactics, even to the supposed wrong of filibustering, in order to defeat your measures. If you fail in these important matters may not the Democratic party become a thing of the past—simply a memory and nothing more?

Mr. President, I deeply fear these gloomy consequences, and hence my anxiety that financial and all other legislation that shall take place under the present Administration shall be distinctively Democratic. For the first time in thirty years the Democratic party has been intrusted with the executive and legislative powers of the Government. The present is a splendid opportunity for demonstrating our capacity for governmental administration in the interest and for the benefit of the people. The occasion demands that all personal ambition should be hushed; that all conflicting interests should be harmonized; that the voice of the people and their interests shall be heard. So far you have not listened or given heed to the "still small voice" of the people. We have heard the clamoring from Wall street and the frantic appeals from the money-changers and the selfish demands of special interests, but nothing from the great mass and body of toilers and producers of the land; "the hewers of wood and the drawers of water" have so far had no day in court.

But, Mr. President, if we violate the Democratic platform by the passage of this cruel and unjust bill, in due time the voice of the people will be heard, and in a tone and manner that can not be mistaken. In my judgment, if the question of unconditional repeal of the Sherman law were submitted to a direct vote of the people of the United States at this hour, or at any time hereafter, there would be a majority of millions against it. In support of your proposed action the bankers and their dependents, stock-gamblers and their associates, the money-changers and their allies and all those attired "like Solomon in all his glory, but who toil not, neither do they spin," have by falsehood and misrepresentation attempted to create a public opinion in favor of your proposed action. They have suborned the public press.

By object lessons they have wronged and outraged those dependent upon them for accommodation and advantage; but the public opinion they have created lives alone in the atmosphere of its creation. They and their agents throng the corridors of the Capitol. They importune Senators and Representatives. They whisper their stories in the ears of cabinets. And while they may achieve a temporary success, a day of reckoning will come. The great body of our countrymen, the plain people, the men who work and labor and produce, the men who toil and sweat and create our wealth and substance, will yet be heard from on this subject; and when that day of reckoning comes they who have stood in the way of their will, who have opposed their interests, who have disregarded their cries, who have been deaf to their appeals, will be crushed between the "upper and the nether stones."

Mr. President, during the discussion of this bill, I have frequently heard the silver dollar referred to as a "60-cent dollar." I know of no such dollar. Does any gentleman in this Chamber know what a "60-cent dollar" is?

Mr. PALMER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Illinois?

Mr. MARTIN. With pleasure.

Mr. PALMER. So far as I know it is 412½ grains of standard silver.

Mr. MARTIN. Is that the Senator's idea of what constitutes a "60-cent dollar?"

Mr. PALMER. That is my impression of it.

Mr. MARTIN. The answer is about as I expected from the distinguished Senator from Illinois. I supposed that he had

just that sort of an idea upon the subject. That is not the measure of the dollar. The dollar is a dollar because by the laws of the United States it is made a dollar, and because it has the purchasing power of 100 cents on the dollar in any part of the American Union. That is what makes the dollar. And that is what makes it an honest dollar. And there is no such thing as a "60-cent dollar." There never was and never will be. But we are told that the silver in a dollar is only worth 60 or 70 cents in the markets of the world at this time. Measured as an article of commerce, this is true. Measured by the gold standard as money and currency, it is not true.

The value of any article as money depends upon three conditions. First, the nature and extent of its usability as money, as fixed and regulated by law. Second, the law of supply and demand in the country or locality where used; in other words, the volume thereof; and, third, the character of the material used. At present the market value of silver as an article of commerce is low. It is low because it has been discriminated against, and its usefulness and value as a money metal has been substantially destroyed by unfriendly legislation. This condition can and will be radically changed if you will obey the mandates of the Democratic platform and open your mints equally to the coinage of both gold and silver, and clothe your silver money with its constitutional debt-paying power; in other words, make it receivable in the payment of all debts, public and private. If you will adopt this policy you will hear nothing further on the subject of the "60-cent dollar."

As a matter of course, if in your legislation and in formulating your currency plan you discriminate against either metal, you have to that extent imperiled its usefulness and value. The trouble now is, you have put an embargo on the use of silver. You have put upon it the brand of Cain, so far as its usefulness as a money metal is involved; and you have placed it in a state of orphanage in the world's currency. What would gold be worth as a money metal if treated in the same manner?

In order to judge correctly of the relative values of any two articles, such articles must be placed upon a plane of equality. Place them upon a plane of equality, clothe them with like conditions, and subject them to like uses; otherwise no correct judgment can be formed respecting their relative values.

Mr. President, in order to further illustrate the dangerous tendency of the times, I quote again from the article appearing in the Manufacturer of September 23, as follows:

> It (the stock market) is waiting to hear from the Senate, and not without apprehension that some further object lesson may be needed to move that body.

The article further says:

> The mercantile community which desires banking accommodations has not felt the improvement; and the reason is the New York banks have determined not to let money loose until the Senate votes for the repeal of the silver law.

In other words, Mr. President, we are confronted by the deliberate declaration of the money power of the country that confidence shall not be restored, that prosperity shall not return, and that the present social and financial disorders shall continue until Congress shall pass this bill. Repeal is made a condition precedent to their permission of a return of prosperity.

The declaration is arrogant and insolent, and it is truly an object lesson to the people of this country that should awake them from any dream of security that may be supposed to exist. It is time for the people of this country to learn that they who control the purse wield the sword, and that they who control the purse and wield the sword are the remorseless and tyrannical masters of the country and the enemies of the liberties of the people.

The resumption of ordinary banking operations is not made to depend upon the legitimate demands for money to use in the ordinary trade and business of the country; not upon the interest that can be obtained; not upon the character of the securities that are offered. But all the powers of these great banking institutions are to be ruthlessly and remorselessly used to stay the hand of enterprise, to suspend the business operations of the country, to produce bankruptcy, to inaugurate a new season of penury and want, starvation and disaster, and all for the purpose of forcing the Senate of the United States to pass the pending bill destroying silver as money and forcing upon the Government the necessity of issuing its bonds.

Mr. President, I have no feelings of enmity against bankers as individuals. They are a part of our common humanity, perhaps neither worse nor better than people ordinarily are, except as their vocation makes them. It is true that they are inclined to presume upon their superior knowledge of the laws of finance, trade, and commerce. It is true they are engaged in a business that necessarily makes them cold, calculating, cruel, and remorseless, as all money-changers are, always have been, and always will be. Selfishness and avarice chill the heart, distort the judgment, and render men utterly indifferent respecting the rights of others and their own obligations and duties to society. The co-operation of great financial interests is always easy and convenient.

The moneyed power of the country always stands ready to enter into such combinations and conspiracies—however ruthless and remorseless they may be—for the promotion of its selfish interests. And in doing this, neither the rights, the comfort, nor the happiness of others is considered in the slightest degree. Courts are swayed in their interest; legislatures are controlled for their benefit, and too often executives yield to the blandishments and advantages that its supreme power confers. The policies of government are distorted and shaped for the sole purpose of strengthening and continuing its power. Under these circumstances, Mr. President, is it any wonder that public disorders exist, and that the great body of our countrymen feel that they are unfairly and unjustly dealt with? Ought we to be astonished that the sense of duty and obedience to the Government is weakened? It is the wicked perversion and use of government for selfish ends and individual advantage which sows the seeds of anarchy and social disorder. Destroy the seed and the plant will not grow, neither will the fruit ripen.

Mr. President, as further illustrating the insolence, arrogance, and intolerance of what is often termed the money power of this country, I beg to call the attention of the Senate to a New York dispatch appearing in the Post of this city on the morning of September 17 last:

IMPATIENT NEW YORK BANKERS.—THEY BLAME MR. VOORHEES, RATHER THAN THE SILVER SENATORS, FOR THE DELAY.

[Special to the Post.]

NEW YORK, *September 17.*

In a group of bankers at the Union Club to-day the sentiment was given voice that the delay in the passage of the repeal bill had reached a point that needed explanation. At the Manhattan Club, where the Democratic bankers principally gather, almost the same idea was expressed, but Senator VOORHEES personally was held responsible. It was argued that the Democratic caucus had done all it could, but that the Indiana Senator had not lived up to the confidence reposed in him. The same assertion is made more bluntly in the open street, and at the Windsor Hotel the banking men were talking this evening about the difficulty of understanding what VOORHEES was trying to gain by what was considered his too considerate treatment of the silver minority.

Practically the same opinions are held by business men who have no banking interests.

The feeling here is that unless in a day or two VOORHEES performs without further delay what is considered his duty, of pressing for a vote, he must find himself under the necessity of explaining what are his concealed motives. "Candidly," said a banker of high standing to the Post correspondent, "we did not expect repeal to have been accomplished by this time, but the celerity with which the House passed the bill gave us reason to believe like speed would follow in the Senate. We know the ways of Senators pretty well, and we can understand some of the motives that seem to actuate Senator VOORHEES. But his refusal to come to New York and talk with us has suggested wrong motives, and his weak stand against the aggression of the silver Senators is more than we can fathom. What does it mean? I ask the question because we must know. We have a right to know. If we are not given satisfactory reasons for the delay, as we have not to this hour, we can not be blamed for believing that there is something behind it all. What can be Senator VOORHEES's personal interest in keeping back repeal? That's what we'd like to know; for his political interests are to our minds not enough to explain the strange delay."

This talk of other motives than politics behind the delay has gained currency among certain bankers, but is rejected as unbelievable by others.

Mr. President, I submit that this dispatch suggests a degree of lordly insolence on the part of this same money power that ought not to be tolerated in any liberty-loving community on earth. In this dispatch we are deliberately told that it is the feeling amongst the bankers who assemble at the Union Club and the Manhattan Club in the city of New York, these consumers of the results of honest people's toil, and the gatherers of the fruits of other men's labors, that the chairman of the Finance Committee of this Senate is by them to be called to account for his management of this bill, and that unless he assumes prompt action he will be under the necessity of explaining to them what his possible motives are. Mr. President, a more infamous, wicked, and unmerited attack was never made upon any public man. And it manifests to an alarming extent the insolence, arrogance, and relentless tyranny of this same money power.

Mr. President, the Senator from Indiana [Mr. VOORHEES], to whom reference is made in this dispatch, requires no defense at my hands, or from anyone else, against this brutal and cowardly assault that has been made upon him. His long-continued and splendid career as a Representative and Senator in Congress has made a record of which any honest man may be proud. His fidelity to every trust that has ever been committed to his keeping is a perfect shield from the poisonous darts of these money-changing vandals. His fame and good name rest secure and steadfast in the hearts of his constituents and in the annals of the great legislative bodies which he has adorned and honored for almost the third of a century, and his reputation and character are perfectly safe from the malicious criticisms of baffled

and disappointed bankers, as well as all others. But, Mr. President, the meanness disclosed in the article, its insolence, its arrogance, shows the extent to which such men will resort in order to carry out their wicked purposes.

Mr. President, the money power, as we call it, is not composed of bankers alone. They have allies, dependents, and Hessians, who fight for pay and murder for reward. One or two classes of their associates I have already referred to, and I come now to the consideration of another class that I regard as great if not greater public enemies than any other class in the country—men of luxurious tastes and extravagant habits, whose linen is always unstained, and whose hands are free from the marks of labor and honest toil—I refer to the gambling fraternity. These men figure in the newspapers as members of "stock exchanges" and "cotton exchanges" and "grain boards," and other gambling societies of like character, the middlemen who rob and plunder those who actually labor and produce the world's wealth. Mr. President, as illustrating the methods of the men to whom I refer, I propose to read an article appearing in the Republic, of St. Louis, Mo., of a recent date, as follows:

TWENTY THOUSAND DOLLARS A DAY—THE WALL STREET SHYLOCK'S RECENT HARVEST—READY MONEY PUT TO GOOD USE—THE BULK OF IT HE PUT OUT AT 75 PER CENT—THE OLD GENTLEMAN'S SHREWD METHODS.

THE REPUBLIC BUREAU, ROOM 146, TIMES BUILDING,
New York, July 5, 1893.

Russell Sage's part in the financial crisis of the past few weeks is beginning to leak out in Wall street. When money first began to tighten up, and railroads with dividends to pay, and other institutions badly in need of ready money cast about for it, Russell Sage, who has the reputation of keeping more ready money on hand than some of the richest of the banks, came in for a great deal of attention. Day after day, for something like two weeks, this bright and cheery old gentleman sat in his dingy office overlooking Trinity churchyard and all the headstones and monuments there, and heard all kinds of collateral.

Money was skyrocketing then, advancing rapidly from 20 per cent up to 50, and even 75 per cent. How many millions of dollars Mr. Sage had during these days available for loaning purposes, and what rates he charged his customers for the accommodation, can not, of course, be accurately stated. It is perfectly safe to say, however, that Mr. Sage did not loan his money below the market rate.

TWENTY THOUSAND DOLLARS PER DAY.

A Wall street man who keeps pretty well informed on the aged financier's transactions in loans gives it as his opinion that for a number of days the old gentleman's receipts from interest on his money were not less than $20,000 per diem. How much money Mr. Sage was able to command at so interesting a time for helping the stockbrokers can be surmised from the fact that on every day of the year, the whole year round, this modern but thoroughly amiable Shylock has about five millions that he can lay his hands on within twenty-four hours.

Even in 1884, when the great crash came in Wall street, and Mr. Sage closed the door of his office to protect himself from the army of creditors who flocked there, it is stated authoritatively that he had over $3,000,000 on deposit with two of the leading banks of this city. He only needed $1,000,000 to pay off all claims against him, but his impulse was to close his office and leave New York for some secluded spot where no creditor could possibly reach him. If, therefore, Mr. Sage had $3,000,000 in cash at such a time as that, it may readily be concluded that at the present time, ten years later, when he has suffered no losses in the stock market or through dealing in privileges, he must have a great deal more; and the statement may even be accepted that during the past three weeks he has manipulated for loaning purposes somewhere between $15,000,000 and $20,000,000.

BELIEVED IN WALL STREET.

This statement is familiar on Wall street and finds general belief. What Mr. Sage's receipts have been for interest during this storm and others depends, of course, not only on the amount of money he has loaned out, but also on the rates at which he has loaned it. As heretofore observed, there is not much doubt but that the shrewd old trader has secured the very highest rates to be had. That is his main purpose in life. He got the highest rates for nearly the whole volume of money, because nearly all the loans Mr. Sage makes are call loans, which can be called in from day to day at a few hours' notice.

It is not probable, of course, that Mr. Sage loaned all his money at 75 per per cent, but it is quite possible that he got at the rate of 50 per cent a year for all the money he loaned out during the ten days previous to last Saturday, and if these loans are calculated on a basis of $15,000,000, it will be seen that this amounts to the daily income of $20,000 already noted.

MR. SAGE'S BANK.

The statement in Wall street that Mr. Sage is in the habit, during periods of stringency, of borrowing money from the Importers and Traders' Bank, in which he is the chief stockholder and practical owner, and of borrowing it at regular rates and then relending it at 40 to 50 per cent, can not of course be regarded as anything but an exaggeration, inasmuch as such action would attract the attention of Comptroller Eckels and result in unpleasantness for Mr. Sage. But there is no doubt that he did oppose the Importers and Traders' Bank refusing to participate in any such proceeding. The officers of the Importers and Traders' Bank de lared that they had no need for loan certificates, and refused to take any. The fact of the matter is, Mr. Sage did not want his own bank figuring in the money market and breaking the rate of interest, and thus abridge his enormous profits from that direction.

Comment on this article is unnecessary. The iniquitous methods pursued are made manifest and clear. The same class of men are gamblers in silver, the very metal they are endeavoring to destroy as an article of money. And undoubtedly such gambling operations have much to do with the depreciated value of silver bullion. They are even gambling among themselves as to whether the pending bill will be passed by Congress. And, as illustrating the truth of this proposition and the wicked and corrupt methods pursued by them, I call the attention of the Senate to the following dispatch which I find in the Washington Post of September 29, 1893, as follows:

BROKERS BET ON REPEAL—HEAVY ODDS THAT SILVER PURCHASES WILL BE STOPPED—STOCKS ADVANCE RAPIDLY—THE FEELING OF CONFIDENCE AND BUOYANCY ONLY SLIGHTLY CHECKED BY DISPATCHES FROM WASHINGTON WHICH DID NOT BEAR OUT THE OPINION PREVALENT ON THE STREET, WHICH, TO A LARGE EXTENT, WAS BASED ON THE PRESIDENT'S LETTER TO GOVERNOR NORTHEN.

NEW YORK, *September 28, 1893.*

There has been a radical change in sentiment in stock circles in relation to the question of repealing the Sherman silver law. In fact, certain operators on the floor of the exchange were so confident that the Senate will expunge the law from the statute books that they were offering to bet twenty to one on the correctness of their views. They backed up their opinion by liberal purchases of stock, which led to an almost buoyant tone.

The bulls were favored by the strong expressions made by President Cleveland in favor of unconditional repeal of the Sherman silver law in a letter to Governor Northen, of Georgia, which gave color to the dispatches from Washington to the effect that the Senate will take an affirmative vote on the repeal bill within a week or ten days. Public dispatches received on the street up to the close of business, however, did not confirm this theory, but, nevertheless, bulls and bears were imbued with the belief that the silver question will be disposed of in short order, and bought stocks freely.

Mr. President, as further illustrating the corrupt and demoralizing methods pursued by this class of men in their nefarious business, I propose to read from a speech by the Senator from Minnesota [Mr. WASHBURN], of the 11th of July, 1892, in the Senate. I read from page 8 of the printed speech:

These people talk about "fettering commerce." Let me ask how commerce is or can be fettered, obstructed, restricted, or in anyway interfered with under the provisions of this law? It only attempts to suppress gambling and nothing more, and of the most vicious character that has ever existed, compared with which the Louisiana lottery is but a Sunday school.

This is a very graphic, and doubtless a very truthful description of stock-gamblers and their methods. Proceeding, the Senator says:

How can commerce, how can trade, how can any dealings of the merchant be affected from the fact that the gambler or operator can not sell for future delivery millions of bushels of wheat and thousands of bales of cotton that do not exist?

On page 9 of the same speech I find the following:

As near as I can learn, and from the best information I have been able to obtain on the Chicago Board of Trade, at least 95 per cent of the sales on that board are of this fictitious character, where no property is actually owned, no property sold or delivered, or expected to be delivered, but simply wagers or bets as to what that property may be worth at a designated time in the future. It has finally come to this, that the operators on boards of trade fix the prices of the different articles named in section 3 of this bill, without regard to the law of "supply and demand" or any natural conditions whatever. So that the business of the country has reached a crisis that is absolutely unbearable; so that the object of boards of trade, which are of necessity in conducting the commerce of the country, have been subverted from the uses and purposes for which they were created and have been turned into gaming resorts where the great products of this country are made the basis and football of gambling transactions. So that wheat and cotton have become as much gambling tools as chips on the faro-bank table. The property of the wheat-grower and cotton grower is treated as though it were a "stake" put on the gambling table at Monte Carlo. The producer of wheat is compelled to see the stacks in his barn dealt with like the peas of a thimble-rigger, or the cards of a three-card monte man. Between the grain-producer and the loaf-eater there has stepped in a "parasite" saying at what price one shall sell and the other buy—a "parasite" between them, robbing them both.

In proof of the charges I have made respecting the character and operations of this gambling fraternity, I quote further from the speech of the Senator from Minnesota, as follows:

To make clear that I do not overstate this matter, I desire to submit quotations, comments that have been made in the past few months on different boards of trade, as indicating how such quotations have been possible, and to show absolutely clearly that the price of wheat has not been made by foreign markets, as has formerly been the case, in accordance with the law of supply and demand, but has been artificially fixed, and depreciated at that, by the produce exchanges of this country, which have so large an export trade in so many of our agricultural products. For instance:

[Inter Ocean, February 1, 1892.]

The wheat market was controlled by the bears from the opening to the close, and Pardridge was particularly prominent. With Pardridge's operations almost continually against the price values showed a loss. Foreigners were fair sellers here and in New York, but the largest offerings were made by Pardridge. He had sold a big line of "puts," and his selling was to get the price down and has the wheat "put," and at the close a large quantity of wheat was "put" to him, enabling him to cover part of his (short) line.

[Chicago Tribune, April 12, 1892.]

The decline (in wheat) was greater than anyone anticipated, with the possible exception of Mr. Pardridge.

Pardridge's actions were naturally watched with no little interest, and it was generally conceded that he "scalped" the market very effectively. His early liberal selling around top prices helped to break the market.

[London cable in Baltimore American, April 13, 1892.]

The grain markets here and on the Continent for the past two days have been strangely affected by bogus European news, received by way of the United States.

[Inter Ocean, April 15, 1892.]

The wheat market disappointed the bulls, who expected that prices would move upwards, as the majority of the influences were bullish. The bad weather was expected to have a pronounced effect, but the "crowd" appeared to care little about the weather or the cables or crop reports, so that local influences dominated prices. The cables were stronger, the late ones showing good advances at Liverpool.

An operator said: "Pardridge has done the past two days what the trade said he could not do this month; that is, 'cover' his May wheat without causing a big 'bulge.' The 'longs' wanted to sell, and he bought it."

[Chicago Herald, April 19, 1892.]

E. W. Kalb, manager of the foreign department of Schwartz, Dupee & McCormick, and who is now in Europe, has sent the following on the foreign wheat situation, from Antwerp, under date of April 6: "The wheat markets in Europe are more than dull. Europe will hardly become a free buyer again as long as prices are kept declining in America. However, should your markets show signs of firmness for several days in succession, then Europe is bound to follow. America will remain the main key to the world's wheat situation for some years to come."

[Chicago Herald, May 3, 1892.]

The bulls had the news on wheat; the bears had the market. About everything which last week was looked forward to as likely to help prices was realized, yet prices yielded rather than advanced.

[Inter Ocean, May 5, 1892.]

Minneapolis sent advices that the acreage would be but 50 to 75 per cent of last year's. Combined with the bad weather reports were the cables which were generally stronger and higher. These were the most important bullish influences, but they were offset by the "unloading" by the "scalpers" and by the selling by Pardridge, and this selling had much to do with the decline.

[Philadelphia Press, May 6, 1892.—(Chicago dispatch).]

Traders have become so accustomed to receive bullish news and find it succeeded by a drop in the price that they were very slow to believe that anything different from their recent experience would happen to-day. Item after item of news kept dropping in during the first hour and a half, and no matter from which direction, its tenor was bullish. But Pardridge sold wheat; Cottrell sold wheat, and the "crowd," which runs in the wake of successful men, thought they were safe in getting in behind the big bears.

[Inter Ocean, May 7, 1892.]

A. L. Arrigoni, a young plunger, who had about 500,000 bushels of grain, was unable to margin his trades, and was closed out yesterday with a loss of $6,000.

[New York Tribune, May 13, 1892.]

The speculation was fairly active, about 8,000,000 bushels being dealt in, but the trade was mainly devoted to local "switching" operation. There was no outside interest, and the large operators seemed to be indifferent; hence the "scalpers" held full sway.

[Corn Trade News, January 18, 1892.]

The Marseilles (France) correspondent writes: "The past week has been decidedly bad; one day there was a ray of hope that the (wheat) market would revive, as a slight advance at New York was reported; and as it was said that the daily fluctuations in America were due to speculative operations, it was anticipated that with the disappearance of this exceptional cause a firm tone would take the upper hand."

[Corn Trade News, March 29, 1892.]

Genoa (Italy) correspondent writes: "The wheat market is dull; all sorts are *d.* lower, and the demand is limited. The continual decline at New York has demoralized buyers."

[Corn Trade News, April 12, 1892.]

Antwerp (Belgium) correspondent writes: "Business continued slack, in consequence of the decline in America; to-day the revival in that country was received with gladness, and we hope it will last."

Bordeaux (France) correspondent writes: "Our market has been greatly disturbed since our last report, consequent on the violent fluctuations in America. To-day, on the collapse in America, but few bids were made, and generally at prices too low to lead to business."

In a letter to the (Liverpool) Corn Trade News, dated in September, 1891, Mr. Dennison B. Smith, secretary of the Toledo Board of Trade, said that—

"We most heartily deprecate the conditions prevailing in this country. First is the apparent want of courage on the part of capitalists to invest in wheat, and the next is the reckless disposition of the fraternity of short sellers to pound down prices. Not an advance in prices has occurred on this side that has not been reflected abroad, and not a decline that has not been followed by a corresponding break over there."

[Inter Ocean, January 30, 1892.]

The market was emphatically a small one, with Pardridge, as usual, doing the greater part of the trading. Whenever the market showed any strength he accommodated the crowd by selling all they wanted, and on the decline he bought back the stuff he had sold at a profit, trading in over 1,000,000 bushels during the day. The outside public are not in the market to any extent, and commission houses are complaining about the scarcity of orders.

[Inter Ocean, February 4, 1892.]

Wheat was in the control of Pardridge the greater part of the day.

[Globe-Democrat, January 30, 1892.]

Chicago dispatch says: "Hutchinson's sale of 1,000,000 bushels of wheat in a lump to Leopold Bloom was up to that time the largest individual trade made, and it certainly has not until to-day been distanced. Pardridge sold "call" on 1,000,000 bushels of wheat, one lump, and wound up the sales of about 3,000,000 bushels more. The fact that the privileges were sold less than one-half cents away from the actual market, and that they are good for all Monday makes the feat even more daring than if he had sold the actual wheat at the market value. The effect of the transactions and Pardridge's known probity, wealth, and reliability set the whole speculative world in an uproar. A moderate estimate of his present short line is 10,000,000 bushels."

[The Chicago Herald, February 4, 1892.]

Pardridge said yesterday that he was pretty well cleaned up, and that he had made four times as much out of his recent bear campaign as he had ever made in one turn before in his life. Pardridge has never heretofore felt called upon to tell the crowd just exactly how he was fixed, and consequently his announcement, now that he is out, is taken *cum grano*. Still, it is generally agreed that the great trader has made one of the most astonishing turns ever witnessed in this market. He is generally credited with having been right for about 12 cents a bushel on a line from 5,000,000 to 7,000,000 bushels. In addition to his straight profit, he has pocketed any amount of money on privileges, and possibly a small-sized fortune on scalps. The outcome is certainly an astounding one, considering that all this money has been made on the short side in a famine year. Although Pardridge has been a bear all the time, and although he was caught short on an enormous line just as the immense excitement of the famine year began, he has been clever enough or lucky enough to so cut short his losses and to so play his profits, that the whole grain world is discussing his success toward the end of the crop year, which was relied upon to make every wheat bull, even the fool wheat bulls, rich.

[From the Iowa State Register, Thursday, April 14, 1892.]

THE GRAIN GAMBLERS MUST GO.

It has often been said that "Liverpool makes the market prices on grain for all the world." That statement has been proven false by the success of Ed. Pardridge, Chicago's famous, or rather infamous, "plunger." During the past six months he has absolutely dictated the values of grain in all the markets of the earth, and he has recklessly robbed the farmers of the United States of hundreds of millions of dollars by the low prices he has been able to establish for his own speculative purposes. His success this week supplies all the further evidence that has been necessary to induce both Houses of Congress to pass the antioption law. The grain gamblers should be driven out of the temples of trade. If they must gamble let them bet on the number of grains of sand on the lake and seashores and the world's visible supply of sand. Bidding down the values of grain has exactly the same effect as bidding down the value of labor and agreeing to supply a certain number of laborers for a certain month or year at reduced wages. The farmers demand protection from the grain gamblers and it should be promptly extended by a law that will tax every bushel of grain bought and sold in options, but not interfere with legitimate transfers of actual grain.

The Chicago Tribune, January 20, 1892, says editorially:

"A number of the members of the Chicago Board of Trade, belonging to the receiving class, think the market is often under the influence of artificial conditions, and that the constitutional bears too often have things their own way.

"Three of the daily circulars issued last week by a prominent commission firm may be quoted in this connection. Tuesday the market was stated to be 'entirely in the hands of the short seller.' Thursday it "broke sharply under the pressure of short selling.' Friday's circular contained the statement: 'The Chicago bear ring has finally succeeded in creating a panic throughout the world. All the energies of trade have been directed to breaking down the price of wheat in the United States, which they have finally succeeded in doing, and in so doing have necessarily carried the markets of the world down with them.' This followed the statement in Wednesday's paper that 'The situation has shaped itself to this extent, that if Western Europe wants wheat for the next four months there is no place excepting the Atlantic coast of the United States where it can be obtained.'"

I can not, perhaps, quote in any better connection from an article of Robert Lindblom, one of the most intelligent and level-headed members of the Chicago Board of Trade, as published in the Chicago Post several weeks since.

In the article referred to Mr. Lindblom says:

"What stronger argument can be furnished in favor of the Hatch or Washburn bill than the spectacle that few men, having no wheat, can in one hour lower the selling price of the wheat crop $24,000,000, when foreign markets were strong and higher, and every legitimate influence pointing to higher prices.

* * * * * * *

"There are in sight now over 40,000,000 bushels of wheat. The American speculator has bought it all for delivery to him next May. There are over 20,000,000 in sight in country warehouses, and hedge sales have been made against that in Chicago, so the speculator has to buy that too, and as though that was not enough, the professional short sellers and the sellers against flour and wheat in foreign countries have sold at least 50,000,000 bushels of wheat in Chicago, which weighs just as heavy as the sale of actual wheat. In fact, it weighs heavier, for while the seller of May wheat against actual holdings has completed his transaction and has no further interest in it, the pure short seller has an interest in further depressing the market, and in order to do so he resorts to every iniquity known to the trade.

"Is there in all America one sane man who will assert that it is of advantage to the producer to have the supply artificially increased from 65,000,000 to 115,000,000? Is there really anybody so obtuse as to assert that the sale and constant pressure of 50,000,000 artificial supply on the market is of benefit to the producer?

"It seems there is, but it is gratifying to know that these specimens are found only among that generation which has been developed since short-selling was confounded with speculation.

* * * * * * *

"The proposed legislation will, without any question, add materially to the selling value of farm products. It will cut off an artificial supply and increase the speculative while not diminishing the consumptive demand. There can be no real issue as to that."

That "short selling" is a menace to the solvency of all those who deal in articles which are subject to its blighting touch is shown by the relief experienced upon all the exchanges when it was reported that the greatest of "short sellers" had covered his "short lines," as set forth in the following extract from the daily market reports:

[Chicago special to Globe-Democrat, June 22, 1892.]

The only thing in relation to the wheat market which attracted attention was the gossip about Pardridge. The trade fully realizes that it has recently narrowly escaped from what might have been the most disastrous failure that the board has seen for many years, and which might have proved more severe than the Harper deal, in June, 1887, when fifteen great firms were forced to suspend. Had the Government crop report, on June 10, been bullish there is no telling how many of the large commission houses would have been carried down by the inability of Pardridge to protect his enormous short line. * * * His overtrading has caused the big commission houses a great deal of alarm.

[Chicago Inter Ocean, June 23, 1892.]

The question now asked is, Will Pardridge ever get his line covered? Each day the crowd say that his line is larger than they had previously estimated, and place it at 25,000,000, or about the entire visible supply. The more the commission houses think of it the more thankful they are that they did not have to buy (in) his wheat two weeks ago on the bulge to 88 cents. The trade is not opposed to Mr. Pardridge, but regard him as a very dangerous man.

[Chicago Tribune, June 23, 1892.]

Traders in wheat think Mr. Pardridge's operations are a menace to the safety of the trade at large and are trying to devise a scheme that shall curtail his trading and reduce the danger to a minimum. They say that but for the Government report coming just as he began to cover his short line, the advance, which had well started, would have soon carried the price to a point where he would have been unable to respond to calls for margins. Then they say any attempt to cover 5,000,000 bushels or more of wheat for his account would have resulted in a panic in which everyone would have suffered severely.

Mr. President, I call the attention of the Senate to still another class of conspirators engaged in producing the present panic,

namely, the newspaper press of the country. And upon that point I propose to read a letter from Francis G. Newland in the New York Sun, dated September 2, 1893, in which he charges that the public disturbances which we have observed for the past few months are largely due to newspaper clamor. He says:

THE PANIC MADE BY NEWSPAPERS—THE PUBLIC FRIGHTENED BY SENSATIONAL EDITORIALS—MISCHIEF THAT WAS NOT INTENDED.

To the Editor of the Sun:

SIR: I observe in to-day's paper that you take humorous exception to the statement of Mr. TELLER in the Senate that "a scheme had been organized early in the season in New York for the purpose of creating a financial panic, which would compel at an extra session the repeal of the purchasing clause of the Sherman act;" and you state that it is impossible that New York could thus go to work to pick its own pockets. Will you permit me to present my observations with reference to this matter?

I was in New York during the early part of this year for some months, and was a close observer of the course of the bankers and newspapers regarding the Sherman bill. You will remember the clamor that then existed for the calling of an extra session. Refer to the files of the Herald, World, Times, and Post during that period, and you will find the most inflammatory articles, intended to arouse and alarm the country. I remember in particular that the New York Herald would day after day have from five to six short editorials, double leaded or italicized, in every column, calling attention in the most alarming way to the danger of the situation: "The Treasury reserve was being depleted, the gold was flowing out, the country was drifting on a silver basis, the dollar was a 60-cent dollar, foreign investors were selling their securities," etc. I remember that in one of the papers for some days there appeared in immense figures at the head of the column the constantly decreasing amount of the gold reserve, accompanied by sensational headlines.

Now, what was the effect of all this? There is always a natural drain of gold from this country during the early part of the year, which is followed by a flow this way during the latter half of the year. These New York papers were read and quoted in England. They, doubtless, alarmed investors there, and the result was that the natural drain of gold was turned into a forced demand by foreign sales of American securities. The reserves of the New York banks were diminished; clearing-house certificates were resorted to to tide over the difficulty; the Western banks, being alarmed at the situation in New York, withdrew their balances and the situation was aggravated, and then a panic arose throughout the country, arising not out of fear of the governmental issues of money, but fear as to the security of the banks. The withdrawal of gold by foreigners, and the withdrawal of deposits and the hoarding of money by our own people, have brought on a monetary stringency which has caused the sacrifice of hundreds of millions of values in American securities, as well as wheat, cotton, and other products. Our foreign investors alone have profited, for they are now buying back the very securities which they sold some months ago at from 20 to 40 per cent discount.

It is impossible to believe that the bankers in New York entered into an organized conspiracy to produce the great panic from which we are all suffering. The part which they played was merely incidental. They were, of course, hostile to silver, and wished the Sherman act repealed. The national banks also wanted bonds issued for the purpose of increasing the reserve, and also for the purpose of enabling them to increase their circulation; but the newspapers were constantly interviewing the bankers and publishing their interviews with sensational headlines and comments. I ask, then, is it not fair to say that this great panic, which all agree now is a senseless panic, had its origin in the metropolitan press of New York? The only prominent papers which have pursued a conservative course throughout, in my judgment, have been The Sun, Tribune, and Commercial Advertiser. The very papers which started the scare are now declaring that it is senseless, and are trying to restore the confidence which they helped in so great a degree to undermine. So far as our foreign investors are concerned, they probably took as true the very aggravated utterances of our newspapers that we were drifting on a silver basis, but so far as the local want of confidence is concerned, it took the form of lack of confidence in the banks, not in the money bearing the stamp of the Government. The best evidence of this is that the silver certificates and silver coin, both alike representing, according to the statement of these papers, only 60 per cent of intrinsic value, have been hoarded by the people and have been practically at a premium.

I remember well, on my return to Washington from New York last March, I predicted to some friends that the New York papers would, within the next three months, create the greatest panic of the century. That prediction has come true. Later on, before the panic had assumed such large proportions, I was talking with a prominent banker in New York, and insisted upon it that the sensationalism of the New York press was doing great injury. I asked him why the substantial men of New York did not represent to these papers the injury they were doing, and appeal to them to modify their course. His answer, with great excitement, was: "Appeal to them, d—— them, they would publish the appeal and aggravate the difficulty."

For the purpose of illustration, let us suppose that the press of Paris should commence an outcry against the security of the currency of France. We all know that France is one of the largest owners of silver in the world. I believe she has about $700,000,000 of silver coin. Now, suppose the Paris journals should day after day, with sensational headlines and double-leaded editorials, declare that the 5-franc piece was worth only 3 francs; that the gold was in danger of going out of the country, and should pursue generally the course which our metropolitan papers have pursued. I ask how long it would be before a panic would be inaugurated in France? I apprehend, however, that no such emergency could occur in that country, for the editors of the Paris journals so engaged in the seditious work of undermining the public credit would doubtless be behind the bars of a prison before their work could be fully accomplished.

It is, of course, impossible to believe that the New York editors have entered upon this work of destruction with deliberate intention; they simply represent the sentiment of the great banking class of New York regarding finance, and they took what they thought to be the surest method of accomplishing results without reflection as to the trouble and distress the scare created by them would cause. Whether this scare will result in the repeal or the demonetization of silver in this country or not remains to be seen, but if it is accomplished, the loss and distress and ruin caused by this agitation will far outbalance any that would have happened even had the worst predictions of our opponents as to the effect of this country's drifting on a silver basis been realized.

Yours, truly,

FRANCIS G. NEWLAND.

HOLLAND HOUSE, *September 2, 1893.*

Mr. President, I have heretofore referred to the controversy between Andrew Jackson and the United States Bank in 1833. I hold in my hand a small historical volume published by G. P. Putnam's Sons in New York in 1880, entitled Andrew Jackson and the Bank of the United States, by William L. Royal, of Richmond, Va. It is a valuable contribution to the literature of the period, as exhibiting the attitude and conduct of the United States Bank and its agents and officers in its arrogant assumption of power and in resisting the authority of Congress and the President of the United States. It is particularly valuable at this time, because the facts therein given illustrate in the most marvelous manner the exact attitude and proceedings of the banks of to-day in their attempted intimidation of Congress and the country. I read from page 24 of the volume referred to as follows:

This session, the session of 1833, was known at the time as the panic session. The bank was still a prodigious power, and it was allied to and supported by the great Whig party, with Henry Clay in its lead. It was in no humor, therefore, to abandon the fight, but it determined by the use of its great money power, in aid of its political associates, to extort from Congress a renewal of its charter. Its plan of campaign was, by contracting circulation, calling in its loans, and discontinuing future loans at the mother bank, to produce as much disaster and distress as possible, and to keep the ears of Congress constantly harrassed with memorials from every quarter of the Union where it had influence enough to get them signed, reciting in the most affecting manner the ruin that the veto and the removal of the deposits had brought on the country. Its movements were directed especially against business communities, and establishments employing a great many operatives, so as to throw out of employment as many workingmen as possible. One loan of $100,000 to a single distress-agitator was detected, and $1,100,000 was discovered to have been put with a single broker, to be employed in making panic and distress.

The plan was fully carried out according to its design. Wherever the bank, through its manifold agencies, could cause a disaster the disaster was caused. Wherever, by uniting its clap-trap with the wails of those it had designedly ruined, it could get memorials signed, they were signed. These memorials were presented in Congress by the first men in the nation; in the Senate by Webster, Clay, and Calhoun, introduced by speeches in which all the arts of the orator were drawn on to paint the wretchedness of a ruined country.

Mr. President, after reading this historical statement, and comparing it with the present condition of the country and the methods adopted at this time by the money power for enforcing their demands, it would seem that the present conspirators had deliberately adopted the plan of campaign followed by the old national bank. In 1833 the plan of campaign adopted by the old national bank to enforce its demands was the contraction of its circulation, the calling in of its loans, discontinuing future loans, in order to produce as much distress as possible, harassing the ears of Congress with memorials from every quarter of the Union where it had influence enough to get them signed, reciting in the most effective manner the ruin the veto had brought on the country. Its movements were directed especially against business establishments of the country, so as to throw out of employment as many workmen as possible. And they even went so far as to appropriate $1,100,000, placing it in the hands of a single broker to be employed in making panic and distress.

Wherever the bank, through its manifold agencies, could cause a disaster the disaster was caused. Wherever, by uniting its claptrap with the wails of those it had designedly ruined, it could get memorials signed they were signed. These memorials were presented to Congress by the first men in the nation—in the Senate by Webster and Clay and Calhoun, introduced by speeches in which all the arts of the orator were drawn upon to paint the wretchedness of a ruined country. And that is precisely what has been done to produce the present panic. By concerted action a regular plan of campaign has been adopted. Object lessons have been enforced.

The banks have deliberately adopted the plan of contracting their circulation, calling in their loans, and refusing future loans, and for the very purpose of producing as much disaster and distress as possible, and to keep our ears constantly harassed from every quarter of the Union where they have had influence enough to get memorials signed, such memorials reciting in the most affecting manner the ruin that the continuation of the Sherman law would bring on the country. Their movements have been directed especially against business communities, and large business establishments have been forced to close their doors. Their operatives have been thrown out of employment, and doubtless thousands and thousands of dollars have been used and employed in making panic and distress.

Wherever the bankers and their coconspirators could cause a disaster, the disaster has been caused. Wherever, by uniting their clamor of "honest money" with the wails of those it has designedly ruined, it could, as a matter of course, get memorials signed. And these memorials have been presented to Congress by distinguished Senators in speeches, in which all the arts of the orator have been drawn upon to paint the wretchedness of a ruined country, the wretchedness and ruin deliberately planned and executed by the very agencies for whom they speak.

Mr. President, substituting 1893 for 1833 and changing a few

names that no longer figure in American politics to some who do, and you make the statement which I have read, in all its horrible details, absolutely applicable as a perfect parallel to the conditions with which we are confronted to-day. We have the contraction of the currency, the refusal of loans, the resorting to extraordinary methods, the closing of factories, the throwing of men out of employment for the purpose of creating a public sentiment and a public sympathy, in order to operate upon the minds of Senators and Representatives and force us to grant to these corporations certain unlawful advantages and privileges for which they are now clamoring, as the old national bank did in 1833. The author says further:

In addition to all its other sources of power, the cause of the bank received invaluable assistance from the coalition of these three great men (Webster, Clay, and Calhoun). Each one was an aspirant for the Presidency, and upon the bank's cause and paper money, each found a common ground upon which all three could meet and oppose Jackson, the great enemy of both of these things. All the movements of the bank were but a repetition, with a change of names and dates, of what had taken place in 1811.

As a matter of course, Mr. President, in one respect the events of 1833 and those of 1893 have no parallel—in regard to Webster, Clay, and Calhoun—as there are no Presidential aspirants in the United States Senate at this time. Thus we have three instances in the history of the country—1811, 1833, and 1893—where these great fiscal agencies, created by the Government of the United States to aid and assist its financial operations and for the supposed benefit of the citizens of the Republic, have in times of great distress and public peril utterly failed to accomplish the purpose intended; and to their shame and eternal dishonor have been the means and instrumentalities for wicked and selfish purposes of producing the very condition which they were designed to avert. The author further says:

When the charter of the first bank was about to expire, and many persons were living who could testify to it, and the records of Congress showed the counterparts to all the memorials that were presented, this fact did not escape the bank's adversaries, and they made good use of it. In the session of 1834 the House of Representatives appointed a committee, of which Mr. Francis Thomas, of Maryland, was chairman, to inquire into the cause of the distress that was represented to exist, whether the bank had been instrumental in producing it, whether the bank charter had been violated, and whether the bank had used its money to control the elections.

The report of this committee is an instructive document. It showed what a sham all the fuss about distress and hard times was; but as for investigating the bank, it had as well have attempted to find the North Pole. The bank set it at open defiance, and this effort, like previous ones, utterly failed. Shortly afterwards the Secretary of the Treasury made a report to Congress under a call from that body upon the financial condition of the country, in which he showed that an unusual degree of prosperity existed, and that the distress complained of was imaginary, except in those places where the Bank of the United States had been able to create it.

In the same volume the author, in referring to the events of 1837 and subsequent years, says:

In the spring of 1837, soon after Mr. Van Buren's Administration had commenced, the catastrophe of which Gen. Hamilton had sown the seeds in 1790 occurred. On the morning of May the 10th, by one concerted movement, all the banks in the city of New York, which banks gave the law to the rest of the Union, suspended specie payments, as it is called; that is, repudiated all their obligations. All the other banks in the Union quickly followed their lead, the Pennsylvania Bank of the United States affecting to resist it, but soon falling into line with the others. The way in which the suspension of the New York banks operated upon all the other banks in the Union, so as to force their suspension, is well explained by Mr. Van Buren in his first message to the Twenty-sixth Congress in 1839.

It has been charged, and with great show of reason, that the suspension of specie payments at this time was deliberately contrived and brought about by the Bank of the United States, as part of its general programme to create all the distress that it could, in order thereby to extort from Congress a recharter.

Here, Mr. President, we have another accurate description of current events. In this quotation it is stated in substance that on the 10th of May, 1837, all the banks in the city of New York suspended specie payment and that these banks gave the law to the rest of the Union. Unfortunately the same facts exist to-day. New York is the great money center of the Union. It is the center of the money power. It controls the financial arteries of the nation. Its banks give law to the rest of the Union. They can contract or increase at their pleasure. They bring prosperity or force disaster at their will, and hence the necessity of an absolute divorce between the Government of the United States and all the money institutions and private financial operations of every name and nature.

The continuance of this unlawful union and this unholy alliance between the national banks and the Federal Government is a perpetual challenge to the happiness and prosperity of the Union. The centralized money power of the Union is the most dangerous and threatening element with which this or any other Congress will be called upon to deal. No better evidence need be presented of this truth than the events of the last six months. The author of this volume, referring to the fact that the suspension of specie payments was a deliberately formed plan of the Bank of the United States as a part of its general programme to keep and create all the distress that it can in order to extort from Congress a recharter, adds:

It was certainly not too good to do so, and in the year 1841, just before it finally expired, it is proved to have attempted to create a general suspension, by forcing the banks of the city of New York to suspend. The manner of this attempt was afterward related by its cashier. It consisted in selling bills in unlimited quantities on Paris—at this time in great demand—where it had not a cent to meet them, and drawing the coin with the proceeds of these sales out of the New York banks and shipping it abroad to meet these bills as they made their appearance there.

The plan of action herein outlined is almost precisely the scheme exposed in the Philadelphia Manufacturer, of September 23, 1893. Selling bills of exchange in unlimited quantities on Paris, has its parallel in the shipment and reshipment of gold between New York and London, under the pretense that it was a legitimate transaction, and in the pretended increase in the value of exchange on London. And in addition to this the banks of the present day have invented a new scheme, that of issuing for the benefit of each other what is known as "clearing-house certificates." The author adds further:

The bills, however, got to Paris before the coin, came back protested, and the great bubble was finally pricked. But of this hereafter. Certainly the condition of the New York banks at that time, as statistics which have since made their appearance show, discloses no reason why they should have suspended in the year 1837 that would not have compelled their suspension in previous years. In the year 1837 they had a circulation of $3.70 to every dollar of coin in their vaults. In the year 1834, the proportion of circulation was $7 to $1 of coin in their vaults; and in the year 1836 it was as $3.39 to $1. (See finance report for 1876, page 212.)

I also read from pages 51 and 52, from the same volume, as follows:

The committee of the stockholders, having made a thorough examination of the bank's affairs, reported and showed that from the year 1830 to the year 1836, the period when it was making its most desperate struggle for a recharter, the loans and discount of the bank were about doubled, its expenses trebled. Nearly thirty millions of these loans were not loans upon business paper; they were loans to members of Congress, editors of newspapers, brawling politicians, brokers, jobbers, favorites, and connexions. They were in most instances made by Mr. Biddle himself, the directory having put everything under the control of the exchange committee, and it having practically put everything under his sole control.

The details of the manner in which the bank's money was squandered to control political power would be sickening if it did not arouse indignation and wrath. From 1830 to 1836 large sums were always out on loan to members of Congress. One member related to Col. Benton his experience on applying for a loan. Having borrowed the money from the Bank of the United States as he would have borrowed from any other bank, and with the purpose of returning it, he voted afterwards against the bank, and felt, therefore, that he could tell it without shame to himself. He said that he needed $4,000, and could not get it at home. He went to Philadelphia, to the bank, inquired for Mr. Biddle, was shown into an ante room and supplied with newspapers and periodicals, asked to sit and amuse himself, the president being engaged for the moment. Presently the side door opened, he was ushered into the the presence, graciously received, stated his business, was smilingly answered that he could have it, and more if he wished; that he could leave his note with the exchange committee and check at once for the proceeds, and if inconvenient to give an indorser before he went home he could do it afterward, and whoever he said was good would be accepted. And telling this the member said "he could read bribery in his eyes."

Mr. President, this is not an overdrawn picture. It is not a repetition of a dreamy story but the detailed statement of a dangerous fact and perilous conditions. As little as we may regard it the truth is that to-day we are confronted with the same power, the same perilous situation, and the sooner we realize this fact and retrace our steps the better it will be for the country.

Mr. President, in conclusion, permit me to say that the passage of the pending bill will not produce the gratifying results claimed by its friends. It may restore for the time being a certain degree of confidence amongst bankers, stock-gamblers, and other classes of this description. It may increase the price of stocks. It may stimulate stock-gambling, but it will not increase the value of the produce of the field and the farm and the factory to the extent of a single farthing. It may open a few furnaces and forges and start the wheels of a few manufacturing industries, but it will bring no general or permanent prosperity.

The trouble lies deeper than the Sherman law. Pain and suffering will continue until the cause of the disease is removed. We shall have no permanent or general prosperity until all the national banks are wiped out and we have a sound currency composed of gold, silver, and Treasury notes. In addition to this, your trade and tariff laws must be remedied, and the unconstitutional and unnatural restrictions placed upon our trade and commerce must be removed in order that the markets of the world may be open to our agricultural and other products. Equality and justice must be the standard upon which all this legislation is based. And our trade laws must be corrected so that our commerce shall have an equal footing in the markets of the world with all the nations of the earth. The sails of our merchant marine should girdle the globe; and the flag of our country should be daily and hourly welcomed in every harbor and port in the world; but these happy results can not be attained so long as our present false, imprudent, and unpatriotic policies prevail.

The Wilson-Voorhees Bill.

REMARKS
OF
HON. W. J. TALBERT,
OF SOUTH CAROLINA,
IN THE HOUSE OF REPRESENTATIVES,
Wednesday, November 1, 1893,

On the bill (H. R. 1) to repeal a part of an act approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes."

Mr. TALBERT of South Carolina said:

Mr. SPEAKER: I desire, in behalf of my constituency, to enter my earnest and solemn protest against the passage of this monstrously iniquitous measure, a measure fraught with so much harm towards the laboring and producing classes of this country, and in doing this I do not propose to make an extensive speech, as I have already expressed myself upon this issue, and there is now no necessity for any useless waste of breath, for it seems to be a matter of hurry and haste on the part of the majority who are pushing this scheme. Then let them take the responsibility upon themselves of hurrying it through this body. The mandate has been issued; the decree has gone forth.

It is like the guilty Macbeth, from whose hands all ocean's waters could never wash out the bloody stains. Then I say to the majority here, go ahead if you wish, and, like skillful executioners, do it quickly and defiantly, running roughshod over the minority, and when you have done it then go home and tell the people what great and glorious things you have accomplished, what distinguished honors you have at last achieved for our common country, and the already impoverished masses.

You can tell them that in passing this bill you have destroyed, as it were, one-half the money of the country, when there was already too little to carry on the business of the same. Tell them that you have extinguished forever one of the purest and brightest lights that ever burned in the cause of freedom and civil liberty. Tell them that in doing this you have silenced one of the most formidable guns that ever belched forth in defense of the Constitution and the rights and interests of the common people. Tell them that under the waving scepter of the Chief Magistrate and the influence of boards of trade, chambers of commerce, national banks, Wall-street gamblers, and gold bugs generally you have gone back upon your promises to the people and voted in the interest of the money power, corporations, and monopolies. Tell them that henceforth, no matter what daring or outrageous measure the President may see proper to dictate, you stand ready to carry it out. Tell them, finally, that, no matter what the authorities may do, you would advise the people to practice the odious doctrine of passive obedience and nonresistance. Tell them all these things, and let them know the real condition which confronts them, and if they do not rise up in their wrath and indignation and inquire the reason why I will admit that I know nothing of the character of American freemen. Either do this or remain here instead of adjourning, and redeem your pledges so often made upon the stump in seeking your position.

Silver.

SPEECH
OF
HON. JOSEPH WHEELER,
OF ALABAMA,
IN THE HOUSE OF REPRESENTATIVES,
August 11 and 12, 1893.

The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. WHEELER of Alabama said:

Mr. SPEAKER: I come from a country that produces no silver and no gold, but in other elements of wealth is equal to the most favored land on earth, blessed as it is by Providence with a healthful climate, a fertile soil, mountains of iron ore, and inexhaustible beds of coal; and I am proud to say that it is peopled by those who love the Constitution, who love justice, and who love the principles of the Democratic party. I stand here, Mr. Speaker, as a representative of people of that character, in the opening of a debate which involves the most momentous question ever presented to the American people. It is a question which must be met calmly, considerately, and with wisdom.

The problem to be solved by Congress is to so legislate as to preserve the monetary functions in both gold and silver. If gold goes to a premium, for all practical purposes it ceases to be money, and nearly one-third of our circulation is withdrawn. If silver is deprived of its function as money we would lose nearly the same amount of circulation. Such a withdrawal of either would contract currency and add to the suffering and distress which provails in our land.

My contentions are—

1. That extravagance and adverse balance of trade and many other things have transpired to conduce to the crisis which now prevails in our country.
2. That the crisis is in a large measure artificial and will correct itself even without the action now demanded of Congress.
3. That the gold standard men do not truly represent Mr. Cleveland's wishes and position.
4. That no amount of excess in the production of either gold or silver will cause any material change in their relative values so long as there is a market for the entire production of both metals.
5. That the Democratic platform will be violated by voting for the pending bill.
6. That the interest of the people of the United States demands that gold and silver be coined at a proper ratio.
7. That the value of farm products have depreciated since silver was demonetized.
8. That Secretary Carlisle and President Garfield demanded free coinage of silver.
9. That Daniel Webster and James G. Blaine contended that silver was a coin of the Constitution.
10. That the gold and silver countries have nearly twice as much population, wealth, and circulation as the gold-standard countries.
11. That the Democracy prior to 1860 were opposed to the present financial system.
12. That the largest amount of money with full purchasing and debt-paying power will bring to any country the greatest prosperity.
13. That this proposition is especially true regarding the people of the United States where there is such a vast territory, and with such unlimited mineral resources entirely undeveloped.
14. That all paper money to have full purchasing and debt, paying power, must be ultimately redeemable in coin.
15. That there is not sufficient gold in the world to float the paper money necessary for the business needs.
16. That the amount of money in every country must bear proportion to its aggregate wealth.
17. That the amount of money now in our country in proportion to our wealth is less than half what it proportionally was in the days of Democratic prosperity, from 1850 to 1860.

THE PROSPERITY OF 1879.

In 1879 gold, which had been a commodity for eighteen years, once more became part of our currency, and the expansion of the amount of money in our country, caused by the addition of some three hundred million dollars of gold, produced the marked prosperity which continued for several years, and which is still so fresh in our memories.

Two years ago this House and the country were shocked at the great strike in the State of Pennsylvania. The people of a portion of that State declared that unless certain conditions demanded by them should be granted their labor would be withdrawn and the machinery of manufacture and enterprise and trade, which had depended upon their labor, would be suspended. These men had a right to decline to work if they chose to do so, yet their action caused turmoil, trouble, and distress, and by portions of the metropolitan press they were denounced, almost as severely as though they had been criminals and traitors.

BATTLE BETWEEN THE MONEY POWER AND THE PEOPLE.

The New York papers tell us that Mr. Chauncey M. Depew has said that—

> Fifty men in these United States have it within their power, by reason of the wealth which they control, to come together within twenty-four hours and arrive at an understanding by which every wheel of trade and commerce may be stopped from revolving, every avenue of trade blocked, and every electric key struck dumb. Those fifty men can paralyze the whole country, for they control the circulation of currency and can create a panic whenever they will.

Mr. Speaker, very possibly these fifty men have got together. These fifty men, controlling through the national banks most of the money of the country, have made their demand upon Congress and the American people.

Mr. HENDRIX. Will the gentleman name those fifty men?

Mr. WHEELER of Alabama. I could name some of them; but I presume Mr. Depew knows the names of them all. They are the capitalists of New York and the Northeast, and possibly Europe. These fifty men, by the power of the press, by the power which they wield in Europe, sailing there as they do in their magnificent yachts, costing a million a year to keep them afloat—those men are at least in a measure responsible for the condition in our country to-day.

They find, Mr. Speaker, that under the law of 1890 some $3,100,000 Treasury notes are issued every month, and that much is added to the currency of the country. Those men have been demanding for twenty-five years the curtailment of money in our country. And the strike for which they are responsible is the strike caused by their withdrawing from the channels of trade and from use in manufactures substantially all the money of the country, and we are informed that the great capitalists and bankers assert that this withdrawal shall continue until the Congress of the United States by solemn enactment says that there shall be no further increase in the money of our land. I do not think I can be in error in expressing the opinion that the strikers of to-day are the millionaire capitalists of the Northeast and their associates beyond the sea; and the question for the American people is, Shall the wealthy people succeed in their demands?

I do not mean to assert that any capitalist intentionally and with deliberation contributed to bring about a crisis such as confronts us at this time, but I do charge that circulars and other documents predicting money stringency have emanated from the financial centers, and I will also state that bankers and millionaires commenced long ago to use expressions which have tended to create a want of confidence, which expressions became current in the press, and this, added to natural causes, has produced an almost unprecedented crisis in the money affairs of our country.

And I believe that there are men who are using their efforts to avail themselves of this temporary depression to induce Congress to permanently demonetize silver and establish a gold standard in the United States.

I have heard more than once of statements by Wall street brokers and bankers and capitalists that this was a battle between money and the people, and that money would win. The battle has commenced; and where others may stand, I care not; but before God and my conscience I shall stand by the people. [Applause.]

THE METROPOLITAN PRESS.

In the New York Sun, April 28, page 7, there is an article headed "Bankers meet Carlisle." It says:

Secretary Carlisle decided yesterday morning to have a talk with the New York bankers.

The place selected for the meeting was the home of President Williams of the Chemical Bank.

The list of distinguished bank presidents who were present is then given, and the article states that—

The conference between the Secretary and the bank presidents lasted somewhat over an hour.

After giving some details, the article says:

The Secretary went over the currency laws of the country, and said that they were in bad shape and needed revision. He said the revision should start with the Sherman law.

This has proven to be a very correct statement.

The article also says:

President Cleveland's advisers have told him that the only way to induce the Western and Southwestern Senators and Congressmen to consent to the repeal of the Sherman law is to demonstrate to their constituents that they are losing money every day that this law is in operation.

Now, it seems that the President's advisers, whoever they may be, have been engaged in this work.

There certainly has been a great effort made to convince the people of the South that the Sherman law is causing them to lose money.

The correspondent also tells us that at that time, April 28, this pious missionary work had already been started by a number of bankers in the solid communities of the East.

The article says:

The missionary work in that direction has been started by a number of the bankers in the solid communities of the East. They are daily refusing credits to the South, Southwest, and West.

To my mind this language is certainly an admission of a combination on the part of these bankers to coerce the South and West into a compliance with their demands.

The reason assigned for this withdrawal of credit is that the bankers do it "fearing the effects of the Sherman law."

The article then goes on to state that the Chicago bankers are carrying out the same policy as that adopted by the New York bankers. It says:

The Chicago bankers, it was said, are carrying out the same line of policy. Secretary Carlisle, in his talk with the bank presidents, made his stand very clear. It is to be heroic treatment all the way through on the Sherman law, and possibly by the next session of Congress the silver mine owners and the adherents of silver in the Senate and House will be ready to consent to a repeal of the law.

The bank presidents, replying to Secretary Carlisle, cordially informed him that they would be ready at all times to coöperate with him in the successful administration of the financial policy of the Government.

Of course these gentlemen would be ready at all times to cooperate in carrying out such a policy as the article describes.

It is the policy they have been striving for years to force upon us.

The gold in the Treasury was reduced $80,000,000 when Cleveland came in office, and the line was drawing near the $100,000,000 reserve, and every day the press was reporting large shipments of gold to the Treasury from the banks of the South and in closing this article this fact is referred to by the New York Sun in these words:

In the meantime the Secretary continues to receive shipments of gold from unexpected sources.

I desire to call special attention to the significant fact that this gold which Mr. Carlisle received from unexpected sources nearly all came from the South.

The New York Sun of May 1 contains a letter dated Washington, April 30. The letter, after giving the views and purposes of the Government as expressed by Secretary Carlisle to the New York bankers, says:

There is to be an extra session of Congress to afford the opportunity at as early a date as possible. War will be opened against silver, notably the Sherman law.

I think all will admit that this prediction has been verified, and that war against silver has been opened.

The letter or article also says:

The statement of Mr. Carlisle to the New York banks makes it clear that while Cleveland works in Congress the bankers will be expected to work, not in New York only, but throughout the country, doing their utmost to pinch business everywhere in the expectation of causing a money crisis that will affect Congress powerfully from every quarter.

This prediction has also been verified. Business has been pinched, the expectations have been realized, and a money crisis has been caused. The letter then proceeds to explain how the requisite votes would be obtained to carry the war upon silver to a successful termination, and says:

Senators heretofore strong for silver are named as likely to go over to the President and the banks, among them VOORHEES.

This prediction has proven as true as prophecy.

At the same time are counted up the names of Representatives who will change front, notably Democrats conspicuous heretofore before the country as uncompromising silver men, who either have already gone over to gold or are expected to do so as soon as the terms can be arranged.

It is quite true that many Democrats conspicuous heretofore as uncompromising silver men have gone over to gold, but we are ignorant as to what has induced their sudden and wonderful change.

This letter and article, written four months ago, certainly foreshadows events with a remarkable degree of accuracy.

The same correspondent, in the Sun of May 2, speaking of the meeting of Congress, says:

That a dead set will be made for the repeal of the Sherman silver law.

Two months later the council closes the mints of India against silver, and the next day the London press says:

The effect will be severely felt in the United States and Mexico, and where silver mines abound, and the American Congress will be bound to expedite its action in consequence.

Can any one doubt but that the closing of the India mints was done to hasten demonetization of silver in the United States? And yet intelligent men argue that if we demonetize silver it will compel England and continental Europe to remonetize that metal.

On the contrary, they shout for what they will term a gold-standard victory.

I desire to call special attention to the statement in the New York Sun of May 1, that—

Bankers will be expected to work not in New York only but throughout the country, doing their utmost to pinch business everywhere in the expectation of causing a money crisis.

And to the statement from the same paper in the article of April 28, which explains how influences were to be brought to bear upon Western and Southwestern Senators and Congressmen, and then says that—

They (the bankers of the East) are daily refusing credits to the South, Southwest, and West.

Also that—

The Chicago bankers, it was said, are carrying out the same line of policy.

I also, in this connection, desire to call attention that the same article says:

In the mean time the Secretary continues to receive gold from unexpected sources.

And I call attention further to the fact that these unexpected sources were from the Southern bankers. Without some explanation it seems to me that the casual reader will conclude that while the bankers in New York were endeavoring to bring about a crisis, the bankers of the South were sending their gold to the Treasury in order to avert such a catastrophe.

Now, let me remind my follow-members of the South and assert that one marked effect of a repeal of the Sherman law will be to give largely increased strength to these bankers, who, according to the New York Sun, four months ago were exercising all the power they possessed to bring about the very crisis which now prevails, and for the avowed purpose of enforcing the very legislation which is in the pending bill.

I beg to ask if we are doing our duty to our constituents if we give additional power into the hands of such men?

WHAT CAUSES THE TROUBLE?

Now, Mr. Speaker, in order to stop the issue of this sum of about $3,000,000 a month, these men have started a cry that that is the whole cause of the stringency of money existing to-day. In a country spending $500,000,000 a year these people have the assurance to say that the buying of $38,000,000 worth of silver annually is alone responsible for this crisis. I contend that if we should throw $38,000,000 into the ocean every year no such depression would follow. Yet those gentlemen say that this addition to the currency of our country is the cause of our trouble.

Very recent events show that the compulsory purchase of 4,500,000 ounces of silver per month is not the entire cause of the trouble, as it appears that during the month of July the Government only purchased 2,393,068 ounces, about half the amount which it is supposed the Government is compelled to purchase. This is all that was offered at market rates. The probabilities are that in August the purchases will not much exceed the purchases in July. Now, if the whole world refuses to sell silver to the Government at the market rates, it is clear that it is not the drug that it is contended to be by the advocates of this bill.

The expenditure of the Government for silver during the entire month of July was less than 2½ cents for every inhabitant in the United States, and yet we hear intelligent men asserting that this expenditure of 2½ cents per month is the sole reason of this widespread panic.

EXTRAVAGANCE HAS CONDUCED TO THE CRISIS.

What is the real cause of the present distress I will explain in part. Extravagance is one of the elements—extravagance by Congress and extravagance everywhere—the abandonment of those principles of economy by which our nation was made great. Let us restore economy; let us reduce expenditures; let us reduce all salaries. Patriots can stand it. People not holding office are now receiving for their labor one-third of what they received in prosperous times. For God's sake can not patriots be willing to have their pay cut down 10 per cent? And ten per cent cut off the expenditures of our Government would restore prosperity. [Applause.]

We will at least in a measure have prosperity in a few months, whether the Sherman act or any part of it is repealed or remains on the statute book. We are about to gather abundant harvests, and with such elements of prosperity the present artificial panic or crisis can not continue. The resources of our country and the courage and enterprise of our people will come to the rescue.

Mr. Cleveland assures us that crops are plenteous and that we are blessed with nearly all elements of prosperity. He says:

Our unfortunate financial plight is not the result of untoward events nor of conditions related to our natural resources; nor is it traceable to any of the afflictions which frequently check national growth and prosperity. With plenteous crops, with abundant promise of remunerative production and manufacture, with unusual invitation to safe investment, and with satisfactory assurance to business enterprise, suddenly financial distrust and fear have sprung up on every side.

Our President tells the whole story of the trouble in these few words. He says:

Corporations and individuals are content to keep in hand the money they are usually anxious to loan.

It is hardly to be presumed that this condition can be very lasting, and I repeat that no matter what Congress does, the present temporary depression will be followed by prosperity. When people get tired of hoarding their money they will become anxious to get interest on it.

PROSPERITY WILL BE RESTORED.

If the New York press succeed in alarming Congress into repealing the Sherman act money will immediately appear in the channels of trade and we will be restored to temporary prosperity. But if the demonetization of silver is thus accomplished and no provision is made for a gradual increase of the amount of money in our land the ratio of money to both population and wealth will gradually be decreased and every year and month and week and day will add wealth to the accumulations of the rich and distress and poverty to the great laboring masses of our country. If, on the contrary, Congress does not comply with their wishes and the Sherman act is repealed by the enactment of a safe and judicious coinage law, as was pledged to the country in the Democratic platform, the owners of money will hasten to seek borrowers, and in a few months the present crisis will be a thing of the past; but the desire of the South and West is to couple a coinage act of some kind with the repeal, because they feel silver coinage is essential to our continued prosperity, and that the demonetization of that metal will be disastrous to all the rural sections of our land.

WHAT HAS CAUSED EXPORTS OF GOLD?

There are several very apparent reasons which have caused the excess of exports of gold during the last two years. For many years the actual value of imports of merchandise have far exceeded our exports. The reports of the Treasury have not been able to give correct statistics on this point. European merchants and manufacturers have established agencies in this country and a large amount of imports have been made through these agencies, and invoices have underrated values to a much larger extent than has been generally understood. When the duty is ad valorem they invoice goods at less than their value, and in many cases where the duty is specific they underrate the goods by representing them of a coarser or inferior quality.

Then again it is estimated that fully $50,000,000 a year is carried from our country by American tourists. All this has tended to make us a debtor nation. The trouble was intensified by the losses of the Baring Brothers in the Argentine Republic. They needed gold and this demand drew a part of this needed metal from the United States; and recently when Austria needed some $180,000,000 of gold in order to establish that nation upon a gold basis the demand then created again caused a drain from this country to Europe.

Our 4 per cent gold bonds were then sold at 116 to 120. Austria in order to raise gold offered her gold 4 per cent bonds at 91 to 92. As these bonds were virtually indorsed by the Rothschilds it is not surprising that English capitalists were glad to sell our 4 per cent bonds at 116 when they could invest the same money in the 4 per cent gold bonds of Austria at 91 cents.

When we turn the balance of trade in our favor gold will flow in a steady stream to our shores.

But even with the balance of trade against us gold is already arriving by the millions at our ports.

The demand for gold in Europe has in a measure ceased.

Our crops of cotton and grain are inviting an influx of gold.

Stocks and bonds are now selling at a price which also invites investments by European capitalists.

The gentleman from Indiana who spoke this afternoon asserted that he would vote for unconditional repeal, and also said he was for the free coinage of silver.

Mr. BROWN. Does the gentleman refer to me?

Mr. WHEELER of Alabama. Certainly, I was referring to the gentleman's speech which he delivered an hour ago.

Mr. BROWN. The gentleman is entirely mistaken.

Mr. WHEELER of Alabama. I understood the gentleman to say that he was in favor of free coinage, but would vote for the unconditional repeal of the Sherman act.

Mr. BROWN. If the gentleman will look at my remarks, he will find no such statement.

Mr. WHEELER of Alabama. Well, did not the gentleman use this language?

I regard the Sherman law so obnoxious to the best interests of the country, and so violative of justice and right, that I will, if opportunity is given me, vote for its repeal in any event, conditions or no conditions.

Mr. BROWN. If my friend will allow me to interrupt him, I will say now that I shall vote for the free coinage of silver at the very first opportunity.

Mr. WHEELER of Alabama. But does not my friend know that after the repeal of the purchasing clause in the Sherman act we can never pass a free-coinage bill.

Mr. BROWN. To make it more specific, I will vote for the Bland substitute.

Mr. WHEELER of Alabama. Does not the gentleman know that after the repeal of the Sherman act no man on this floor will ever successfully vote for the free coinage of silver? If two-thirds or three-fourths of the members of both Houses were in favor of free coinage of silver, or of any kind of coinage on any kind of basis, the other third would filibuster and would be applauded by the metropolitan journals for what the New York millionares would call "patriotic devotion to the best interests of the country." [Laughter and applause.]

MR. CLEVELAND IS FOR THE PEOPLE.

Now, sir, the Republican press tell the Democratic party that unless they establish a gold standard, they are against the Administration of Mr. Cleveland. What is Mr. Cleveland's record on this subject? In his letter of acceptance he said:

The people are entitled to sound and honest money abundantly sufficient in volume to supply their business needs.

And also he said:

The wants of the people arising from a deficiency, or imperfect distribution of money circulation, ought to be fully and honestly recognized and efficiently remedied.

That is his letter of acceptance.

Now, in his message of a few days ago to the House, there is a paragraph which is susceptible by honest men of but one construction. Gold men put upon it a construction which is not warranted by the text. He says:

I earnestly recommend the prompt repeal of the provisions of the act passed July 14, 1890, authorizing the purchase of silver bullion—

I am emphatically with our great leader, Mr. Cleveland, upon that proposition; but, Mr. Speaker, our platform demanded something else, and Mr. Cleveland, true to the platform, demands something else also. If the gold men were right, Mr. Cleveland would have stopped right there and said repeal the purchasing clause of the Sherman act. That is the gold men's demand. But what does he say? He says—

and that other legislative action may put beyond all doubt and mistake the intention and ability of the Government to fulfill its pecuniary obligations in money universally recognized by all civilized countries.

That is to say, gold and silver.

These words, gold and silver, are not in the President's message, but they are as clearly understood by the context as though they were there, for the preceding words describe them. I most emphatically indorse this demand of our noble President. I yield to no man in devotion to and admiration for Grover Cleveland.

Eight years ago, when the convention met at Chicago, Mr. Cleveland's nomination was very far from being assured. The delegates from the State of Alabama were very largely the advocates of another distinguished candidate. My battle for Mr. Cleveland assumed so intense a phase as to for a time almost disrupt lifetime friendships. I was his champion then, and as time rolled on my admiration increased for him day by day, and I believe this great man will pass into history foremost amongst the great statesmen of the nineteenth century. In devotion to duty and integrity to purpose the history of time hardly presents a parallel. On March 1, 1889, four months after the defeat of our party, it became my duty on this floor to rebuke certain expressions regarding this great man. I read from my speech in the CONGRESSIONAL RECORD, volume 101, pages 134–135 of the Appendix!

A MODEL AND STAINLESS EXECUTIVE.

Mr. Speaker, I care more for him, Mr. Cleveland, now than I did in the hour of his triumph. I care more for that great man and admire him more in this day of his defeat, for the grandeur of his action, than I did when men hailed him as a manifest child of a glorious destiny.

Is there a man within the sound of my voice, or throughout this broad land, who can honestly question my assertion that Mr. Cleveland exercised all of his undoubted talent and ability in his sincere and unselfish effort to advance what he believes to be the best interest of the Republic?

Politically he may have made some mistakes. He probably felt that the masses of the people would have a higher appreciation of his honest endeavors to serve them than is shown by the result. It is melancholy to reflect that there were a sufficient number of voters, nominally American freemen, who for a few dollars could be induced to cast their ballots so as to compass the defeat of so admirable and so blameless a President as Grover Cleveland has proved himself.

No President, sir, ever devoted himself more faithfully and laboriously to his duties; no President was ever more scrupulous in informing himself of the actual merits of every legislative measure submitted for his approval; no President was ever more rigorously consistent in fulfilling every pledge upon which he was elected; no President has ever vacated his high office with a more stainless record for unswerving honesty, unimpeachable integrity of act and purpose, and unshrinking devotion to duty as he understood his obligations to himself and to the people.

Mr. SENEY. Are you not giving the President taffy?

Mr. WHEELER. No, I am not. Mr. Cleveland merits the loftiest encomium that could be passed upon his official services by the most eloquent gentleman who ever stood upon this floor, and I only regret that I am not equal to the task of dealing fitly with so inspiring a theme.

This speech was made at a time when there was very little probability of Mr. Cleveland again appearing in public life. It was very generally understood that it was his desire and determination to devote himself to private pursuits, and I believe he would have done so had it not been for the almost unanimous demand on the part of the people that he should become their standard bearer in the last campaign, which he brought to so successful and glorious a termination.

It does not become men who, until two weeks ago, were Mr. Cleveland's censors and critics to contend that those who believe that the gold standard is not best for our country are opposed to Mr. Cleveland, and I assert here that any charge that Mr. Cleveland shirks any responsibility to the platform is a gross error and does him the greatest injustice.

Such other legislation—

What is it? It must be the making of money of some sort. Not gold, because that is provided for now. What, then? It can mean nothing but silver, the coin pledged to us by the Constitution and by the platform of last year, and by nearly every platform of every party in the last fifty years. But at what ratio? A fair ratio.

THE PRESIDENT'S EXALTED VIEWS OF DUTY.

I am confident that a law for coinage upon the line pledged to the country at the Chicago convention would meet the President's approval.

Those members of this House who represent rural constituencies and cast their votes for repeal without any provision for the continuance of silver coinage, are certainly placing it within the power of the advocates of the gold standard to effectually demonetize silver and place us upon the gold basis with all its attendant evils. They certainly appreciate that they are in palpable violation of the pledges of the platform upon which they were elected to this body.

If these gentlemen imagine the President wishes them to violate their duty to their constituents I think they are mistaken. Above all things Mr. Cleveland has enjoined upon the representatives of the people that their paramount duty is to the people. The entire life of this great man has been an exemplification of this rule of action.

In his first inaugural address Mr. Cleveland said:

Every citizen owes to the country a vigilant watch and close scrutiny of its public servants and a fair and reasonable estimate of their fidelity and usefulness.

And in his first message to Congress, which I read from the CONGRESSIONAL RECORD, page 109, Mr. Cleveland said:

While the Executive may recommend such measures as he shall deem expedient, the responsibility for legislative action must and should rest upon those selected by the people to make their laws.

Contemplation of the grave and responsible functions assigned to the respective branches of the Government under the Constitution will disclose the partitions of power between our respective departments and their necessary independence. The jealous watchfulness of our constituencies, great and small, supplements their suffrages, and before the tribunal they establish every public servant should be judged.

MR. CLEVELAND AND DANIEL WEBSTER'S SIMILAR VIEWS.

This expression reminds me of a similar thought from Daniel Webster, who, in his great speech of May 7, 1834, said:

When this and the other House shall lose the freedom of speech and debate; when they shall surrender the right of publicly and freely canvassing all important measures of the Executive; when they shall not be allowed to maintain their own authority and their own privileges by vote, declaration, or resolution, they will then be no longer free representatives of a free people, but slaves themselves and fit instruments to make slaves of others.

No one recognizes the great truth of this utterance more than our Executive.

Mr. Cleveland and myself differ upon a question of expediency. I regard him as the embodiment of integrity and fair dealing. He is a statesman. He has been lifted far above political management. He firmly believes that after the Sherman law is repealed that the Northeastern Democracy will proceed with a hearty good will to enact a silver-coinage law on the line pledged in the platform which they made at Chicago.

My observation, on the contrary, leads me to the firm belief that they not only have no such intention, but that they will employ all parliamentary expedients to prevent such legislation.

It is for this reason that I insist that the silver-coinage legislation promised us by Mr. Cleveland and the Democratic platform be enacted at the same time that we repeal the Sherman law.

Mr. Cleveland expects every Representative to do his duty to his constituents and to vote for measures which will be beneficial to their interests.

No one recognizes more readily that Mr. Cleveland that the interest of the various sections of our great country are frequently antagonistical.

VALUE DETERMINED BY SUPPLY AND DEMAND.

There is one universal law that the price of any article is regulated by the supply and demand, and the ratio of the value of silver to gold has always obeyed this law. No matter how great the supply of gold, it did not depreciate in value so long as there was no decrease in the demand. The same has always been true of silver.

During the period of the marvelous production of gold by the mines of California and Australia, from 1850 to 1866, there was no marked depreciation of the value of gold. The reason why the value of gold was practically maintained was that the entire supply was coined into money or used in the arts.

I contend that when the laws do not discriminate in favor of

one of the metals and against the other, the evidence is overwhelming that no amount of excess of production of either gold or silver will cause a divergence or ratio between the two metals.

The table which I will now read states the production of gold and silver in the United States from 1845 to 1860, and the ratio of silver to gold during that period.

Production of gold and silver in the United States, and prices of silver, measured by gold, annually from 1845 to 1860.

[Table prepared from records of the Mint of the United States.]

Year.	Estimated product.		Price of pure silver per ounce in London.			Average price of pure silver, per ounce, in gold.	Value of standard silver dollar, 412½ grains, in gold.	Relative value of gold to silver.
	Gold.	Silver.	Lowest.	Highest.	Average.			
1845	$1,008,327	$350,000	58⅞	59½	59⅛	129.8	100.46	1 to 15.92
1846	1,139,357	50,000	59	60	59 1/16	130.0	100.56	1 to 15.90
1847	889,085	50,000	58⅞	60½	59 1/16	130.8	101.20	1 to 15.80
1848	10,000,000	50,000	58⅜	60	59⅛	130.4	100.88	1 to 15.85
1849	40,000,000	50,000	59	60	59⅛	130.9	101.30	1 to 15.78
1850	50,000,000	50,000	59⅛	61⅛	60 1/16	131.6	101.83	1 to 15.70
1851	55,000,000	50,000	60	61⅛	61	133.1	103.42	1 to 15.46
1852	60,000,000	50,000	59⅞	60⅞	60⅜	132.6	102.57	1 to 15.59
1853	65,000,000	50,000	60⅜	62	61⅛	134.1	104.26	1 to 15.33
1854	60,000,000	50,000	61⅜	61⅞	61⅝	134.8	104.26	1 to 15.33
1855	55,000,000	50,000	61	61⅛	61 1/16	134.4	103.95	1 to 15.38
1856	55,000,000	50,000	60⅛	62⅛	61 1/16	134.4	103.96	1 to 15.38
1857	55,000,000	50,000	61	62⅛	61⅛	135.3	104.69	1 to 15.27
1858	50,000,000	500,000	60⅜	61⅜	61 1/16	134.4	103.95	1 to 15.38
1859	50,000,000	100,000	61⅛	62⅛	62 1/16	136.0	105.22	1 to 15.19
1860	46,000,000	150,000	61⅛	62⅛	61 1/16	135.2	104.58	1 to 15.29
Total	654,036,769	1,500,000						

This table shows that during these sixteen years the production of gold in the United States was more than four hundred times greater than the production of silver, and yet there was no appreciable change in the ratio or value of these two metals.

The production of silver increased seven hundred fold between the years of 1850 and 1873, and yet it did not fall in value, because it was demanded for coinage or used in the arts.

I read from Cyclopædia of Political Science, Volume II, page 883:

For a period of about two hundred years prior to 1872 silver and gold were used in most parts of Europe and America indifferently and alternately, in a ratio between 15 and 16 of silver to 1 of gold.

The ratio of silver to gold in 1860 was 15.29 and in 1873 it was 15.92. During that period the product of silver in the United States alone had increased from $150,000 in 1860 to $35,750,000 in 1873, and during all that period with this marvelous increase there was scarcely any change in the ratio of gold to silver.

I now present a table showing the production of gold and silver in the United States, and the relative value of the two metals from 1860 to 1873. It will be seen by this table that the depreciation of values did not commence until after that date.

Production of gold and silver in the United States, and prices of silver measured by gold, annually, from 1860 to 1873.

[Tables prepared from records at the Mint of the United States.]

Years.	Estimated product.		Price of pure silver per ounce in London.			Average price of pure silver, per ounce, in gold.	Value of standard silver dollar, 412½ grains, in gold.	Relative value of gold to silver.
	Gold.	Silver.	Lowest.	Highest.	Average.			
1860	$46,000,000	$150,000	61⅛	62⅛	61 1/16	135.2	104.58	1 to 15.29
1861	43,000,000	2,000,000	60⅜	61⅜	60 5/16	133.3	103.10	1 to 15.26
1862	39,200,000	4,500,000	61	62⅛	61 1/16	134.6	104.16	1 to 15.35
1863	40,000,000	8,500,000	61	61⅜	61⅛	134.5	104.06	1 to 15.37
1864	46,100,000	11,000,000	60⅝	62⅛	61⅜	134.5	104.06	1 to 15.37
1865	53,225,000	11,250,000	60⅛	61⅜	61 1/16	133.8	103.52	1 to 15.44
1866	53,500,000	10,000,000	60⅜	62⅛	61⅛	133.9	103.63	1 to 15.43
1867	41,725,000	13,500,000	60⅜	61⅛	60 15/16	132.8	102.67	1 to 15.57
1868	48,000,000	12,000,000	60⅛	61⅛	60⅛	132.6	102.57	1 to 15.59
1869	49,500,000	12,000,000	60	61	60 1/16	132.5	102.47	1 to 15.60
1870	50,000,000	16,000,000	60⅛	61⅛	60 1/16	132.8	102.67	1 to 15.57
1871	43,500,000	23,000,000	60 3/16	61	60⅛	132.6	102.57	1 to 15.57
1872	36,000,000	28,750,000	59⅛	61⅛	60 1/16	132.2	102.25	1 to 15.65
1873	36,000,000	35,750,000	57⅞	59 13/16	59⅜	129.8	100.46	1 to 15.92

The treaty of peace between France and Germany was ratified on March 1, 1871, which provided that France should pay Germany 5,000,000,000 francs in gold. In two years from that time it became the interest of Germany to permanently demonetize silver and it was not until after this that silver commenced to decline.

This proves that silver will not depreciate in value so long as it is not denied the use for which it seems to be designed by nature.

It is interesting to examine the many changes in the value of gold and silver which has taken place during the last six or seven hundred years.

RATIO AND COINAGE IN ENGLAND.

In 1344, during the reign of Edward III, gold was being coined in England by the King's decree. The ratio was fixed at 1 to 12½. During the next two hundred and fifty years the ratio was subjected to many changes.

In the year 1600 it was little less than 1 to 11. Between the years 1600 and 1610 gold increased in value and the ratio was fixed at 1 to 12. During the next ten years gold still further increased, and the ratio was increased to 1 to 13. No doubt this increase in the value of gold as compared with silver was caused by the reports from the new world indicating that silver was being found in more abundance than gold. The difference in the value continued to increase, and in 1663 the ratio was fixed at 1 to 14½.

In the year 1717, the relative value of the guinea and silver shilling was fixed by a proclamation of George I, the ratio being about 1 to 15½. This put too much silver into silver coin, and from that date up to the year 1800 only about £584,000 of silver was brought to the mint for coinage, and a great deal of the more perfect silver coins were exported, those that were much worn being the only ones that were retained in circulation.

In 1774 Parliament passed an act limiting the legal tender of silver coins to continue in force two years. In 1798 this law was reënacted, and a law was passed providing that the mint should no longer coin silver. In 1799, the act was made perpetual, and in 1816 Parliament enacted—

That, from and after the passing of this act, the gold coin of this realm shall be, and shall be considered, and is hereby declared to be, the only legal tender for payments, except as hereinafter provided, and no tender of payment of money made in silver coin of this realm of any sum exceeding the sum of forty shillings at any one time shall be reputed a tender in law, etc.

I hold in my hand a table showing the comparative value of gold and silver coins of England from the reign of Edward III to the demonetization of silver in 1816:

Table showing changes in the comparative value of the gold and silver coins of England from the reign of Edward III to 1816.

Date.	Reign.	Comparative value of fine gold and silver.	Date.	Reign.	Comparative value of fine gold and silver
1344	Edward III.	1 to 12.584	1551	Edward VII.	1 to 11.000
1349	....do	1 to 11.571	1552	....do	1 to 11.050
1356	....do	1 to 11.158	1553	Mary	1 to 11.057
1421	Henry V	1 to 10.331	1560	Elizabeth	1 to 11.109
1461	Edward IV.	1 to 10.331	1600	....do	1 to 10.901
1465	....do	1 to 11.158	1604	James I	1 to 12.109
1470	Henry VI	1 to 11.158	1626	Charles I	1 to 13.346
1482	Edward IV.	1 to 11.158	1666	Charles II	1 to 14.485
1509	Henry VIII.	1 to 11.158	1717	George I	1 to 15.209
1527	....do	1 to 11.268	1816	George III	1 to 14.287
1543	....do	1 to 10.434			

It has been contended that in 1545 the comparative value of gold to silver was 1 to 6.818, and in 1846 and 1847 1 to 5, and in 1849 1 to 5.151. But it is very improbable that any considerable amount of gold or silver sold at any such comparative values. It is true that during the period between the discovery of America in 1492 and 1545 $90,000,000 of gold was received in Europe from America, and during that period only $30,000,000 of silver reached Europe from America. This was not sufficent to have had such a remarkable effect upon the values of the metals. In 1543 the ratio was 1 to 10.434, and eight years after, in 1551, it was 1 to 11, and I find that the report of the Secretary of the Treasury dated May 4, 1830, discusses this subject. Appended to the Secretary's report and made a part of it is a report from the Secretary of the Treasury from John White, cashier of the Bank of the United States, who says:

Whatever degree of uncertainty may exist as to the precious metals which were imported in Europe during the fifty-three years succeeding the discovery of America, the records of that time abundantly testify that gold constituted the chief part of the supply; and that nevertheless its great preponderance did not produce any sensible effect on its market value in reference to silver.

It is true that about the year 1543 very arbitrary laws were enacted regarding the price of articles. In 24th Henry VIII we find a statute to fix the price of beef, pork, mutton, and veal. Beef was to be sold at one-half penny a pound, and mutton and

veal at one-half penny one-half farthing. In 25th Henry VIII a law was enacted empowering the chancellors and other ministers to fix the price of poultry, cheese, and butter. In 1546 a law was enacted fixing the interest of money at 10 per cent, the first legal interest known in England. Other laws were enacted about this time confining particular manufactories to particular towns, and it is possible that restricted laws with regard to gold and silver were enacted which had a temporary effect upon values.

RATIO AS STATED BY LORD LIVERPOOL.

As corroborative evidence upon ratios I now read an official paper prepared by Lord Liverpool and presented to the King of England, and which I believe has been regarded as authoritative. It shows the ratio of gold and silver prior to the time of Herodotus, who was born 484 years B. C., bringing it down to the year 1717.

Value of gold to silver as stated by Lord Liverpool in his letter to the King of England.

In Persia, according to Herodotus	1 to 11⅓
In Greece at same period	1 to 13
In Greece in the time of Plato	1 to 12
In Greece it is stated by Xenophon at	1 to 10
After the plunder of gold from the temple of Apollo, according to Menander, it was	1 to 10
In the reign of Alexander the Great, it was	1 to 10
In Rome, according to Pliny the Elder	1 to 14⅓
In Rome, after the tribute from the Ætolians	1 to 10
The plunder of gold from the Gauls by Julius Cæsar reduced the proportions to	1 to 7½
In the reign of Claudius, Tacitus states it at	1 to 12½
Until the reign of Alexander Severus it contained	1 to 12½

Value of gold to silver as stated by Lord Liverpool in his letter to the King of England—Continued.

In the reign of Constantine the Great	1 to 01½
The disorders in the Roman Empire under Arcadius and Honorius raised it to	1 to 14½
From which it appears that gold, unless when depressed by sudden and unusual occurrences, or enhanced by a dread of public insecurity, may be stated to have been for upwards of 900 years in the proportion of	1 to 10 or 12
In England, in the reign of Henry III, 1216 to 1272	1 to 9½
In England, in the reign of Edward III, 1330 to 1377	1 to 12½
In England, in the reign of Henry IV, 1400 to 1412	1 to 10½
In England, in the reign of Edward IV, 1461 to 1477	1 to 11½
In England, in the reign of Henry VIII, 1510 to 1547	1 to 11.10
In England, in the reign of Queen Elizabeth, 1560	1 to 11
In England, in the reign of King James I, 1601	1 to 12½
In England, in the reign of King James I, 1611	1 to 13½
In England, in the reign of Charles II, 1665	1 to 14½
In England, in the reign of George I, 1717	1 to 15½
Relative proportions in China, according to Humboldt	1 to 12½
Relative proportions in Japan, according to Humboldt	1 to 8½
Relative proportions in Bengal, according to Bullion Report	1 to 14.86
Relative proportions in Madras, according to Bullion Report	1 to 13¼
Relative proportions in Bombay, according to Bullion Report	1 to 15
In the China Diaries it is stated at 16 taels of silver for 1 tael of gold of 100 touch or pure gold. If it is meant to be pure silver also, the proportion would be 1 to 16; but it is believed to be the average fineness of silver in dollars, which would be	1 to 14.296

The value of this table is due to the high position of its author, Lord Liverpool. He had great power and access to all possible means of information.

I will now read a very important paper showing the amount of gold and silver extracted from the mines of America from 1492 until 1825.

Summary of the amount of gold and silver which has been extracted from the mines of America from 1492 until 1825.

Years.	Period.	Gold.	Silver.	Total amount.	Mean year.	Gold.	Silver.	Gold to silver.
	Years.	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Castile marks.*	*Castile marks.*	
1492–1545	53	90,000,000	30,000,000	120,000,000	2,250,000	12,500	66,600	1 to 5
1546–1555*a*	10	30,000,000	170,000,000	200,000,000				
1556–1570	15	40,000,000	110,000,000	150,000,000				
1571–1580	10	20,000,000	70,000,000	90,000,000	14,200,000	20,000	1,347,600	1 to 67
1581–1590*b*	10	30,000,000	140,000,000	170,000,000				
1591–1600	10	30,000,000	140,000,000	170,000,000				
1601–1610	10	25,000,000	115,000,000	140,000,000				
1611–1620	10	25,000,000	115,000,000	140,000,000				
1621–1630	10	28,000,000	122,000,000	150,000,000	15,000,000	20,300	1,440,000	1 to 70
1631–1640	10	30,000,000	130,000,000	160,000,000				
1641–1650	10	30,000,000	130,000,000	160,000,000				
1651–1660	10	28,000,000	122,000,000	150,000,000				
1661–1670	10	28,000,000	122,000,000	150,000,000				
1671–1680	10	28,000,000	122,000,000	150,000,000	15,000,000	20,600	1,435,300	1 to 69
1681–1690	10	28,000,000	122,000,000	150,000,000				
1691–1700*c*	10	75,000,000	115,000,000	190,000,000				
1701–1710	10	120,000,000	100,000,000	220,000,000				
1711–1720	10	120,000,000	110,000,000	230,000,000	22,000,000	80,000	1,308,800	1 to 16
1721–1730	10	120,000,000	120,000,000	240,000,000				
1731–1740	10	120,000,000	130,000,000	250,000,000				
1741–1750	10	120,000,000	160,000,000	280,000,000				
1751–1760*d*	10	110,000,000	190,000,000	300,000,000	28,000,000	82,700	1,970,600	1 to 24
1761–1770	10	100,000,000	190,000,000	290,000,000				
1771–1780*e*	10	100,000,000	250,000,000	350,000,000				
1781–1790	10	100,000,000	280,000,000	380,000,000				
1791–1800	10	100,000,000	320,000,000	420,000,000	39,500,000	73,500	3,470,600	1 to 47
1801–1810	10	115,000,000	330,000,000	430,000,000				
1811–1825	15	115,000,000	255,000,000	370,000,000	24,700,000	56,400	2,000,000	1 to 35
Total	333	1,890,000,000	4,310,000,000	6,200,000,000				

Authorities: Count Humboldt, Abbé Raynal, Mr. Ward, Bullion Report.
a Discovery of the mine Patosi.
b Amalgamation adopted in Peru.
c Brazil mines were worked.
d Discovery of Biscaina and Sombrerete, Mexico.
e Exploration of the mine of Valenciana, Mexico.

RATIO NOT MATERIALLY CHANGED FOR OVER 2,300 PRIOR TO 1873.

The above tables show that during two thousand three hundred and fifty-seven years, from the time of Heroditus to 1873, there were no very great variations in the comparative values of gold and silver. The production of gold sometimes exceeded silver many hundred fold, and, again, the production of silver very far exceeded the production of gold, and yet the comparative value of the metals was not materially changed. The special value of the above table is due to the very high authority of the authors from which the figures are taken. They all were very distinguished men, and their writings, especially those of Count Humboldt, will be the standard works for many centuries.

I will now present a very valuable table, showing the world's production of gold and silver and the percentage of production, from 1493 to the present time.

[For table see next page.]

This instructive table contains in a small compass a world of information and facts for reasoning. It shows that from 1493 to 1520 about eight times as many ounces of silver as gold was produced and the ratio during that time was 11.3 to 1; and in 1581 to 1600 about sixty times more weight of silver than gold was produced, and yet the ratio of silver to gold was 11.9 to 1. We therefore see there was scarcely any change in the ratio, although the relative production varied eight fold. Again, from 1781 to 1820, a period of forty years, the world produced about fifty times as many ounces of silver as gold and the value of the gold produced was about one-third the value of the silver, and yet the ratio of value averaged about 15.4 to 1.

Then thirty years later a most marvelous change took place, and from 1851 to 1860 we produced only about four times as much weight of silver as we did gold, and the value of the gold produced was nearly four times the value of silver, and yet the ratio of values remained at 15.4 to 1. Here we see a change of more than twelvefold in the relative productions, and yet there is no change in the ratio. Then came another change, and from 1860 to 1873 we produced eleven times as many ounces of silver as we did of gold, and still in 1873 we find the ratio was 15.92 to 1, which is hardly a perceptible variation, notwithstanding the wonderful change in the ratio of production.

I also present a table showing approximately the amount of

Statement of the production of gold and silver in the world since the discovery of America.

From 1493 to 1885 is from table of averages for certain periods, compiled by Dr. Adolph Soetbeer. For the years 1886–1892 the production is the annual estimate of the Bureau of the Mint.]

Years.	Gold.				Silver.				Percentage of production.				Ratio.
	Annual average of period		Total for the period.		Annual average of period.		Total for the period.		By weight.		By value.		
	Fine ounces.	Value.	Fine ounces.	Value.	Fine ounces.	Coining value.	Fine ounces.	Coining value.	Gold.	Silver.	Gold.	Silver.	
1493–1520	186,470	$3,855,000	5,221,160	$107,931,000	1,511,050	$1,954,000	42,309,400	$54,703,000	11.0	89.0	66.4	33.6	11.3 to 1
1521–1544	230,194	4,759,000	5,524,656	114,205,000	2,899,930	3,749,000	69,598,320	89,986,000	7.4	92.6	55.9	44.1	11.2 to 1
1545–1560	273,596	5,656,000	4,377,544	90,492,000	10,017,940	12,952,000	160,287,040	207,240,000	2.7	97.3	30.4	69.6	11.3 to 1
1561–1580	219,906	4,546,000	4,398,120	90,917,000	9,628,925	12,450,000	192,578,500	248,980,000	2.2	97.8	26.7	73.3	11.7 to 1
1581–1600	237,267	4,905,000	4,745,340	98,095,000	13,467,635	17,413,000	269,352,700	348,254,000	1.7	98.3	22.0	78.0	11.9 to 1
1601–1620	273,918	5,662,000	5,478,360	113,248,000	13,596,235	17,579,000	271,924,700	351,579,000	2.0	98.0	24.4	75.6	13.0 to 1
1621–1640	266,845	5,516,000	5,336,900	110,324,000	12,654,240	16,361,000	253,084,800	327,221,000	2.1	97.9	25.2	74.8	13.4 to 1
1641–1660	281,955	5,828,000	5,639,110	116,571,000	11,776,545	15,226,000	235,530,900	304,525,000	2.3	97.7	27.7	72.3	13.8 to 1
1661–1680	297,709	6,154,000	5,954,180	123,084,000	10,834,550	14,008,000	216,691,000	280,166,000	2.7	97.3	30.5	68.5	14.7 to 1
1681–1700	346,095	7,154,000	6,921,895	143,088,000	10,992,085	14,212,000	219,841,730	284,240,000	3.1	96.9	33.5	66.5	15.0 to 1
1701–1720	412,163	8,520,000	8,243,260	170,403,000	11,432,540	14,781,000	228,650,800	295,629,000	3.5	96.5	36.6	63.4	15.2 to 1
1721–1740	613,422	12,681,000	12,268,440	253,611,000	13,863,080	17,924,000	277,261,600	358,480,000	4.2	95.8	41.4	58.6	15.1 to 1
1741–1760	791,211	16,356,000	15,824,230	327,116,000	17,140,612	22,162,000	342,812,235	443,232,000	4.4	95.6	42.5	57.5	14.8 to 1
1761–1780	665,666	13,761,000	13,313,315	275,211,000	20,985,591	27,133,000	419,711,820	542,658,000	3.1	96.9	33.7	66.3	14.8 to 1
1781–1800	571,948	11,823,000	11,438,970	236,464,000	28,261,779	36,540,000	565,235,580	730,810,000	2.0	98.0	24.4	75.6	15.1 to 1
1801–1810	571,563	11,815,000	5,715,627	118,152,000	28,746,922	37,168,000	287,469,225	371,677,000	1.9	98.1	24.1	75.9	15.6 to 1
1811–1820	367,957	7,606,000	3,679,568	76,063,000	17,385,755	22,479,000	173,857,555	224,786,000	2.1	97.9	25.3	74.7	15.5 to 1
1821–1830	457,044	9,448,000	4,570,414	94,479,000	14,807,004	19,144,000	148,070,040	191,444,000	3.0	97.0	33.0	67.0	15.8 to 1
1831–1840	652,291	13,484,000	6,522,913	134,841,000	19,175,867	24,793,000	191,758,675	247,930,000	3.3	96.7	35.2	64.8	17.7 to 1
1841–1850	1,760,502	36,393,000	17,605,018	363,928,000	25,090,342	32,440,000	250,903,422	324,400,000	6.6	93.4	52.9	47.1	15.8 to 1
1851–1855	6,410,324	132,573,000	32,051,621	662,566,000	28,488,597	36,824,000	142,442,986	184,169,000	18.4	81.6	78.3	21.7	15.4 to 1
1856–1860	6,486,262	134,083,000	32,431,312	670,415,000	29,095,428	37,618,000	145,477,142	188,092,000	18.2	81.8	78.1	21.9	15.3 to 1
1861–1865	5,949,582	122,989,000	29,747,913	614,944,000	35,401,972	45,772,000	177,009,862	228,861,000	14.4	85.6	72.9	27.1	15.4 to 1
1866–1870	6,270,085	129,614,000	31,350,430	648,071,000	43,051,583	55,663,000	215,257,914	278,313,000	12.7	87.3	70.0	30.0	15.6 to 1
1871–1875	5,591,014	115,577,000	27,955,068	577,063,000	63,317,014	81,864,000	316,585,069	409,322,000	8.1	91.9	58.6	41.4	16.0 to 1
1876–1880	5,543,110	114,586,000	27,715,550	572,931,000	78,775,602	101,851,000	393,878,009	509,256,000	6.6	93.4	53.0	47.0	17.9 to 1
1881–1885	4,794,755	99,116,000	23,973,773	495,582,000	92,003,944	118,955,000	460,019,722	594,773,000	5.0	95.0	45.5	54.5	18.5 to 1
1886	5,127,750	106,000,000	5,127,750	106,000,000	93,276,000	120,600,000	93,276,000	120,600,000	5.2	94.8	46.8	53.2	20.7 to 1
1887	5,093,984	105,302,000	5,093,984	105,302,000	96,189,000	124,366,000	96,189,000	124,366,000	5.0	95.0	45.9	54.1	21.1 to 1
1888	5,316,412	109,900,000	5,316,412	109,900,000	109,911,000	142,107,000	109,911,000	142,107,000	4.6	95.4	43.6	56.4	21.9 to 1
1889	5,746,950	118,800,000	5,746,950	118,800,000	125,830,000	162,690,000	125,830,000	162,690,000	4.4	95.6	42.2	57.8	22.1 to 1
1890	5,473,631	115,150,000	5,473,631	113,150,000	133,213,000	172,235,000	133,213,000	172,235,000	4.0	96.0	39.7	60.3	19.7 to 1
1891	5,830,107	120,519,000	5,830,107	120,519,000	144,426,000	186,733,000	144,426,000	186,733,000	3.9	96.1	39.2	60.8	20.9 to 1
1892	6,328,272	130,817,000	6,328,272	130,817,000	152,062,000	196,605,000	152,062,000	196,605,000	4.0	96.0	40.0	60.0	23.7 to 1
Total			397,191,823	8,204,303,000			7,522,507,716	9,726,072,000	5.0	95.0	45.8	54.2	

gold legal-tender silver, limited-tender silver, and uncovered paper money in the principal countries of the world. This table also shows the per capita of gold and silver and paper, and also the total per capita in each of said countries.

Table exhibiting, approximately, the stock of money in the aggregate and per capita in the principal countries of the world.

Countries.	Population.	Stock of gold.	Stock of silver.			Uncovered paper.	Per capita.			
			Full legal tender.	Limited tender.	Total.		Gold.	Silver.	Paper.	Total.
United States	65,000,000	$687,000,000	$480,000,000	$76,000,000	$556,000,000	$422,390,000	$10.57	$8.55	$6.51	$25.63
United Kingdom	38,000,000	550,000,000		100,000,000	100,000,000	30,530,000	14.47	2.63	.80	17.90
France	39,000,000	900,000,000	650,000,000	50,000,000	700,000,000	81,402,000	23.07	17.95	2.09	43.11
Germany	49,500,000	500,000,000	103,000,000	102,000,000	205,000,000	107,000,000	10.10	4.14	2.16	16.40
Belgium	6,100,000	65,000,000	48,400,000	6,600,000	55,000,000	54,000,000	10.66	9.02	8.85	28.53
Italy	31,000,000	93,605,000	16,000,000	34,200,000	50,200,000	163,471,000	3.02	1.62	5.27	9.91
Switzerland	3,000,000	15,000,000	11,400,000	3,600,000	15,000,000	14,000,000	5.00	5.00	4.67	14.67
Greece	2,200,000	2,000,000	1,800,000	2,200,000	4,000,000	14,000,000	.91	1.82	6.36	9.09
Spain	18,000,000	100,000,000	90,000,000	35,000,000	125,000,000	94,000,000	5.56	6.94	5.22	17.72
Portugal	5,000,000	40,000,000		10,000,000	10,000,000	6,000,000	8.00	2.00	1.20	11.20
Austria-Hungary	40,000,000	31,330,000	90,000,000		90,000,000	220,000,000	.77	2.25	6.50	9.52
Netherlands	4,500,000	25,000,000	61,800,000	3,200,000	65,000,000	40,000,000	5.55	14.44	18.89	28.88
Scandinavian Union	8,000,000	32,000,000		10,000,000	10,000,000	27,000,000	3.72	1.16	3.14	8.02
Russia	113,000,000	190,000,000	22,000,000	38,000,000	60,000,000	500,000,000	1.68	.53	4.42	6.63
Turkey	33,000,000	50,000,000		45,000,000	45,000,000		1.52	1.36		2.88
Australia	4,000,000	100,000,000		7,000,000	7,000,000		25.00	1.75		26.75
Egypt	7,000,000	100,000,000		15,000,000	15,000,000		14.29	2.14		16.43
Mexico	11,600,000	5,000,000	50,000,000		50,000,000	2,000,000	.43	4.31	.17	4.91
Central America	3,000,000		500,000		500,000	2,000,000		.17	.67	.84
South America	35,000,000	45,000,000	25,000,000		25,000,000	300,000,000	1.29	.71	8.57	10.57
Japan	40,000,000	90,000,000	50,000,000		50,000,000	56,000,000	2.25	1.25	1.40	4.90
India	255,000,000		900,000,000		900,000,000	28,000,000		3.53	.11	3.64
China	400,000,000		700,000,000		700,000,000			1.75		1.75
The Straits			100,000,000		100,000,000					
Canada	4,500,000	16,000,000		5,000,000	5,000,000	40,000,000	3.56	1.11	8.89	13.56
Cuba, Haiti, etc	2,000,000	20,000,000	1,200,000	800,000	2,000,000	40,000,000	10.00	1.00	20.00	31.00
Total		3,656,935,000	3,401,100,000	543,600,000	3,944,700,000	2,231,793,000				

GERMANY.

Prior to 1871 Germany was a silver-standard country. On the 23d of November, 1871, the Imperial Diet of Germany enacted the single gold standard and adopted silver only as a subsidiary coin. This law was only to last for two years, but at the end of that time, in 1873, Germany permanently demonetized silver.

FRANCE.

In 1726 France adopted the ratio of 1 of gold to 14½ of silver. In 1785 the ratio was 1 to 15½.

In France silver was regarded as the favored metal, and the law of 1803 provided that the silver franc should constitute the monetary unit. This law continued the ratio at 1 to 15½. Under this law the ratio was maintained until 1873.

BELGIUM.

Belgium was an integral part of France when she enacted her law of 1803, and she was governed by that system until 1832, when Belgium adopted the single silver standard, retaining the franc as a monetary unit. Prior to 1847 Holland maintained the double standard, at a ratio of 1 to 15.60. Afterwards Holland, however, adopted the single silver standard.

The Encyclopedia Britannica says, page 736:

The result of the gold discoveries in Australia and California was to greatly

increase the supply of that metal, and, under the action of Gresham's law, to change the French currency from silver to gold, while Holland, to avoid the evils which were anticipated from the reduced value of that metal, adopted silver as the standard.

It is interesting to note in the history of these times that the little nation of Holland was the only country that took alarm and demonetized gold after the discovery of the rich mines in Australia and California.

LATIN UNION.

On December 23, 1865, France, Belgium, Switzerland, and Italy entered into a mutual agreement concerning the monetary and coinage policy, which took effect August 1, 1866. This was called the Latin Union. Greece and Roumania came into the association in April, 1867.

Belgium, France, Switzerland, and Italy were thus united to regulate the weight, title, form, and circulation of their gold and silver coins. By this agreement the ratio of gold to silver was fixed at 1 to 15½. On January 30, 1874, the Latin Union agreed to limit coinage, and in the year 1874, and at the conference held in 1875 and 1876, the Union made the same limitations for those years, respectively.

The war upon silver inaugurated by England in 1816 and by Germany in 1871 had commenced to affect other nations. In 1871 but 5,000,000 francs' worth of silver was deposited in the mints for coinage in France, but after the permanent demonetization of that metal by Germany and after information had been received that the Congress of the United States had demonetized silver, the tide turned toward the French mints and in a single year 154,000,000 francs' worth of silver was deposited for coinage in the mint of France. This caused a virtual breaking up of the Latin Union.

The delegates to the Latin Union were assembled on January 30, 1874. It was agreed that the entire six nations which comprised the Union should coin but 120,000,000 francs of silver per year.

A STABLE RATIO CAN BE MAINTAINED.

They say it is impossible to have a ratio that will maintain silver in any certain relation to gold by enactment. Let us look the history of the past. When the six small nations composing the Latin-Union agreed to the ratio of 15½ to 1, the value of silver was maintained with scarcely any variation until Germany and the United States demonetized that metal.

If the Latin-Union during all that period maintained silver without any appreciable fall in value during all the time that their mints were open at 15½ to 1, can not this great country, on a fair ratio, at 20 to 1 or 21 to 1, make silver of a permanent value while such a law stands upon our statute books? This is a great country, the greatest country on earth, the most powerful, the richest; and it ought to dominate every other nation on the face of the earth. Her foreign policy should control, her trade should surpass, her manufactures should excel, and in all things we ought to be greater and stronger, and more powerful and more influential than all other nations combined.

FALLACY OF THE GOLD-STANDARD ARGUMENT.

An almost superhuman effort is being made by the gold-standard men to convince the public that the three and one-quarter million dollars of Treasury notes which are created every month and paid out for 4,500,000 ounces of silver are imbued with some special element of evil. They insist that this money has a special facility and magic power of withdrawing gold from the Treasury and exporting it to foreign lands. This is a mere fancy of the gold men, who are attempting by this and other means to frighten Congress into complying with their demands. The gold men tell us that these Treasury certificates are handed into the Treasury for redemption in gold. I would like to ask them if it is not true that other paper money can not with equal facility be presented at the Treasury for redemption in gold?

TOO LITTLE MONEY.

The annual disbursements of the Treasury now amount to $500,000,000. The part that is paid in gold can be exported; the part that is paid in greenbacks can be presented to the Treasury for redemption in gold and the metal can be immediately exported. So the holder of national bank notes can demand their redemption in greenbacks and then, without a moment's delay, demand the redemption of the greenbacks in gold. Certainly the gold thus obtained could with equal facility be exported to Europe. Every element of evil which applies to the three and one-quarter million Treasury notes which are paid out every month for silver bullion applies with equal force to the $500,000,000 paid out to defray the expenses of the Government, and I desire to here to assert with all emphasis in my power that this three and one-quarter million is the least hurtful expenditure which the Government makes.

It is used to purchase a precious metal at a price below the average cost of production, and it is the only disbursement by the Treasury which adds to the wealth of the government and which increases currency, which is much needed to carry on the business of the country. We are confronted by overwhelming evidence that there is not sufficient money now for the business needs of the country, and yet we are called upon to remedy this evil of deficiency by creating a still greater deficiency.

THE DEMOCRATIC PLATFORM.

The seventh section of the National Democratic platform adopted at Chicago was in these words:

SEC. 7. We denounce the Republican legislation known as the Sherman act of 1890 as a cowardly makeshift, fraught with possibilities of danger in the future which should make all of its supporters, as well as its author, anxious for its speedy repeal. We hold to the use of both gold and silver as the standard money of the country, and to the coinage of both gold and silver without discriminating against either metal or charge for mintage, but the dollar unit of coinage of both metals must be of equal intrinsic and exchangeable value, or be adjusted through international agreement or by such safeguards of legislation as shall insure the maintenance of the parity of the two metals and the equal power of every dollar, at all times, in the markets and in the payment of debts, and we demand that all paper currency shall be kept at par with and redeemable in such coin. We insist upon this policy as especially necessary for the protection of the farming and laboring classes, the first and most defenseless victims of unstable money and a fluctuating currency.

The party which promulgated this platform was one that had always pledged itself to the free coinage of both silver and gold, and this platform was a pledge on the part of the Democratic party that if intrusted with the power they would enact laws for free coinage of silver. We already had free and unlimited coinage of gold, and up to 1873 we had had free and unlimited coinage of silver, and the representatives of the Democratic party of the great convention pledged the people silver coinage on precisely the same conditions as the laws provided for the coinage of gold.

THE PLEDGES TO THE PEOPLE.

It promised the country—

coinage of both gold and silver without discriminating against either metal.

The only change proposed was that the dollar unit of coinage in both metals must be of equal intrinsic and exchangeable value. The platform also said:

We hold to the use of both gold and silver as the standard money of the country.

These were the pledges made to the people. Of course, this carried with it the necessity of readjusting the amount of metal in the coins so as to make them of equal value, and it was generally understood that this would be done by increasing the amount of silver in the silver dollar. The people of the South and West reluctantly assented to this platform and to the construction that it was to increase the amount of silver in a silver dollar, but they accepted it in good faith because they saw in it a positive promise that silver would be coined at a fair ratio and that at least $6,000,000 or $8,000,000 would be added to the money in the country every month. This was a positive and unequivocable promise to the people by the Democracy of the nation at the Chicago convention in 1892.

THE SHERMAN MAKESHIFT.

The same section of the platform denounces the Sherman act as a cowardly makeshift. This law only gave the country an increase in money of about three and a quarter millions a month, and the promise of the Democratic party was that the monthly increase should be raised from three and a quarter millions to six or eight millions. It is true, the words "six or eight millions" were not used, but free coinage of silver at a fair ratio would of necessity have brought about that result; and in enacting laws for the free coinage of silver it was generally understood that the Sherman law would be repealed, but I deny with all emphasis that the Chicago platform made any pledges that the Democratic party, if placed in power, would repeal that act. The language of the platform with regard to the Sherman act was in these words:

SEC. 7. We denounce the Republican legislation known as the Sherman act of 1890 as a cowardly makeshift, fraught with possibilities of danger in the future which should make all of its supporters, as well as its author, anxious for its speedy repeal.

ABUNDANT SOUND MONEY CAUSES PROSPERITY.

I lay it down as a correct proposition that no country, or section of a country, can possibly have too much sound money of full-purchasing, debt-paying power. Up to 1860, in those prosperous years, the money was equally distributed. There was but $442,000,000 in our entire country, and during the ten years prior to 1860 the average was but $375,000,000, and in our rural country we got along very well. Now with six times that amount, with $2,123,968,649, if we go into the West and South, we find there such a famine and dearth of money as there never was before. Where is it all? By laws which Mr. Cleveland denounced in his letter of acceptance, that money has been concentrated in the Eastern marts of our country. What is the effect?

ABUNDANT MONEY BRINGS PROGRESS AND PROSPERITY.

In New York city, with, possibly, almost $1,000 per capita, land sells at nearly $6,000,000 an acre, and money is sometimes loaned

at an interes of 1 or 2 per cent. In Georgia, Alabama, and Mississippi, where, in the rural sections there is not a dollar per capita, the land sells, if it sells at all, for but a few dollars per acre, and money is often loaned as high as 20 or 30 per cent. No, Mr. Speaker, we can not have too much money in any country, if it is money with full-purchasing, debt-paying power. When money can not be depreciated in its purchasing power, it depreciates in its power to earn interest. When money is plentiful and sound it seeks some way for use. It competes with other money, and the consequence is that it falls in the rate of interest. And in order for any country to be prosperous, in order to have railroads and manufactures, in order to open mines and develop wealth, you must have plenty of money at a low rate of interest. Without that no country can be prosperous.

I hold as another proposition that no paper money can be maintained as sound money that is not ultimately redeemable in coin, either gold or silver; and I contend that there is not enough gold in the world to float sufficient paper to carry on the business of the world or of this country.

SILVER COINAGE NECESSARY TO THE UNITED STATES.

But, Mr. Speaker, if every country on earth, except ours, found it to its interest to demonetize silver, it nevertheless would be imperative in a country like this to maintain silver coinage in order to establish prosperity and develop this great land. We produce 42 per cent of all the silver of the world, and with that production we are more interested in silver coinage than any other country on earth. It is essential to our prosperity, essential to our well-being as a nation, and essential to the well-being of our people.

Imperial governments are controlled by the favored classes, and they possess nearly all the wealth. They are generally advocates of the gold standard. They own the money, and they fully appreciate that their wealth will be enhanced by a curtailment in the volume of money. It is therefore natural that imperial and monarchical governments would desire the demonetization of silver; but our country is a country of the people, and we must insist upon all the laws being made for their benefit.

Again, our country is undeveloped, and it is vast in extent, and such a country must of necessity have large moneyed resources. The people of the South and West insist that the needed money be furnished from our unsurpassed mines of precious metals. Our friends from New York and vicinity argue that it is best to borrow and pay interest to European bankers and capitalists.

ANTIQUITY OF SILVER AND GOLD.

From almost the beginning of the world gold and silver have been the metals used for money. They both possess high intrinsic value, so that they can be conveniently used as money.

James G. Blaine said:

> I believe gold and silver coin to be the money of the Constitution. Indeed, the money of the American people anterior to the Constitution.

How far anterior to the Constitution he does not say; but we have ample proof that silver and gold were used for money in the very beginning of time—probably long anterior to the days of Abraham and Pharaoh.

The second verse of chapter 13 of Genesis says:

> And Abram *was* very rich in cattle, and in silver, and in gold.

This, it will be remembered, was forty-two generations, or 2,164 years' before Christ. And in the twelfth verse, seventeenth chapter, we find a command referring to—

> He that is born in a house, or bought with money.

And precisely the same expression is found in the next verse. And in the twenty-third chapter of Genesis, thirteenth verse, I read:

> I will give the money for the field.

And in the fifteenth verse are these words:

> The land *is worth* four hundred shekels of silver.

And in the sixteenth verse are these words:

> And Abram weighed to Ephron the silver, which he had named in the audience of the sons of Heth, four hundred shekels of silver, current *money* with the merchant.

In the earliest histories of Asia Minor the coins were a mixture of gold and silver. In the very early history of Greece the coins were silver. According to Pliny, silver was coined in Rome 269 years B. C., and gold was coined by that Government 207 years B. C. When Cæsar invaded Britain the people used brass and iron for money, and they were paid by weight. Six hundred years later we read of the pennies of Elphelbert, King of Kent. At this time money was expressed under pounds, shillings, pence, and mancas. The mancas were reckoned both in gold and silver. The Norman kings coined pence of silver. In 1222 silver farthings were coined. In 1257, during the reign of Henry VIII, gold pence were coined, 120 of them weighing a pound tower, and they passed for 20*d*.

Both gold and silver are homogeneous—a unit of gold being equal to another unit of gold, and a unit of silver being equal to another unit of silver. Both gold and silver are durable. They do not rust or decay. They are not damaged by either heat or cold, or air, or water. Both gold and silver are divisible; they either separate into parts, which parts can be united. Both gold and silver can be easily tested, so that the fineness of either metal or composition of value can be easily determined. Both gold and silver are readily distinguishable, so that the genuineness of either of these metals can be recognized with reasonable certainty. [Applause.]

August 12, 1893.

The SPEAKER. The gentleman from Alabama [Mr. WHEELER] is entitled to the floor.

Mr. WHEELER of Alabama said: Mr. Speaker, I hope that my New England friends have not forgotten that both Daniel Webster and James G. Blaine held that a law of Congress which demonetizes silver would be in violation of the Constitution, and all men, whether constitutional lawyers or business men, will agree that it would certainly be a violation of the spirit of that instrument.

THE CONSTITUTION ON SILVER.

Certainly the Constitution of the United States clearly contemplates that it is the duty of Congress to provide for coining both gold and silver. Section 8 gives Congress the power—

> To coin money, regulate the value thereof and of foreign coin, and fix the standard of weights and measures.

And section 10 provides that no State shall "coin money" and that no State shall make anything but "gold and silver coin" a tender in the payments of debts. This certainly shows that the framers of the Constitution imposed upon Congress the duty of providing for the coinage of silver as well as gold, because it especially provides that a State may make silver coin a tender in payment of debts; and as the Constitution prohibits the States from coining money, it shows beyond question that the Constitution imposed upon Congress the duty of making silver coin.

Now, I desire to ask how this provision can be carried out unless silver is coined by the Federal Government? It is clear it could not be carried out and would therefore become a nullity.

It is the principle of law that whenever a statute gives power to a legislative body to perform that which is necessary for the public good, it is mandatory upon said body to perform said duty. This principles was affirmatively decided by the Supreme Court of the United States forty-three years ago, when that court was composed of such men as Taney, Wayne, McLean, and others equally distinguished. In deciding the Marigold case, 9th Howard, pages 567, 568, it used this language:

> We hold it a sound maxim that no power should be conceded to the Federal Government which can not be regularly and legitimately found in the charter of its creation.

This shows that the court certainly was composed of strict constructionists, and these men in the same decision used this language:

> Whatever functions Congress are by the Constitution authorized to perform, they are, when the public good requires it, bound to perform.

This brief, plain statement of the matter shows how correct Daniel Webster and James G. Blaine were on this important subject.

THE GOLD STANDARD ARGUMENT.

In all the arguments against free silver on any ratio, the prominent feature seems to be that unless we adopt a gold standard European capitalists will decline to lend us money. I believe it is not contended that at any time we have owed England more than a few hundred million, and yet, in order to enable us to borrow that amount the New York capitalists and brokers are willing to deprive the country of four hundred million in silver. I do not blame the people of New York and the Northeast for insisting upon our adopting a financial system which will invite loans from Europe. From their standpoint it is our surest road to prosperity. They contend that we must have European money to build our railroads and develop our country.

In the South and West we take a different view. We look at this question at a very different standpoint from that taken by capitalists and brokers of New York. We believe that a country which produces seventy-four million in silver and thirty-two million in gold every year, and owns seventy thousand million of property can, with these precious metals as a basis and our vast property as a security, establish a financial system which would make us in a great measure independent of European countries; and in order to accomplish this, they are convinced that it is

necessary that we should provide laws for the coinage of both gold and silver.

They believe that it is better to create money than to borrow, and they believe that with free coinage of gold and silver at a proper and fair ratio, and the repeal of the 10 per cent tax so as to restore to our States their sovereign rights, a system can be established which will give us abundant money and make us independent, and make it unnecessary for us to borrow from foreign countries.

WE NEED MORE GOLD AND SILVER.

The very fact that we are compelled to borrow in foreign nations is positive proof that we need more money in this country. The proportion of money in the United States to the wealth of this country is much less than the proportion in France, Germany, Netherlands, Belgium, Portugal, Italy, and Russia. The proportion which our money bears to the wealth of the United States is 2.4, while the proportion of the money in France to the wealth of France is 4.

We therefore see that the money in the United States is a little more than half the money in France as compared to wealth. With all of this great need for more money in our land, the gold-standard men are using the greatest effort possible to reduce the money and currency of the country. They insist that we shall not coin silver, although a proper construction of the Constitution makes it our imperative duty to do so. The Republican party and gold-standard men not only refuse to coin silver, but they also refuse to repeal the 10 per cent tax law that now deprives States of their constitutional rights to charter banks of issue.

It is true that our platform upon which we won the victory last November pledged to the country that this 10 per cent tax should be repealed; but we see already that this will be resisted by the men who own and control the money of this land, and if they are successful in this, and also succeed in establishing the gold standard, the money kings of the United States, holding, as they do, a great bulk of the money now in America will be practically more powerful than any imperial monarch, even more powerful than the Czar of Russia or the Shah of Persia.

GOLD AND SILVER OF THE WORLD COULD BE PLACED IN THIS HALL.

There is now $3,582,605,000 of gold coin and bullion in the world. Every particle of it could be contained in a block 21 feet 5 inches square, and it could be placed in this Hall without being of any inconvenience to the members. This almost insignificant amount of metal is now owned, controlled, and manipulated by very few men, and they are here demanding that by this alone we shall measure the value of the wage-earner's daily labor and the product of the farmer's yearly toil.

Let me say, Mr. Speaker, that if we give them the power they demand, we place in their hands a lever with which they can crush the honest people of this free country to the dust, while these moneyed men of wealth will become practically sovereigns of this Republic. In answer to all of our arguments these people repeat, what has so often been said in monetary conferences—they tell us that silver is inconvenient to carry. Even if this were true, that difficulty is obviated by our laws, as the Government issues certificates in place of the silver coin which remains in the vaults of the Treasury. Having met this position we are then confronted with the outcry that the Government can not afford to furnish storage for such vast amount of metal.

In order to illustrate the fallacy of this argument I have taken the pains to learn the bulk of all the silver in the world. The total amount of silver coin and bullion, including full tender and limited tender, is now $4,042,700,000. This could all be contained in a square silver block 66 feet square. Every particle of silver coin and bullion in the world could be placed in this Hall. I make this familiar comparison to show the absolute absurdity of this excuse for demonetizing silver. It is a miserable makeshift invented by a few millionaires. The entire expense of storing and guarding all the silver and gold in the United States would not exceed $100 per month. [Laughter.]

DEMONETIZATION OF SILVER DEPRECIATES VALUE OF FARM PRODUCTS.

In former speeches I have explained how the demonetization of silver by the United States has had the effect to depreciate the value of farm products. I admit that there have been other causes besides the demonetization of silver, but the proofs are unquestionable that demonetization of silver has been the important factor in causing the rapid fall in price of cotton, wheat, and corn, and other products of our farms.

I have prepared a table showing the value of these products, also the value of silver each year since the demonetization of that metal in 1873.

The prices of cotton I have taken from the New York price currents. The price of corn I have taken from the Commercial Financial Chronicle, and the price of silver from the reports of the Secretary of the Treasury.

Table showing the value of cotton, corn, wheat, and silver, 1873 to 1892.

Year.	Cotton per pound.	Corn per bushel.	Wheat per bushel.	Bullion value silver dollar.	Silver per fine ounce.*
	Cents.				
1873	20.48	$0.70	$1.47	$1.03	$1.32
1873	18.15	.63	1.31	1.00	1.29
1874	17.00	.68	1.43	.98	1.27
1875	15.00	.62	1.12	.96	1.24
1876	13.00	.43	1.24	.89	1.15
1877	11.73	.49	1.17	.92	1.20
1878	11.28	.52	1.34	.89	1.15
1879	10.83	.54	1.07	.86	1.12
1880	12.02	.54	1.25	.88	1.14
1881	11.34	.62	1.11	.88	1.13
1882	12.16	.86	1.19	.87	1.13
1883	10.63	.62	1.13	.85	1.11
1884	10.04	.55	1.07	.86	1.11
1885	10.54	.48	.86	.82	1.06
1886	9.44	.49	.87	.76	.99
1887	10.25	.49	.89	.75	.97
1888	10.27	.48	.85	.72	.93
1889	10.71	.53	.90	.72	.93
1890	11.53	.48	.83	.80	1.04
1891	9.00	.50	.86	.76	.98
1892	7.00	.42	.70	.67	.87

*The coinage value of an ounce of pure silver is $1.29.

HISTORY OF COINAGE IN OUR COUNTRY.

In 1792 we commenced with a ratio of 15 to 1. In 1834 we increased it to 16 to 1. We got too much silver into our coin, and the consequence was that all the silver left the country. Such a thing as a silver dollar or a silver half dollar, coined by our mints, history tells us was not to be found, and instead of the silver of our own country there was nothing but the debased coin of other countries.

DEMOCRATS CONTROLLED THIS COUNTY FROM 1801 TO 1861.

Now, from 1801 to 1861, during a period of sixty years, our country was controlled by the Democratic party. They either had every branch of the Government, or at least one branch; so that the laws enacted by them could not be repealed by the opposition party. And during that time for sixty years we had peace, plenty, and happiness, and we changed this country from a wilderness to one of the happiest, strongest, and best countries on earth. There were very few poor men; there were few very rich men. The laws were democratic, and for the benefit of all. In 1861 the change came; and for thirty-two years this country has been controlled by the Republican party. They controlled every branch of the Government and enacted what laws they chose; and they always controlled at least one branch, to prevent their repeal.

The laws they enacted have brought about the terrible condition of things from which the country is suffering to-day. Last March we found this country financially a wreck, morally a wreck, and physically a wreck; and the people of our country have placed us in power, asking us to take this wreck and restore it once more to health, to honor, and to prosperity. That is the mission of the Democratic party to-day. [Applause.]

SECRETARY CARLISLE AND PRESIDENT GARFIELD.

On February 21, 1878, this House took up the Senate amendments to the bill which the House had previously passed, "to authorize the free coinage of the standard silver dollar and regulate its legal-tender character." The debates upon the Senate amendments are found on pages 1237 to 1285 of volume 28 of the RECORD. Many able speeches were made demanding free silver coinage. I have not time to quote to any extent, but must call attention to a few words from James A. Garfield, who spoke with all his power in favor of the white metal. He said:

> Every man who is opposed to the use of silver coin as part of the legal currency of the country I disagree with. Every man who is opposed to the actual legal use of both metals I disagree with.

He also said:

> I would endow the two dollars with equality and make the coinage free.

Hon. John G. Carlisle, the present distinguished and very able Secretary of the Treasury, also spoke on the bill, and with great emphasis advocated unlimited coinage of silver. His speech was not an expression of thought uttered in heat of debate, but was carefully prepared, and it was withheld from the RECORD for revision, and is printed on pages 41 to 44 of the Appendix. On page 42 Carlisle stated—

> he was in favor of unlimited coinage of both metals upon terms of exact equality. No discrimination should be made in favor of one metal and against the other; nor should any discrimination be made in favor of the owners of gold and silver bullion and against the great body of people who own other coins or property.

And on page 43 he said:

> I know that the world's stock of the precious metals is none too large, and I see no reason to apprehend that it will ever become so. Mankind will be

fortunate, indeed, if the annual production of gold and silver coin shall keep pace with the annual increase of population, commerce, and industry.

In 1878 the annual production of gold was $51,200,000 and the annual production of silver $45,200,000, the total being $96,400,000. The total amount of property in the United States in 1878 was $40,000,000,000; therefore the amount of property in the country was only 781 times the annual production of gold and 419 times the annual production of both gold and silver. This will show that the hopes expressed by Secretary Carlisle have not been realized. The entire amount of property in the country to-day is at least $68,000,000,000. We produced only $33,000,000 of gold last year and $74,989,900 of silver. Therefore the amount of property in the country is 2,030 times the annual production of gold and 627 times the annual production of both gold and silver. We therefore see that our relative production of gold is about one-third the relative production in 1878, when Mr. Carlisle made his speech, and yet there are men in this Hall attempting to strike down silver and relegate this country to the gold standard. Mr. Carlisle then proceeds to express this great truth:

According to my views of the subject the conspiracy which seems to have been formed here and in Europe to destroy, by legislation and otherwise, from three-sevenths to one-half of the metallic money of the world is the most gigantic crime of this or any other age.

It will be here seen that to strike down silver as is now proposed was denounced by Mr. Carlisle as a gigantic crime—the most gigantic crime of this or any other age.

Mr. Carlisle then proceeded in the following emphatic language:

The consummation of such a scheme would ultimately entail more misery upon the human race than all the wars, pestilences, and famines that ever occurred in the history of the world. The absolute and instantaneous destruction of half the entire movable property of the world, including houses, ships, railroads, and all other appliances for carrying on commerce, while it would be felt more sensibly at the moment, would not produce anything like the prolonged distress and disorganization of society that must inevitably result from the permanent annihilation of the metallic money in the world.

This language by the present distinguished Secretary of the Treasury is stronger and more emphatic than any expression I can use; but he does not stop with these words, he goes on to express his emphatic advocacy of silver coinage, not by law alone, but he demands that it be made permanent by a constitutional amendment. I read from Mr. Carlisle's speech, on page 44 of the RECORD.

I am in favor of every practicable and constitutional measure that will have a tendency to defeat or retard the perpetration of this great crime, and I am also in favor of every practicable and constitutional measure that will aid us in devising a just and permanent ratio of value between the two metals, so that they might circulate side by side, and not alternately drive each other into exile from one country to another. Our ratio, as recognized by the present bill, is 15.98 to 1, while the ratio established by the states composing the Latin Union—France, Belgium, Switzerland, Italy, and, I believe, Greece—also is 15½ to 1. We therefore undervalue silver, as compared with the valuation put upon it by those countries.

Mr. Hewitt of New York moved to lay the bill and amendments on the table. I read from page 1283. But Hewitt's motion was defeated by a vote of 205 to 71.

Mr. Carlisle and his colleague, Mr. Herbert, in the present Cabinet, both voting with the majority.

The Senate amendments limited silver coinage to not more than $4,000,000 a month, and Carlisle and Herbert both voted against these amendments, thus declaring themselves in favor of unlimited silver coinage.

SILVER VIEWS OF CARLISLE AND GARFIELD INDORSED.

I select extracts from speeches of Mr. Garfield and Mr. Carlisle because their views have been so emphatically indorsed by the American people. Eight months from the date of his speech Mr. Garfield was reëlected to Congress by nearly 10,000 majority and was the nominee of his party for Speaker of the House of Representatives. A year later he was elected United States Senator from the great State of Ohio, and again in a few months he was elected President of the United States. Mr. Carlisle was also reëlected to the next Congress by majority of 3 to 1. In 1883 he was elected Speaker of the House of Representatives, which honor was conferred upon him three times. He was then elected Senator, and is now the minister of finance of the greatest country on the face of the earth.

There is practically no limit to the great men who have adorned the Senate and this body who were in favor of and ably advocated free coinage of silver.

JAMES G. BLAINE AND DANIEL WEBSTER DEMANDED FREE COINAGE OF SILVER.

Hon. James G. Blaine and Daniel Webster were among its ablest advocates. Both of these great men not only demanded free and unlimited coinage of silver, but, as I before stated, they both ably contended that silver coin was the money of the Constitution, and that a law of Congress demonetizing silver was in violation of the Constitution of our country; and Mr. Carlisle appears to have contended that if there was any question or doubt on this point that it should be removed by a constitutional amendment providing for the coinage of this metal.

JAMES G. BLAINE DEMANDS FREE COINAGE OF SILVER.

On February 7, 1878, Hon. James G. Blaine, then a Senator from Maine, made a very able speech upon the free-coinage bill. It is found on pages 820 and 822 of the CONGRESSIONAL RECORD. I wish every word of it could be placed before the members of this House, as it is a very able discussion of this subject. I read from page 820. He said:

I believe gold and silver coin to be the money of the Constitution; indeed, the money of the American people anterior to the Constitution which that great organic law recognized as quite independent of its own existence. No power was conferred on Congress to declare that either metal should not be money. Congress has therefore, in my judgment, no power to demonetize silver any more than to demonetize gold; no power to demonetize either any more than to demonetize both.

DANIEL WEBSTER ON SILVER AND THE CONSTITUTION.

I call special attention to the assertion of Mr. Blaine that Congress has no power to demonetize silver, and that such a law would be unconstitutional; and I now especially call attention to the fact that Daniel Webster, the greatest constitutional lawyer of the land, also held that silver coinage was made imperative by the Constitution. Mr. Blaine then says:

In this statement I am but repeating the weighty dictum of the first of constitutional lawyers. "I am certainly of opinion," said Mr. Webster, "that gold and silver, at rates fixed by Congress constitute the legal standard of value in this country, and that neither Congress nor any State has authority to establish any other standard or to displace this standard."

Few persons can be found, I apprehend, who will maintain that Congress possesses the power to demonetize both gold and silver, or that Congress should be justified in prohibiting the coinage of both; and yet in logic and legal construction it would be difficult to show where and why the power of Congress over silver is greater than over gold; greater over either than over the two. If, therefore, silver has been demonetized, I am in favor of remonetizing it. If its coinage has been prohibited, I am in favor of ordering it to be resumed. If it has been restricted, I am in favor of having it enlarged.

We see here that both Daniel Webster and James G. Blaine assert that under the Constitution Congress has no right to demonetize silver.

On page 821 he discussed this subject, and stated:

That remonetization will have a considerable effect in advancing the value of the dollar is beyond doubt.

And on page 821 he said:

The responsibility of reëstablishing silver in its ancient and honorable place as money in Europe and America devolves really on the Congress of the United States. If we act here with prudence, wisdom, and firmness, we shall not only successfully remonetize silver and bring it into general use as money in our country, but the influence of our example will be potential among all European nations, with the possible exception of England. Indeed, our annual indebtedness to Europe is so great that if we have the right to pay it in silver we necessarily coerce those nations by the strongest of all forces—self-interest—to aid us in the upholding the value of silver as money.

We see here that Mr. Blaine says that if we remonetize silver and bring it into general use as money in our country the influence of our example will be potential among all European nations, with the possible exception of England.

He then goes on to show that if we remonetize silver other nations in Europe will promptly follow our example

And further down on the same page, this distinguished man continues:

I believe the struggle now going on in this country and in other countries for a single gold standard would, if successful, produce widespread disaster in the end throughout the world.

The destruction of silver as money and establishing gold as the sole unit of value must have a ruinous effect on all forms of property except those investments which yield a fixed return in money. These would be enormously enhanced in value, and would gain a disproportionate and unfair advantage over every other species of property. If, as the most reliable statistics affirm, there are nearly $7,000,000,000 of coin or bullion in the world, not very unequally divided between gold and silver, it is impossible to strike silver out of existence as money without results which will prove distressing to millions and utterly disastrous to tens of thousands.

Alexander Hamilton, in his able and invaluable report in 1791 on the establishment of a mint, declared that "to annul the use of either gold or silver as money is to abridge the quantity of circulating medium, and is liable to all the objections which arise from a comparison of the benefits of a full circulation with the evils of a scanty circulation." I take no risk in saying that the benefits of a full circulation and the evils of a scanty circulation are both immeasurably greater to-day than they were when Mr. Hamilton uttered these weighty words, always provided that the circulation is one of actual money and not of depreciated promises to pay.

Mr. Blaine continued his speech in these words:

In the report from which I have already quoted, Mr. Hamilton argues at length in favor of a double standard, and all the subsequent experience of well-nigh ninety years has brought out no clearer statement of the whole case nor developed a more complete comprehension of this subtle and difficult subject. "On the whole," says Mr. Hamilton, "it seems most advisable not to attach the unit exclusively to either of the metals, because this can not be done effectually without destroying the office and character of one of them as money and reducing it to the situation of mere merchandise." And then Mr. Hamilton wisely concludes that the reduction of either of the metals to mere merchandise (I again quote his exact words) "would probably be a greater evil than occasional variations in the unit from the fluctuations in the relative value of the metals, especially if care be taken to regulate the proportion between them with an eye to their average commercial value."

Mr. Blaine then proceeds to discuss the reason why the United States, above all other nations, should have unlimited coinage of silver. He then continued in these words:

I do not think that this country, holding so vast a proportion of the world's supply of silver in its mountains and its mines can afford to reduce

the metal to the "situation of mere merchandise." If silver ceases to be used as money in Europe and America, the great mines of the Pacific slope will be closed and dead. Mining enterprises of the gigantic scale existing in this country can not be carried on to provide backs for looking-glasses and to manufacture cream pitchers and sugar bowls. A vast source of wealth to this entire country is destroyed the moment silver is permanently disused as money. It is for us to check that tendency and bring the Continent of Europe back to the full recognition of the value of the metal as a medium of exchange.

Mr. Blaine was one of the most conspicuous men in public life for a third of a century.

He was a member of the Maine Legislature, and was its speaker for two years. Was for fourteen years a member of this House, and was thrice elected its Speaker. Was appointed, and also elected to the United States Senate, was a prominent and the most popular candidate for President before the Cincinnati convention in 1880, was Secretary of State under President Garfield, received the Presidential nomination in 1884, and was again Secretary of State in 1889.

REPUBLICANS LEGISLATE FOR WEALTH.

Prior to 1861 Democratic legislation dispensed equal justice to all, but the moment the Republican party took control of our Government class legislation of nearly every kind was engrafted into our system. The influence of the rich and powerful was such as to enable them to frame laws favorable to their interests, and during the last thirty years there has gradually grown two widely separate classes, distinct if not antagonistic, the debtor class endeavoring by labor and economy to earn a meager maintenance, while the efforts of the creditor class have been to secure the enactment of laws which would add to their wealth and of necessity add to the burdens which the debtor class must endure.

When the Government bonds were issued, more than thirty years ago, they stipulated that the interest was to be paid in coin, but there was no such stipulation for the payment of the principal, and they were purchased with the full understanding that they would be paid at maturity with the lawful money of the United States. The fact that these bonds were payable in greenbacks regulated their market price in coin, and on account of the depreciation of greenback money at that time they sold as low as 40 cents on the dollar. After the close of the war the Government was thoroughly under the control of a party whose power was always exerted in the interest of capital, and the creditors of the Government were strong enough to induce Congress to change the contract so as to make the principal of these currency bonds, as well as the interest, payable in coin. This was a gross violation of the contract between the bondholder and the people, and it was to the interest of the bondholder, who was rich, and it was against the poor.

Many of the victims of this great wrong fought as soldiers during the four years of war, receiving for their services $13 a month in the very currency which the Republican Congress declared was not good enough for the bondholder. There was nothing in the bond itself, nor in the law which authorized its issue, which justified this outrage.

EVEN THADDEUS STEVENS AND JOHN SHERMAN ADMIT IT TO BE CRIMINAL.

Thaddeus Stevens was very much instrumental in preparing and reporting the bill which provided for the issuance of these bonds, and he probably knew as much of its scope and meaning as any other member of Congress. Mr. Stevens could not tolerate this great wrong, extreme Republican as he was. He denounced the bill which proposed to pay these bonds in coin as a swindle. Mr. Stevens said;

I would vote for no such swindle on the taxpayers of the country. If I knew there was such a platform and such a determination on the part of my own party, I would, with Frank Blair and all, vote with the other party.

JOHN SHERMAN was quite as denunciatory of this measure as Stevens. He wrote what is called his celebrated Mann letter, dated March 29, 1868, referring to the proposed law in these words:

My construction of the law is the result of careful examination, and I feel quite sure an impartial court would confirm it if the case could be tried before a court. I send you my views, as fully stated in a speech. Your idea is that we propose to repudiate or violate a promise when we offer to redeem the principal in legal tenders. I think the bondholder violates his promise when he refuses to take the same kind of money he paid for the bonds. If the case is to be tested by the law, I am right; if it is to be tested by Jay Cook's advertisements, I am wrong. I hate repudiation, or anything like it; but we ought not to be deterred from doing what is right by fear of undeserved epithets.

Notwithstanding these admissions by such prominent Republicans that these bonds were payable in legal-tender Treasury notes, the Republican House, on March 18, 1869, enacted a law which required that these obligations to the Government should be paid in coin, notwithstanding that under the contract they should have been paid in legal-tender notes. It was called "An act to strengthen the public credit," and was in these words:

Be it enacted, etc., That in order to remove any doubt as to the purpose of the Government to discharge all just obligations to the public creditors, and to settle conflicting questions and interpretations of the laws by virtue of which such obligations have been contracted, it is hereby provided and declared that the faith of the United States is solemnly pledged to the payment in coin or its equivalent of all the obligations of the United States not bearing interest, known as United States notes, and of all the interest-bearing obligations of the United States, except in cases where the law authorizing the issue of any such obligation has expressly provided that the same may be paid in lawful money or other currency than gold and silver.

The effect of this law was to immediately increase the value of these bonds and add to the wealth of the holders of this evidence of indebtedness. Senator Morrill, afterwards Secretary of the Treasury, in referring to the effect of this law on these bonds, said:

The 5-20 6 per cent bonds, then selling at 88 cents on the dollar, soon rose to par in gold coin, and have since borne the average premium of 5 per cent at home and abroad.

SEVEN HUNDRED MILLION DOLLARS TAKEN FROM THE PEOPLE.

This law wrested from the working people of our land at least $700,000,000, which was presented as a gift to the rich holders of these bonds. In 1834 the ratio of silver to gold was fixed at 16 to 1, and from that time to 1873, the silver in the silver dollar was worth more than the gold in the gold dollar; and, therefore, when the law of 1869 was enacted the creditor was more than willing to receive silver in payment of the obligations of the Government. At a time when the silver dollar was more valuable than the gold dollar the law of 1870 and 1871 was enacted, which provided for refunding the national debt. This law provided that coin (meaning gold and silver) should be paid to satisfy these obligations. The law itself is found upon the face of the 4 per cent bonds. It is in these words:

This bond is issued in accordance with the provisions of an act of Congress entitled "An act to authorize the refunding of the national debt," approved July 14, 1870, amended by an act approved January 20, 1871, and is redeemable at the pleasure of the United States after the 1st day of July, A. D. 1907, in coin of the standard value of the United States on said July 14, 1870, with interest in such coin from the day of the date hereof at the rate of 4 per cent per annum, payable quarterly on the 1st day of October, January, April, and July in each year. The principal and interest are exempt from the payment of all taxes or duties of the United States, as well as from taxation in any form by or under State municipal, or local authority.

The contract is also printed on the 5 per cent bonds and is in these words:

This bond is issued in accordance with the provisions of an act of Congress entitled "An act to authorize the refunding of the national debt," approved July 14, 1870, amended by an act approved January 20, 1871, and is redeemable at the pleasure of the United States after the 1st day of May, A. D. 1881, in coin of the standard value of the United States on said July 14, 1870, with interest in such coin from the day of the date hereof, at the rate of 5 per cent per annum, payable quarterly on the 1st day of February, May, August, and November in each year. The principal and interest are exempt from the payment of all taxes and duties of the United States, as well as from taxation in any form by or under State, municipal, or local authority.

In 1872 it began to be apparent to the bond-holding people of this country that a certain number of the European nations were legislating against silver. Germany had virtually adopted a gold standard in 1871, and it was generally understood early in 1873 that the Latin Union would, in consequence of the action of Germany, be compelled to limit the coinage of silver.

Every branch of our Government was in the hands of Republicans and controlled by the wealth of the land, and in order to prevent the possibility of their coin bonds being paid to them in the depreciated metal they secured an act of Congress which demonetized the silver dollar so that the Government would be compelled to pay them for their bonds in gold. The great panic of 1873, which followed this legislation, caused a revolution in the country, which resulted in the passage of a bill by the House of Representatives providing for the free and unlimited coinage of silver at a ratio of 16 to 1.

This bill was amended in the Senate, and was finally enacted into a law which provided for the limited coinage of silver. This law remained in force until the Republicans obtained control of the Presidency and both Houses of Congress, when, on July 14, 1890, they enacted the Sherman bullion law, the repeal of which is now being considered. Under the coinage law of February 28, 1878, there was coined about 3,000,000 standard dollars per month, and under the bullion law of July 14, 1890, a little over $3,000,000 of Treasury notes have been issued per month.

This law, called the Sherman bullion law, is vicious in many respects. All people concur that it should be repealed, but as the coinage act of 1878 was repealed when the Sherman law was enacted, the friends of the people contend that some coinage law should be enacted when the Sherman bullion law is repealed.

MONEY MUST BE PROPORTIONED TO PROPERTY.

I lay down as the fundamental proposition that all money to have a full-purchasing and debt-paying power must be ultimately redeemable in coin; and, therefore, the amount of currency in the country must be substantially limited or rather regulated by the amount of coin. I also lay down as a fundamental proposition that for success and prosperity the amount of money in the country, currency and coin, must bear a proportion to the total amount of property.

In 1850 the United States produced from fifty to fifty-five million of gold and scarcely any silver. The property in the United States at that time was $7,135,780,288, which was 129 times the annual production of gold and silver combined.

In 1853 we produced $65,000,000 of gold and only $50,000 of silver. The property of our country was about $7,500,000,000, and was therefore 115 times greater than our annual production of gold and 115 times greater than our production of both gold and silver.

In 1860 the annual production of gold was $46,000,000 and the annual production of silver $150,000. The total property in the country was $16,159,616,068, and therefore the amount of property in the country was 351 times greater than the production of gold and 350 times greater than the production of both gold and silver.

In 1870 the production of gold was $50,000,000 and the production of silver $16,000,000. The value of property in the United States was $30,068,518,507. Therefore, the property in the United States in 1870 was 601 times greater than the annual production of gold and 455 times greater than the annual production of both gold and silver.

In 1880 the annual production of gold was $36,000,000 and of silver $39,200,000. The total amount of property in the country was $43,642,000,000. We, therefore, see that in 1880 the property in the country was 1,212 times greater than the annual production of gold, and the property in the country was 607 times the annual production of all the gold and silver.

In 1890 the United States produced $32,845,000 of gold and $70,465 of silver. The total amount of property was $62,610,000,000. Therefore the amount of property in the country was 1,906 times the annual production of gold, and the amount of property in the country was 552 times the total production of both gold and silver.

It will be see that since 1850 the property of the country has increased ninefold, and therefore we need nine times as much money, and therefore nine times as much coin, upon which to base currency.

PROPERTY OF THE UNITED STATES INCREASES TWICE AS FAST AS MONEY

But to bring matters down further, last year we produced $33,000,000 in gold and $74,989,900 of silver. The total amount of property was then estimated at $68,000,000,000 and, therefore, we see that the amount of property in the country was 2,060 times the annual production of gold and 627 times the annual production of both gold and silver.

We see by the above figures that during the forty years from 1853 to 1893 the property in the United States has increased ninefold.

In 1853 the specie or coin in the country was $236,000,000. Consequently, for the specie or coin in the country to now bear the same proportion to property as it did fifty years ago we should have $2,124,000,000 of coin or specie, whereas the actual amount, as shown by the report of the Treasury, is as follows:

Gold coin	$520,273,567
Standard silver dollars	419,332,450
Subsidiary silver	76,563,878
Total	1,016,169,895

The above is less than one-half the proportion, and yet the gold-standard men in this Hall are using the utmost endeavors to cut down the coin of the country to one-half of what it is, therefore making it one-fourth the proportion we had in 1853, during our days of Democratic rule and great prosperity. It has been suggested that we have made up the deficiency with paper money; but our friends are in great error on this point.

In 1853 we had $188,181,000 in paper currency. With our increased property we ought now to have $1,693,629. The report of the Treasury shows that the amount we actually have is as follows:

Gold certificates	$87,704,732
Silver certificates	333,031,504
Treasury notes, act July 14, 1890	148,386,348
United States notes	346,681,016
Currency certificates, act June 8, 1872	8,340,000
National bank notes	183,756,147
Total	1,107,798,754

We therefore see that we fall far short in currency as well as in coin, but what makes matters worse is the present centralizing system by which one-fourth or 25 per cent of the money of the country is in the Treasury, whereas in 1853 only about 6 per cent of the money was in the Treasury—the rest was all in circulation; but the worst feature is yet to be alluded to. Under the centralizing financial policy of the Republican party nearly all the money which is supposed to be in circulation is concentrated in the great financial centers of the Northeast, while the South and West are almost entirely denuded of money of any kind.

It is customary to compare the amount of money in circulation to the population of the country under consideration. This is all proper, but other important comparisons should be made.

The relation of money to the property or wealth of a country should be considered.

I have prepared a table which shows the wealth, the circulation, the per cent of circulation to wealth, the population, money per capita, and the ratio between gold and silver in the principal nations of the earth.

Monetary systems, population, and approximate wealth and stocks of money in circulation and per capita in the principal countries of the world.

Countries.	Ratio between gold and full legal-tender silver.	Ratio between gold and limited-tender silver.	Population.	Circulation per capita.	Wealth.	Money circulation—gold, silver, and paper.	Per cent of money to wealth.
GOLD AND SILVER COUNTRIES.							
United States	1 to 15.98	1 to 14.95	67,000,000	$24.34	$69,000,000,000	$1,665,390,000	2.4
France	1 to 15½	1 to 14.28	39,000,000	40.56	42,990,000,000	1,681,402,000	4.0
Belgium	1 to 15½	1 to 14.28	6,100,000	25.53	5,035,000,000	174,000,000	3.2
Italy	1 to 15½	1 to 14.38	31,000,000	9.91	13,815,000,000	307,276,000	3.1
Switzerland	1 to 15½	1 to 14.38	3,000,000	14.67	2,470,000,000	44,000,000	1.7
Greece	1 to 15½	1 to 14.38	2,200,000	9.09	1,500,000,000	20,000,000	1.3
Spain	1 to 15½	1 to 14.28	18,000,000	16.56	12,580,000,000	298,000,000	2.3
Netherlands	1 to 15½	1 to 15	4,500,000	28.88	4,900,000,000	130,000,000	2.6
Turkey		1 to 15.1	33,000,000	2.88	2,965,000,000	95,000,000	3.2
Japan	1 to 16.18		40,000,000	4.90			
Total			243,800,000		155,255,000,000	4,415,068,000	
GOLD COUNTRIES.							
United Kingdom		1 to 14.28	38,000,000	18.42	47,000,000,000	700,000,000	1.4
Germany		1 to 13.957	49,500,000	18.54	32,185,000,000	916,000,000	2.8
Portugal		1 to 14.68	5,000,000	19.00	2,040,000,000	95,000,000	4.6
Austria-Hungary		1 to 13.69	40,000,000	9.75	19,275,000,000	390,000,000	2.0
Scandinavian Union		1 to 14.38	8,600,000	8.02	6,420,000,000	69,000,000	1.0
Australia		1 to 14.28	4,000,000	26.75	6,865,000,000	107,000,000	1.5
Canada		1 to 14.95	4,500,000	13.56	4,900,000,000	61,000,000	1.2
Egypt		1 to 15.68	7,000,000	16.43		115,000,000	
Cuba, Haiti, etc	1 to 15½		2,000,000	31.00			
Total			159,000,000		118,685,000,000	2,455,000,000	
SILVER COUNTRIES.							
Russia	1 to 15½	1 to 15	118,000,000	7.16	25,445,000,000	810,000,000	3.1
Mexico	1 to 16½		11,600,000	4.91		57,000,000	
Central America	1 to 15½		3,000,000	.84		2,500,000	
South America	1 to 15½		35,000,000	19.14		670,000,000	
India	1 to 15		255,000,000	3.64		928,000,000	
China			400,000,000	1.75		700,000,000	
Total			817,600,000		25,445,000,000	3,167,500,000	

It will be seen by this table that the silver and gold countries own nearly half the wealth of the world; that they have 25 per cent of the earth's population and half of the money now in circulation in the world. We also see that the population of the gold-standard countries are only one-tenth of the population of the world; that they have but about two-thirds the wealth of the gold and silver countries, and that the money in circulation in the gold countries is just about half the money in circulation in the gold and silver countries. We also see that the gold countries are all Imperial or Monarchal governments, controlled by the wealthy nobility, who make the laws in their interests and against the interests of the laboring peasantry of those lands.

ENGLAND IS OPPOSED TO BIMETALLISM.

The New York Press insists that the moment we repeal the purchasing clause in the Sherman act, England and the other gold-standard nations of the earth will hasten to propose international bimetallism. I do not think it is possible for anyone to conceive of a more improbable result. England and some of the other gold-standard countries are especially interested in maintaining a gold standard. Gladstone stated that England was a creditor nation to the amount of $10,000,000,000. Does anyone suppose that such a nation will adopt any course which will reduce the purchasing power of money? The least money there is in the world, the more valuable is the money which is owed to England. Again, if we omit Australia the United States produces seven times as much silver as is produced by all of the other gold-standard countries combined.

I give below a table showing the production of silver by the United States, ond by the gold standard countries:

Table showing a comparison of the amount of silver produced in the United States with the amount produced by the gold, standard countries of the world.

United States, bimetallic	$74,989,950
United Kingdom, gold standard	255,650
Germany, gold standard	7,921,336
Austria-Hungary, gold standard	2,161,951
Scandanavian Union, gold standard	387,400
Australia, gold standard	17,375,677
Canada, gold standard	407,100

The other gold-standard countries, viz., Portugal, Egypt, Cuba and Haiti, are not reported by the Director of the Mint as producing any silver.

DEMOCRATS INCREASE MONEY; REPUBLICANS CONTRACT IT.

I may as well at this point call attention to the fact that under Democratic rule the effort of the party in power was to constantly increase the money of the country in order to meet its growing needs. The great prosperity during the ten years prior to 1860 was without parallel in the history of any country. The gold production, amounting on an average to some 60,000,000 a year, gave promise under our free-coinage laws of a great annual addition to money. After the war was over and the Republican party was in full control of the Government they commenced legislating on finance. The whole purpose seemed to be to yield to the demands of money kings to reduce the amount of money in the country as far as possible.

ANDREW JACKSON AND NATIONAL BANKS.

By the national-bank laws this country, with $68,000,000,000 of property, more than $67,000,000,000 is prohibited from being used as a basis for banking. The evils of the banking system which the Republican party has ingrafted into our system and by which the Federal Government virtually becomes a partner in every bank of issue in our land was foreseen by a great statesman more than three-fourths of a century ago. These views were forcibly expressed in Andrew Jackson's great veto message of July 10, 1832. This able paper warned all people of the direful results which could be expected from a system of banking conducted pursuant to laws enacted by Congress which committed even in a limited degree the banking of the country to such Federal institutions. Andrew Jackson was a true Democrat and friend of the people. He clearly foresaw and predicted the condition with which we are to-day confronted. He clearly foretold the evils which would arise from a national bank system or United States bank system. He explained that the money power thus organized would exercise their strength for their own benefit and that it would seriously injure the people. Old Hickory, as he was called, clearly showed that a bank charter then before Congress was in the interest of the rich and against the interests of the poor. He said:

It is to be regretted that the rich and powerful too often bend the acts of government to their selfish purposes.

President Jackson went on to say:

When the laws undertake to add to these natural and just advantages artificial distinctions; to grant titles, gratuities, and exclusive privileges; to make the rich richer and the potent more powerful, the humble members of society, the farmers, mechanics, and laborers, who have neither the time nor the means of securing like favors to themselves, have a right to complain of the injustice of their Government.

It will be seen that President Jackson here very aptly describes the present banking system. This great defender of the people then says:

Experience should teach us wisdom. Most of the difficulties our Government now encounters, and most of the dangers which impend over our Union, have sprung from an abandonment of the legitimate objects of our Government by our national legislation and the adoption of such principles as are embodied in this act.

The law President Jackson was referring to was similar in many respects to the present national banking laws. They both made the Government virtually a partner in the banks. President Jackson then said:

Many of our rich men have not been content with equal protection and equal benefits, but have besought us to make them richer by acts of Congress.

So impressed was this great man with the views expressed in the veto message that he referred to it in his farewell address of March 3, 1837. He said the bank charter—

gave to its advocates the position they had struggled to attain from the commencement of the Federal Government down to the present hour.

This is true of the Republican financial system. It is the same system of concentration which the Federalists sought to ingraft upon our Government. He also said that the—

peculiar privileges bestowed upon it enabled it to exercise despotic sway over the other banks in every part of the country. From its superior strength it could seriously injure, if not destroy, the business of any one of them.

In his address Gen. Jackson also said:

That it asserted the power to make money scarce or plenty at its pleasure at any time and in any quarter of the Union by permitting an expansion or compelling a contraction of the circulating medium according to its own will.

This is certainly true regarding the Republican laws for the last twenty-five years. They have sought to make the money held by the rich more valuable by making it scarce when it was to their advantage to do so. Gen. Jackson also said:

The result of the ill-advised legislation which established this great monopoly was to concentrate the moneyed power of the Union.

Certainly the national banking system concentrates the moneyed power of the Union. This concentration has been going on for nearly thirty years, and now fully three-fourths of the money in the United States is concentrated in the great money centers of the Northeast. Money is so abundant in New York that it often seeks loans at 1 and 2 per cent, when in the rural districts of the South and West it is almost impossible for our people to borrow money even at exorbitant rates of interest.

Toward the close of his address, President Jackson says:

We are not left to conjecture how the moneyed power thus organized and with such a weapon in its hands would be likely to use it. The distress and alarm which pervaded and agitated the whole country when the Bank of the United States waged war upon the people in order to compel them to submit to its demands can not yet be forgotten.

Is it not true that the moneyed power in our country is exercising its power upon the people and Congress to compel this body to comply with their demands?

DEMOCRATIC PLATFORMS SINCE 1840 DENOUNCE NATIONAL BANKS.

The extracts which I have read from Jackson's veto message of 1832, and his farewell address of 1837, were the dominant Democratic sentiments of that time regarding the pernicious effects of national banks. On May 5, 1840, the Democratic national convention met at Baltimore and nominated Martin Van Buren for President. The sixth plank of the platform, which was unanimously adopted, was in these words:

Resolved, That Congress has no power to charter a United States bank; that we believe such an institution one of deadly hostility to the best interests of the country, dangerous to our republican institutions and the liberties of the people, and calculated to place the business of the country within the control of a concentrated money power, and above the laws and the will of the people.

I ask my colleagues if this prediction has not been verified. Is it not true that these institutions are here to-day demanding that the business of the country be placed within the control of a concentrated money power and against the will of 90 per cent of the people of our country?

Four years later, in 1844, Polk and Dallas were nominated. The sixth plank of the platform which carried the banner of Democracy to victory over the great Whig leader, Henry Clay, was precisely the same words as the financial plank in the platform of 1840. Again, four years later the national Democratic convention of 1848 indorsed the same principles. The eighth plank, in referring to Democratic financial principles, said:

The results of Democratic legislation in this and all other financial measures upon which issues have been made between the two political parties of the country, have demonstrated to careful and practical men of all parties their soundness, safety, and utility in all business pursuits.

And the fourteenth plank, in referring to Gen. Jackson's great message, by which he vetoed the banking charter, asserted that the veto power—

has saved the American people from the corrupt and tyrannical domination of the Bank of the United States.

DEMOCRATS DEFEND LIBERTY.

It must be remembered that this convention met at an important epoch of our country. During the preceding four years the Democratic party had conducted a glorious and successful war with Mexico. The gallant American heroes were just returning home, crowned with fame and glory achieved in a glorious campaign wholly within the territory of their antagonist. They had carried the flag of our country to the very capital of the ancient empire of Mexico; they had acquired vast territory, which had added many-fold to the wealth of our country. The success of our arms had added to the honor and power of the Stars and Stripes on every sea and in every port. The Democratic party were proud of their great achievements. They showered honors upon the brave men who had achieved these great victories.

In the Democratic platform of 1848, in congratulating the country upon the achievements of the Democratic party, the great leaders seemed to regard all these triumphs, great and valuable as they were, as of less importance than the Democratic achievement of preserving the rights and liberties of American people in their own homes and firesides; and in the twenty-first plank of their platform these great and good defenders of the people say:

Resolved, That the fruits of the great political triumph of 1844, which elected James K. Polk and George M. Dallas President and Vice-President of the United States, have fulfilled the hopes of the Democracy of the Union in defeating the declared purposes of their opponents in creating a national bank.

We see here that the Democracy dropped the words "United States bank" and called these institutions national banks, and I desire my colleagues to observe that the Democratic party of 1848 was so impressed with the evils of national banks that they regarded the success of the Democracy in preventing their creation as of more value to the American people than the triumphs of arms and the acquisition of the vast territory which has given us hundreds upon hundreds of millions of gold and silver.

In 1852 the ninth plank of the platform of the convention which nominated Pierce and King was in these words:

Resolved, That Congress has no power to charter a national bank; that we believe such an institution one of deadly hostility to the best interests of the country, dangerous to our republican institutions and the liberties of the people, and calculated to place the business of the country within the control of a concentrated money power, and above the laws and will of the people; and that the results of Democratic legislation in this and all other financial measures upon which issues have been made between the two political parties of the country have demonstrated to candid and practical men of all parties their soundness, safety, and utility in all business pursuits.

The tenth plank was in these words:

Resolved, That the separation of the moneys of the Government from banking institutions is indispensable for the safety of the Government and the rights of the people.

In 1856 Buchanan and Breckinridge were nominated. The seventh and eighth planks of the national Democratic platform being precisely in the same language as the ninth and tenth planks of the platform of 1852, and the ninth plank reiterated that the veto power of the President—

has saved the American people from the corrupt and tyrannical domination of the Bank of the United States—

of course referring to the bank veto message of President Jackson.

THE COLOSSAL FRAUD.

The most unblushing and colossal fraud which has been injected into the debate is the "honest dollar fraud," as interpreted by the banker and capitalists of the great money centers.

They tell us that the people of the great West owe them money on mortgages and they want it paid in honest dollars.

Now, I lay down as a correct proposition that the laws of a country enter into and form a part of every contract between its citizens.

Now, let us explain by some of the millions of examples which illustrate the injustice of the capitalist demand and the crushing hardship and wrong he asks us to inflict upon the struggling masses who have built up and created an empire in the rural sections of the South and West.

Take the Northern Pacific Railroad as an illustration. It has sold millions of farms to honest toilers. They paid part of the purchase money, and mortgaged the farm for the remainder.

These sturdy farmers have built homes and made a garden of a barren waste.

When the farm was purchased and the mortgage executed the silver coinage laws of the land provided for an increase of money in the United States at the rate of from $3,000,000 to $4,000,000 a month.

The money in the United States was therefore increasing, so as to, in a manner, keep pace with the increase in property and wealth.

The tendency of the monthly increase would be to make it easier for debtors to meet their obligations, and in every case this enlargement of the volume of money was essential to enable the debtor to fulfill his contract.

Now these creditors come to us and demand that Congress change the contract by stopping all increase of money, and if we comply with their demand we change the condition so as to make it very difficult and, in many cases, impossible for these debtors to pay their mortgages, and the beautiful homes they have built up will be swept away, and the honest farmer, with his wife and children, instead of being a land owner, becomes a tenant.

While the people of the Northeast are crying "honest dollar," let me remind them that very many of the loans they made were in silver dollars containing 371¼ grains of pure silver, the very dollar they now say is fraudulent and not fit to be returned to the modern moneyed aristocrat of the great centers of wealth.

I will also state that in cases where the loan was not made in silver dollars they were made in currency or coin which was of precisely the value of silver dollars and was exchangeable for silver dollars, and these silver dollars were just as easily exchangeable into gold or other money equal in value to gold. And now the heartless creditors say that the kind of money they either loaned or contracted to receive for property sold to honest men is not good enough for their lordships, and they demand that Congress shall enact laws the effect of which would be to compel payments to them under such circumstances as to make every dollar due them have a purchasing and debt-paying power nearly double what it was when they accepted the notes, mortgages, and other obligations.

These are the same men or same class of men who owned currency bonds in 1869, and induced a corrupt Congress to enact a law providing for the payment of the currency bonds in coin, thus wresting $700,000,000 from the people.

They are the same men who, in 1871, procured the enactment of the refunding law which provided that the bonds to be issued should be paid in coin.

They are the same men who, finding that the ratio of gold to silver was changing in favor of gold, came before Congress in 1873 and procured the demonetization of silver, so as to compel the Government to pay them the amount due on their bonds in gold.

It is therefore not surprising that such men should bring to bear the unprecedented influences now being exerted to enforce these demands for legislation which, if successful, will result in denying any further coinage into money of the produce of the rich silver mines with which God has blessed our country.

Mr. Speaker, while there is a great difference of opinion as to the cause of the financial strain from which the country is suffering, I believe no one will question that if the fifty millionaires referred to by Chauncey Depew were to issue an advertisement announcing that the money they had hoarded and were withholding from circulation would be loaned upon gold-bearing bonds, secured by three times the amount loaned, the stringency would cease almost immediately.

If those men have not caused the stringency, at least it is in their power to cause the stringency to cease within one hour, and to restore prosperity to our land.

I believe the brokers, bankers, and capitalists are largely responsible for the condition of our country? I read from a New York paper a statement attributed to Mr. Ward McAllister. He says:

I would much prefer to send a young man out West on a farm than to advise him to become a broker in Wall street. That is one of the worst fates that can befall a man of refined temperament. A broker, from the necessity of his business, is obliged to eschew all mercy, human kindness, and, in some extreme cases, to be given to lying. He believes in the doctrine that the end justifies the means, and that success makes the man and the want of it the fellow.

I take most serious issue with Mr. Ward McAllister in his opinion regarding New York business men, whether they be brokers, merchants, or capitalists. I believe they are as honest and honorable as any business men in any of the moneyed centers of the world. No doubt there are a few corrupt and bad men among them, but no more than is found in other business communities; but the difficulty is that the interests of these men is very different, and, I might say, opposed to the interests of the people of the South and West. They are lenders of money, while the people of the South are largely borrowers.

The wealth of these men would be vastly increased by the establishing of a gold standard, whilst such legislation would produce poverty and distress throughout the rural sections of the South and West.

If the gold standard is adopted they would become virtually money kings and their power to control legislation would be very much strengthened, and we can safely assume that they would exercise their power in their own interest, and therefore greatly to the disadvantage of the people of the South and West.

They would be tenfold stronger then than they are to-day, and their powers would be exercised as men of that character always exercise power intrusted to their hands. No; let me tell my fellow members that the moment the Sherman act is repealed there will not be a line or a word in the laws of our country recognizing the coinage of silver, and there never will be during our lives or the lives of our children.

The men who succumb to these powerful influences will be wined and dined and applauded by these millionaires, who will take them to their tables with gold service and with French waiters standing behind their chairs; but I would rather sit down to the table of those honest Christian constituents of mine, who for twenty-five years have been the victims of Republican financial legislation, men and women descended from the best and greatest people of our land, raised in comfort and affluence, but reduced to poverty by the legislation that is sought now to be perpetuated as the principle of the finance of our Government. Humble though the repast would be, it would be under a roof which sheltered honest, Christian, virtuous men and women. It is from such homes that come all the soldiers who defend the honor and the interests of our country when war, with all its horrors, comes upon us.

The advocates of national banks and the single gold basis say that the trouble is that the people do not work. The people of the South, they say, are lazy. Those people were prosperous prior to 1860. Their production of cotton from 1850 to 1860 averaged about three million bales a year. Now they make nine million bales. They work three times as hard and they make three times as much; yet they are three times as poor. It is caused, and caused alone, by the financial system which for twenty-five years has cursed our country. [Applause.]

Fallacies of Senators on the Financial Question Exposed.

SPEECH

OF

HON. WILLIAM M. STEWART,

OF NEVADA,

IN THE SENATE OF THE UNITED STATES,

Thursday and Friday, October 26 and 27, 1893.

The Senate having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. STEWART said:

Mr. PRESIDENT: I desire to call attention to a matter that was overlooked by the stock operators in New York yesterday. On the news that there was likely to be a speedy vote on the pending bill they advanced the price of stocks, a long list of which is given, but they overlooked another very important matter. They neglected to advance the price of wheat and cotton. December wheat opened at 65¼ and closed at 64⅜; May opened at 72⅛ and closed at 71⅛, and thus with the whole list of grain. November cotton opened at 8.05 and closed at 8.03, and so on through the whole list. They neglected to make a showing there to influence Congress. I hope the next time they will put up wheat and cotton with the other stocks, so that the stock market may have its full effect and bearing upon legislation.

In my remarks the other day I stated that it was the object of the action of Great Britain in suspending coinage in India to cripple the Indian manufacturers and by that means relieve the manufacturers of England from the competition of India with foreign countries. I hold in my hand an interview with a celebrated English gentleman, Mr. Frewen, who states:

The financial stringency in India becomes more acute daily, and not only is the government of India finding it impossible to sell its silver bills but since the Indian mints closed in June India's exports to China have fallen off by more than 50 per cent, and the Government revenue from the opium sales to China is greatly shrunk.

That is what was anticipated, and what I stated would be the inevitable result of compelling India to use dear money, appreciating money; that it would deprive her of her rupees; and that when that was done her power to furnish the Orient with commodities would be destroyed and England by that means would regain the trade. It is operating precisely in that way. That was the intention, and if they can place us in the same list they will reduce our exports. In the whole world every country is verifying the truth that an honest measure of value which keeps pace with the increase of population and bears a permanent and stable relation to the value of products, encourages production, encourages exports, and places that country in an advantageous position as against the country that is using a dishonest and an appreciating currency. I have heretofore called attention to that truth.

I do not wish to prolong this debate, but I do not think that my duty will be performed without calling attention to the fact, although the debate has been in progress for nearly three months, and although the entire gold press has continually charged that it was for the purpose of delay on the part of those who are opposed to this legislation. We have heard that continually, and we have heard many expressions of discontent on the part of Senators here that there should be so much delay. In fact in their speeches they have assumed that this discussion was for delay.

There have been something over twenty speeches made by the friends of the pending bill, and I undertake to say that in all those speeches they have been unable to point out in what way the country was to be benefited by this proposed legislation that they have so earnestly and peremptorily demanded. I do not think this debate should close without the attention of the country being called to the weak and inconsequential efforts that they have made to sustain this miserable cause.

I will take first the speech of one whom we all recognize as equal in intellect and equal in experience to any man in the Senate. I refer to the Senator from Iowa [Mr. ALLISON]. He made a labored and elaborate speech, but he failed to show any good results that could possibly flow from this proposed legislation. On the contrary, he admitted, as I shall show, that when this bill passes we shall be in a hopeless and helpless condition. He did not give us one ray of hope. He made no statement showing by what possibility prosperity could be restored by this measure. He reviewed the coinage laws and stated what they were. He said:

The Senator's statement is in corroboration of what I say, and shows that there was no public opinion in either party insisting upon a larger coinage than a minimum under the Bland act; but I am not on that point. I am now upon the point that in this country, with a question discussed more than any other question has been discussed, no political party has ever gone before the people favoring the free coinage of silver or the destruction of gold as the measure of value, which was made the measure of value in 1873.

In that of course he is mistaken Ever since the fraud of 1873 was discovered there has been an attempt on the part of the people to right that wrong, and I undertake to say that each political party and all public men have told the people that they were in favor of setting that wrong right.

Mr. PALMER. May I ask the Senator a question?

The PRESIDING OFFICER (Mr. PASCO in the chair). Does the Senator from Nevada yield to the Senator from Illinois?

Mr. STEWART. In a moment. And they claimed that they were in favor of honest bimetallism.

Mr. PALMER. I wish to ask the Senator whether there is any party in this country, any considerable party, that favors making silver the measure of value?

Mr. STEWART. Either gold or silver coin.

Mr. PALMER. I mean whether any party is in favor of making silver the measure of value.

Mr. STEWART. Certainly.

Mr. PALMER. Is that the position of the Senator?

Mr. STEWART. That is my position distinctly. I am in favor of making coin, either gold or silver, the standard of value;

COINED DOLLARS;

and I am in favor of the law which existed from time immemorial, making the coin out of either metal.

Mr. PALMER. But does the Senator mean that the coin shall be equal in value? Is that his theory?

Mr. STEWART. That is my theory, that the coins shall be of equal value if they are dollars. I undertake to say that we have a right to make dollars out of these metals, whether the commodity is of equal value or not. That is free coinage.

Mr. PALMER. If I may be allowed to interrupt the Senator further, I understand his theory to be that the free coinage of both metals would make them of equal value.

Mr. STEWART. Certainly it would make the coins of equal value. Our coins are now of equal value, without free coinage. Our silver dollars are as valuable as the gold dollars. The only way the two metals can be kept at a parity is by coining them both and giving them both the same coinage privileges; and then if one is more plentiful than the other, and can be more easily obtained, the demand will all fall on that metal and the other will not be used, and then the one will very soon be brought up to the other. That is what equalizes them. That is the only way you can maintain parity.

How can you talk about parity by redeeming one in another when one must be kept afloat by redemption in the other? One is money of ultimate payment and the other is only credit money and there is no parity of the metals, no more than there is between gold coin and unstamped paper. There is no parity between gold and silver in the sense in which that term is used if

you must redeem silver in gold. You can put paper money on a parity with gold in the same sense by a promise of redemption. It is then credit money. But the parity of gold and silver coin as well as of gold and silver metal have been sustained during all the ages by unlimited coinage of both and using the cheaper metal. The demand will all fall on the one most convenient to obtain and then it will soon be as dear as the other.

Mr. PALMER. As I understand the Senator's theory, it is that the cheaper metal will be used?

Mr. STEWART. Yes.

Mr. PALMER. And the dearer metal will vanish?

Mr. STEWART. No, it will not vanish; but what there is will be used and the supply will be made good by a more extensive use of the plentier metal.

Mr. PALMER. Well, it will disappear; it will leave business.

Mr. STEWART. No, there will be more of the cheaper metal coined, and the increased demand for it will make it as dear as the other.

Mr. PALMER. For the present the Senator proposes that silver shall be the standard of value?

Mr. STEWART. I propose to supplement gold with silver. The gold can not vanish until we can not only obtain silver enough to take its place, but until we can obtain silver enough to produce higher prices here than in other countries.

Mr. PALMER. I suppose gold would go where it is more profitably employed, and more useful, and silver would stay where it will serve the purpose. Then the Senator favors the silver standard in this country.

Mr. STEWART. I favor that standard which we shall have by pursuing the course of the ages, by opening the mints to either metal on equal terms, as every country did until speculators interfered with the automatic theory. In every country both metals were used, the more plentiful metal was in the more general use. From the discovery of America up to 1803 Humboldt tells us that there were 44 ounces of silver produced to 1 ounce of gold. The parity remained. There was very little change; but they had to use more silver than gold, because there was more silver produced than gold. Some countries did not have much of anything but silver. They had to use silver, or have no money.

Mr. PALMER. At such time as it may suit the Senator I should like to ask him another question.

Mr. STEWART. Very well; ask it now.

Mr. PALMER. I understand the Senator to say that for the present, without reference to the past, he favors the silver standard in this country.

Mr. STEWART. I favor the coinage of silver for the purpose of preventing contraction, which will bring it up to the standard of gold. I favor using silver to prevent falling prices and ruin——

Mr. PALMER. But for the present, with the hope that the silver may ultimately reach the price of gold?

Mr. STEWART. Whether it reaches it or not, I am in favor of coining silver.

Mr. PALMER. The Senator is in favor of the silver standard now?

Mr. STEWART. Why does the Senator persist in saying I am in favor of the silver standard when I tell him that I am in favor of the standard of coin made of either metal, whichever is most convenient to obtain.

Mr. PALMER. Oh, yes.

Mr. STEWART. I am in favor of either silver or gold; but I am in favor of making the coin out of either metal, and if we can obtain more silver than we can gold we would make more silver coin, and *vice versa*.

Mr. PALMER. I have listened to the Senator with a great deal of interest, and I have understood him to hold that there is an absolute necessity for the present, for a time, that silver shall be the standard. I care nothing about the reasons, but the actual fact is that for the present silver must be that standard.

Mr. STEWART. I do not think so.

Mr. PALMER. The Senator does not think so?

Mr. STEWART. I do not think so. I do not think if it should be the case it would make any difference.

Mr. PALMER. I should be glad to hear the Senator on that point.

Mr. STEWART. If the Senator will just sit down a moment I will tell him.

Mr. PALMER. Very well.

Mr. STEWART. I do not think it will drive the gold out, because I do not think we can get enough to drive it out. I should be glad if gold would go to a premium. It would increase our exports and discourage imports from Europe and the gold countries, and increase our trade with silver-using countries. I do not think that can happen, and I will tell you why. It is said that we have $600,000,000 of gold. As the Senator said, gold will go where it will buy the most property. If that $600,000,000 would go out when we pass a free-coinage law prices would fall away out of sight; you could buy a farm for a few dollars.

Would gold go and leave those things? No; gold will stay until the range of prices in this country rises above prices in other countries. It would stay here while prices did rise above prices in other countries. I hear Senators talk about free coinage producing contraction. That is impossible. The gold can not go out as long as it is wanted here. If you adopt silver, gold must stay here as long as it is more useful here than elsewhere. It will not go and leave a vacuum, or what is the same thing, contraction. The loss of gold, if at all, would be very gradual. It is admitted we need more than $200,000,000 more circulation to supply the present demand and make up existing deficiency in our circulating medium, and even $60,000,000 or $70,000,000 more to keep pace with population and business. It would require $600,000,000 to take the place of gold, if the gold should go out as alleged by monometallists. The world's supply for forty or fifty years is anticipated by these demands, and all these demands must be supplied before gold can go to a premium.

Mr. PALMER. Will an interruption be agreeable to the Senator?

Mr. STEWART. Entirely.

Mr. PALMER. I have understood myself to be a bimetallist, and the theory is that the country shall have the benefit of the coinage of both metals. I have supposed that it was possible, according to the Chicago platform, that some system of coinage should be adopted by which we could have both. I understand the Senator to state in substance that we can not have both in the actual business of commerce——

Mr. STEWART. Oh, no.

Mr. PALMER. But that silver is the profitable standard of the two, and that the gold will disappear; that it ought to disappear? Is that the theory?

Mr. STEWART. Do I understand the Senator to say he is a bimetallist?

Mr. PALMER. I am.

Mr. STEWART. How is he going to accomplish that? Let me ask him a question.

Mr. PALMER. I recollect once a friend of mine, a good many years ago——

Mr. STEWART. Answer it squarely, and do not tell a story. I want a categorical answer.

Mr. PALMER. I do not know how to do it except by the processes now in force.

Mr. STEWART. What are the processes in force?

Mr. PALMER. That silver shall be coined and introduced as fast as it can be absorbed in this country without disturbing the presence of gold, which is to-day the standard of value in this country.

Mr. STEWART. Now the Senator is entirely mistaken. He is not a bimetallist and does not know anything about bimetallism. The idea of being a bimetallist when you coin but one metal and do not coin the other. Do you call that bimetallism? If you do not coin one metal but coin the other and then start the two in a race do you expect them to run even? The two metals had a race for three thousand years, neck and neck, and they came under the wire in 1873 with silver slightly in the lead. After a race of three thousand years, with equal access to the mints, it was a draw game. Now one of them is hobbled and overloaded and crippled and shot down, and the Senator complains that it can not run as fast as the other.

Mr. PALMER. There is a good deal in that, I confess; but is the Senator a bimetallist?

Mr. STEWART. I am.

Mr. PALMER. Let me see what his position is.

Mr. STEWART. I am a bimetallist, and I will explain it. I am a bimetallist because I believe in making money out of the two metals, and under the same conditions. That is the only way bimetallism can be sustained. To talk about maintaining the parity of the two metals by coining only one is ridiculous. You might as well try to make two and two five. The people do not understand it. They have not learned the A B C of bimetallism. These are money metals, and the right to make money out of either of them is what we are contending for; and we say in this country, if we had a right to make money out of silver, we might make more money for a time out of silver than we would make out of gold, but it would very soon change again.

Mr. PALMER. Will the Senator allow me to ask him one more question?

Mr. STEWART. Any question.

Mr. PALMER. Can we make money of equal value out of the two metals?

Mr. STEWART. Exactly. There is no doubt of that.

Mr. PALMER. By what process? I should be obliged to the Senator if he would tell me.

Mr. STEWART. By coining. That is the way it has always been done. Your silver coin is worth as much as the other. Just coin them into dollars. The dollars are of equal value. That is the only way it has been done. It is the simple process which has been tried for three thousand years and never failed.

We are not experimenting, but following the custom of all the ages. All countries, while they were consulting the interest of the people and not the interest of a class, secured all the gold or silver they could, whichever was most easily obtained, without discrimination. Now is a most favorable time to obtain silver, because Europe, for the purpose of benefiting the creditor and robbing the debtor, has abandoned silver and made it easy to obtain. It was fifty years before she determined which metal it was best for the creditor to discard. England discarded gold in 1816. The balance of the world used silver, and some used both gold and silver. There were sufficient mints open for silver and for gold to preserve the parity. During the first half of this century there were produced 35 or 40 ounces of silver to 1 ounce of gold. Then came California and Australia, and for fifteen years there was only about 5 or 6 ounces of silver to 1 of gold, or four or five times as much value of gold as of silver.

Then Chevalier and others said to England, "You made a mistake, gold is going to be the more plentiful metal, and we must demonetize that to carry out your theory of robbing the world." England sent a commission, as I have stated before, to California and Australia. I traveled with that commission for three weeks in 1854. They were examining the question whether there was going to be a permanent crop of gold and they came to the conclusion that there was not. Then the Comstock was discovered and England said, "What did I tell you? We are right. The way to cinch the world is to destroy silver, because that is the more reliable and the more plentiful metal," and consequently the act of 1873 was passed here, as the Senator from Ohio tells us, through English influence.

I said to the Senator from Iowa, in reply to his question:

Both parties were juggling with the country, and were making platforms to deceive. That is the reason why I would not stand with them.

Mr. ALLISON. I am glad to know that is the Senator's view. I knew it was the Senator's view that we had been juggling with the question. I knew that the Senator for two or three years was dissatisfied with the parties. But, Mr. President, these political parties that go into great campaigns go into the campaigns upon principles enunciated in their platforms, which, although they may not always be stated with the frankness with which they ought to be stated, yet always show the tendency and trend of public sentiment in regard to great public questions. When the Senator from Colorado [Mr. TELLER] the other day in his observations stated that he knew what was in the Republican platform of 1892 because he participated in its making and he construes it to mean one thing, I want to say to him that if that had been understood as the meaning of the platform I think the Republican party would have been snowed under a good deal more than it was.

The platform was understood to be for the restoration of silver as money. That had been the theory of the Republican party and of all public men. I admit there has been a good deal of trickery in forming these platforms. They have drawn them to deceive. But what right had either party to deceive the people? What right had either party to go before them with platforms that they construe when they are in the canvass as being in favor of bimetallism and construe in this Chamber for monometallism? I say the people have been led to believe that both parties condemned the act of 1873. It has been condemned by both parties at all times. Both parties led the people to believe that they would rectify that wrong; and both parties here have turned their backs upon what was understood, and what they intended the people should understand as their pledges to mean. The President did not repudiate the platform, but his letter of acceptance, fairly construed, was an indorsement of the platform and for a more liberal supply of money.

The Senator from Iowa labored for an hour or two to show that it was possible to construe these platforms so that they would not commit either party to free coinage. I have heard a great deal of that kind of special pleading here. I suppose that almost any platform might be drawn, and by special pleading its main features be destroyed by legislation. The Senator from Iowa further said:

I think I have shown by the action of Congress and by the declarations of the two great parties that they have not been for the free coinage of silver. Why not? Because they believe that to establish free coinage of silver means the silver standard and the exclusion of gold as a part of the money of our country. For the same reason they are opposed to such measures as will accomplish indirectly what they are opposed to directly.

Here the Senator assumes the use of silver destroys the use of gold. What an absurd statement that is after the two metals had been used for three thousand years together, and neither had destroyed the use of the other! One supplements the other as naturally and as necessarily as the elements supplement each other. Silver has been the more plentiful metal, the more regular in production, and the more general in use for three thousand years. Gold has never been in general circulation and never can be. The people must have silver in order to make change, and 1,200,000,000 people use silver, while not 50,000,000 people in the world are in the habit of using gold. I believe that not half of the people of the United States ever saw a gold coin; but all of them are familiar with silver.

As to the quantity of the two metals, it requires both to furnish a sufficient basis. We have the accumulation of all the ages which forms a conservative reservoir, which can not in a short time be rapidly increased or rapidly diminished by the accidents of mining. The Senator said the parity between the two metals could not be sustained by the free coinage of silver. I tell that Senator and all others that no man on earth can suggest any other mode of maintaining the parity. The slightest limitation upon one affects its price. They must both be used or the parity can not be maintained. That is the kind of argument which Senators are forced to make day after day and week after week to avoid complying with the plain pledges they made to the people.

The Senator continued:

I am endeavoring to show that under our statutes and our policy and our laws we are to maintain the parity and value between silver and gold.

He proposes to maintain parity by limiting the use of silver. Has it had that effect? Is not the parity destroyed by that same kind of legislation? Was it not the legislation first of the United States and then of Germany and France which destroyed the parity and cut off the demand for one metal and put the whole demand on the other? Germany did a great deal toward destroying the parity when she not only refused to coin silver, but confined her coinage to gold and sold her silver.

Mr. PALMER. I ask leave of the Senator to interrupt him for a single question.

Mr. STEWART. Certainly.

Mr. PALMER. I have understood the Senator to insist that silver was demonetized by the act of 1873?

Mr. STEWART. Beyond any doubt.

Mr. PALMER. I agree with the Senator largely about that, but I do not know how to forgive the Senators who voted for it. Before I came here I was told that the Senator from Ohio [Mr. SHERMAN] was responsible for it. I have known him for many years. Since I came here I have been delighted to find that he voted against the act. There are, however, Senators present who did vote for it. How can the country forgive them for thus demonetizing silver?

Mr. STEWART. The act was passed by common consent and without a division—all voted for the act, but not for the fraud which concealed the demonetization of silver. The country will never forgive any man who knowingly voted for that fraud. That is certain. I have explained how silver was demonetized and gave a true history. If the Senator will read my speech of the 5th of September—I shall ask him to read no other speech—he will never ask a question of that kind again. If I have not proved in that speech how that act was passed, it never can be proved.

Mr. PALMER. Am I correct in the belief that the Senator himself voted for the act of 1873?

Mr. STEWART. I voted for it, and everybody voted for it. [Laughter.]

Mr. PALMER. How could that fatal act have escaped the attention of Senators like the Senator from Nevada? [Laughter.]

Mr. STEWART. Because the provision which demonetized silver was not read or brought to the attention of the Senate. The Senator from Ohio and Mr. Hooper of Massachusetts, either intentionally or otherwise, I believe intentionally, deceived every Senator and every Member of the other House who has ever spoken on the subject. They deceived Mr. Blaine; they deceived Mr. Garfield; they deceived Mr. Conkling; they deceived Mr. Thurman, and they deceived every watchful man who was here. That is the way it was done. It is that deception which I complain of. No man who knowingly voted for that act should ever be forgiven in this world or the next. [Laughter.]

Mr. PALMER. The Senator will allow me to ask what is to become of those who had the means of knowing it, and did not know it?

Mr. STEWART. They will all go to the bad place, too; but the trouble is we did not have the means of knowing. That is what we complain of. If we had the means of knowing, we should have known.

Mr. PALMER. I am told the bill was printed.

Mr. STEWART. Yes. Does the Senator know all that is printed here? [Laughter.]

Mr. PALMER. No, I do not.

Mr. STEWART. Here is a pile of printed matter. Does the Senator know what it contains? Has he read it?

Mr. PALMER. No, I do not fret myself about those things

but if those who favored that bill go to sheol, I hope the Senator from Nevada will admit that those who voted for it ignorantly ought to go to purgatory at least. [Laughter.]

Mr. STEWART. Not at all. Why should a man go to purgatory when he had not the means of knowing? We punish men who commit an offense knowingly. As the lawyers say, there must be an intent to commit evil in order to make a crime.

Mr. PALMER. There is such a thing as criminal ignorance, as I understand the law.

Mr. STEWART. If I am guilty of criminal ignorance, I have plenty of good company. I have all the Senators and Members of the other House who were here and who have spoken upon it, and when they are equally as guilty as I am I am willing to go in company with those whose names I have mentioned.

The Senator from Iowa continued:

> Therefore it is that although our resources are great those resources are not placed in the hands of those whose duty it is to administer them. There ought to be a larger reserve for the maintenance of the paper money we have in our circulation. Now, if we go on indefinitely issuing this paper money can it be doubted that the Treasury will be unable to redeem it, and we need not mince matters about that. I have shown you that we have bought bonds to the extent of $70,000,000 with the seigniorage under the Bland law. We have $60,000,000 more. There is no surplus in the Treasury. I need not argue that point. So I maintain that if we are to do what the people expect us to do we must see to it that the reserve in the Treasury is strengthened in some form, and if we continue indefinitely such issues it is essential that we should proportionately increase the reserve.

I wonder if the Senator intended to have us understand that the issue of silver coin was paper? Silver coin redeems itself, and has for thousands of years, and the denial to silver coin of its function is sending us upon the brink of bankruptcy. Every man who advocates the gold standard knows that he advocates either the impoverishment of this country by additional taxation, and by falling prices, or he advocates bankruptcy.

If the five hundred millions of silver coin in this country is not good money we have no basis, and we are bankrupt to-day. If silver will not redeem itself, we can not buy gold enough without impoverishing this country to redeem it. The day we undertake to declare that silver must be redeemed in gold, and that we shall buy gold to redeem it, that day the country's prosperity is doomed; and that is a part of this perilous scheme.

The scheme is to destroy silver as money, which both parties declared they would not do, but that we should use silver as money. Now, they propose to destroy this money, to reduce it to credit money, and thus load this country with taxes and interest to buy gold as our only money. Buy from whom? Buy it of Great Britain. Buy it how? Buy it by selling wheat and cotton lower and lower every year.

Conceal it as you may, the plan of the Administration, the plan of the leaders of the gold ring—and the Senator from Ohio is one of its leaders—is to issue bonds and buy gold, thus increasing the burden of the people for the purpose of destroying the silver money we have coined.

I put several questions to the Senator from Iowa during his speech, and tried to have him say how he would increase the reserve. He was constantly telling us that the reserve must be increased. He denied our right to increase it according to the Constitution, by coining one of the precious metals, silver, which we can obtain in abundance, and he shirked the responsibility of saying he would sell bonds; but we all know that that scheme is behind this. The Secretary of the Treasury is now paying out gold for current expenses, as I understand, and has reduced the amount in the Treasury to $82,000,000. He will continue to reduce it, and then will come the cry of universal distress in this country.

We are to have a thousand millions of gold and nothing behind it, in order that our credit may be strengthened, and you do not propose to imitate Germany, France, Austria, and Russia, when we get the gold to keep it, but you propose to put it in the Treasury and allow speculators to come and draw it out the next day, then sell more bonds to get more gold, and turn it back into the hands of the speculators.

Both parties have declared that they will use silver as money, but now they say it is not money, it is credit stuff, no better than paper. I regret that the Senator from Iowa is not here. I told him I was going to pay some attention to his great speech. He labored for a long time to show that we must have parity, that we must have the reserve strengthened; but he did not tell us what good that would do; he did not tell us how we could maintain the parity.

I wish to call the attention of the Senate and of the country to the impotent conclusion to which one of the greatest men in the Senate was driven in his miserable, feeble effort to justify the destruction of silver as money. I read what the Senator said:

> It was my belief then, and it is my belief now, that if this Government will undertake the policy of international arrangement regarding silver and gold that policy will be accomplished, and within a reasonable period we will be able to restore the parity between the two metals, and practically rehabilitate silver. That is my belief, and that is the permanent and wise solution of this question. In the mean time, it seems to me, we shall have to drift along as best we may, purchasing from time to time and coining all the silver that we can use in our domestic circulation maintaining the parity, and I have no doubt we can absorb a considerable amount beyond that which we now have.

When the country is drifting into bankruptcy, when a few men have been able to produce a panic and destroy thousands of millions of money for the purpose of coercing legislation, when all paper and silver must be redeemed and there is nothing with which to redeem them—when we are drifting on in that direction, the people are told that there is nothing to do but to drift and drift along, and we have drifted until the country is in distress everywhere. We must still drift.

What has produced this distress but the drifting policy? Since the crime of 1873 was committed there has been nothing but drifting and lower prices, harder times, and more misery, and now we are told that we must pass this bill. Is the Government of the United States so helpless that it must drift into bankruptcy, that it must allow its people to drift into poverty?

For what? For the purpose I have stated, of allowing a combination of gold and bond speculators in London and New York to augment their wealth by the enhanced value of bonds and by the depreciation of property. That is what we are drifting to. I was pained when I heard the great Senator from Iowa give the people no hope for relief in the passage of this bill, but to drift towards poverty and misery. Is that statesmanship?

Why cut off the last hope that points us to a chance of prosperity? If we could have silver, we could float on that, and that would assist us to secure prosperity, for it has borne up the people of the world through all the ages. The old ship is sound, why scuttle her and let her drift on to the rocks, without pointing out a ray of hope to the suffering masses?

Notwithstanding the length of time this bill has been discussed, the ablest men in the Senate are unable to point out any good results from its passage. Why, then, cut loose, drift into poverty, and tell the American people they must be satisfied with such a result? Pass this bill and you cut the cables of safety and turn the old ship of state adrift. That is all there is in it.

No Senator has given any better reason than the Senator from Iowa; no Senator has told us how prosperity was to come from this enactment; no Senator has shown us how to obtain more money, and they insist that we must stop issuing the money we are now issuing. All they have said is that the repeal of the Sherman law will give us sound money, money acceptable to our English friends, money that will be good in Great Britain. That is all they have told us.

What difference does it make to us whether our money is good in Great Britain or not if it is good in America, if it will pay debts, and secure employment to the multitudes who are now idle? That is the kind of money we want; money which will be good here; and if it is good here it will be good everywhere, for the value of money is its purchasing power in the country where it is created.

The Senator from Iowa continued:

> Mr. President, in view of the action in India, I believe that it is wise to repeal the Sherman law, although as to the precise date of its taking effect, whether to-day, to-morrow, or next week, if it be known in Europe and among the commercial nations that we do not intend alone to deal with the silver question, they will deal with it in agreement and in accord with us. So believing I am in favor of its repeal.

The Senator says if we repeal the Sherman act European nations will agree with us. I have just as good a right to say they will not as any man has to say that silver will not go to a parity with gold if we open our mints. I have the evidence of the experience of ages that it would. On the contrary, I have also the evidence that England has been plotting for seventy years to bring about the demonetization of silver. She appeared with the Senator from Ohio and Mr. Ruggles at the Paris conference in 1867, and by their joint efforts induced that conference to recommend the single gold standard. She has laid her heavy hand upon every country within her reach and compelled them to adopt the gold standard. She holds the obligations of Italy and has placed her in such a condition that her people are starving for bread, and we hear that her only hope is war. The people of Italy prefer death in battle to the slow starvation which prevails there.

England took Austria, holding her debt, and funded $2,400,000,000 of 5 per cent silver bonds into $2,800,000,000 of 4 per cent nontaxable gold bonds. That is England's power there; and Germany has joined with England. As the Senator from Ohio, who had charge of the bill which demonetized silver, told us in 1876 in this Chamber, the demonetization of silver was accomplished through English influence. Why does England do it? England does it, as Mr. Gladstone and the chancellor of the exchequer and other ruling men tell us, for the purpose of enhancing the value of bonds which she has as a creditor nation. Will she not

continue to be a creditor nation when you have passed this bill and when we have become more helpless than we are now? When we shall have destroyed legal-tender silver, and when we are put in the position of being compelled to borrow more money from her, will she not continue to be a creditor nation?

Will we not be more and more a debtor nation when we destroy our own money, when we refuse to coin silver, when we impoverish our own people and bankrupt our Treasury by this violent revolution? Shall we be less a debtor nation than we are now? Will that condition of things aid us in bringing England to terms? England never comes to terms except by force. You must stand out against her. Gladstone said if they would consent to the reconvening of the monetary conference and allow silver to be rehabilitated, it would be a vast gift to us, which we would thankfully receive; but he feared we would not have a very profound admiration for the British statesman who made us that gift.

We ask for no gift; we ask for the right to coin our own money. We protest against the vandalism in the pending bill, which proposes to destroy the money we have, because this bill is only a part of the scheme. The scheme is to issue bonds and buy gold to put up or down the price of property to benefit a creditor nation, to benefit our creditors, to give them an unearned increment. Will they be less greedy to obtain that unearned increment when we have repealed the Sherman law? Every step we take in submission, every step we take in destroying our own money, every step we take in subjugating ourselves and humbling ourselves in the dust to Great Britain will only increase her demands and her insolence, and decrease her respect for our manhood and our independence.

I regret that I have been unable to find in the speech of the great man from whom I have been quoting, no glimmering of hope, no word that would encourage the toiling masses of this country for a brighter and a better day. All I can get from it is to submit to England, borrow money from England, pay England more interest, get further down in the dust, humiliate the people of the United States more and more, and drift along under the whip and lash of English syndicates. That is the only hope. It is as much as to say to the people of the United States: "You are not fit for self-government, you are not fit for independence, you are not fit to inherit this country." That is what it means; that is what the Senator from Iowa tells us, and I propose to show what other Senators tell us.

The Senator from Indiana [Mr. VOORHEES] tells us that these money powers are robbing us. He pictures graphically the gigantic powers which brought on this panic and which are crushing the industries of this country in language far more eloquent than I can use. His picture was not only graphic, but it was truthful; still it was humilitating to the American people. I can not hope to equal him in eloquence, but I regret to say that his conclusion upon the situation was, in my estimation, illogical. But at that time the Senator from Indiana thought that our President might sign a free-coinage bill; and he said that we had no right to assume that the President of the United States would not be in favor of the principles of the platform and the coinage of silver and gold upon equal terms with each other.

I have no doubt that the Senator at that time believed he spoke the sentiments of the Administration. I sought to interrupt him to ask him if he had any assurance that the President would sign a free-coinage bill. He declined to be interrupted, and very properly too, because he had a prepared speech. But since then further evidence has been furnished. The situation has changed. The President says in his letter to Governor Northen:

> I am, therefore, opposed to the free and unlimited coinage of silver by this country alone and independently, and I am in favor of the immediate and unconditional repeal of the purchasing clause of the so-called Sherman law.

The President and everybody knows that the only way we can ever have financial independence is to act alone and independently ourselves. The President knows, and we all know, that Great Britain has never kindly taken care of us. The colonies complained of her before the Revolution. They talked over her conduct. She was so wicked and bad that it justified war. They struck for independence of England; and from that time to this she never has been charitable, so far as we are concerned, and now it is said we must ask her consent. She has broken up all your conferences. In those conferences a majority of the states represented have always been really in favor of bimetallism, but they have all said they could not move without England, because the debtor is a servant of the creditor, because the outside world owes England $10,000,000,000, and they can not speak without her consent.

We were in that category, and that power has been brought to bear upon my friends and your friends in this country. They have oppressed the debtors here; they have made them appeal to us to do England's will, or otherwise England would destroy them.

Mr. PALMER. Will the Senator from Nevada allow me to say one word?

Mr. STEWART. Certainly.

Mr. PALMER. I have listened during this debate with a feeling of humiliation that I never expected to suffer to imputations that we are under the influence of England. I have supposed that this great country, with its 65,000,000 inhabitants, with its illimitable resources, is independent.

Mr. STEWART. That shows how much the Senator is mistaken.

Mr. PALMER. I will proceed——

Mr. STEWART. He is very much mistaken.

Mr. PALMER. Mr. President, I am not mistaken. I know my country. We are not fearful of British financial influence. We have resources, we have industry, we have energy, we have courage, we have honesty. If we owe England we shall pay England in the terms of the contract.

Mr. STEWART. No, you will not.

Mr. PALMER. We shall.

Mr. STEWART. She will not let you.

Mr. PALMER. I protest that this array of English influence and English power in the American Senate is humiliating to us all. My ancestors have fought England in every war. My constituents are not fearful of England, either in war or in peace. We do not dread them in manufactures; we do not dread them in commerce; we do not dread them in finance. We are their equals; and instead of shrinking back into a depreciated currency, a currency that is not equal to the currency of the world, we challenge England on every land, in every port, on every sea. We are Americans, and these appeals to our fears are thrown away. I ask pardon for taking the Senator's time.

Mr. STEWART. Well, I am very glad that the Senator shows spirit. If he had knowledge equal to his pluck he would be a very considerable man. He reminds me somewhat of the animal that got on a railroad track, and his courage exceeded his discretion.

Mr. PALMER. Mr. President——

Mr. STEWART. I want to explain how the Senator's courage exceeds his discretion. He will have ample time to answer.

Mr. PALMER. I wish to remark here——

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Illinois?

Mr. STEWART. I want to explain. As the Senator from Iowa [Mr. ALLISON] explained here, the obligations that we owe have been continued from time to time. They go back more than twenty years, the great mass of them. At that time they were to be paid in gold or silver. It was English influence that demonetized silver. That is pretty well established. We have the evidence on that point of the man who had charge of the bill. The Senator from Ohio stated that it was done through English influence. It was English influence at the Paris conference and at all the conferences that have been held for the single gold standard. That English influence deprived us of the right to pay in silver; it compelled us to pay in gold alone. We are paying England about $200,000,000 a year; but what we are paying her in is money whose purchasing power is at least 50 per cent greater than the money we borrowed; and we are paying it with wheat from the plains of Illinois and with cotton from plantations of Mississippi and other States.

If the price of wheat and cotton had remained the same as it was before silver was demonetized there would have been in the next three years nearly $400,000,000 difference in the wheat shipped and over $1,500,000,000 difference in the cotton shipped to Europe. You allow England to say what money we shall have.

It has been the plea of all the people who have discussed the question here that we must have money acceptable to all the world; that we must have as good money as England has, and that means the dearest money. And when we get the money she is the creditor, and we have to pay her more than we agreed, doubling up our obligations. It makes us pay more than we agreed by legislation here, and she is robbing this country. It is England's gold policy that she is fastening upon the debtor nations.

It is the policy of a creditor nation. When the witnesses were before the royal commission and they spoke about sensible people, one learned Englishman by the name of Watney, when the question was put to him "Do not nations act for their own interest and are they not always reasonable?" said, "No; look at America, a country largely in debt, with immense resources, needing money, demonetizing silver and enormously increasing her obligations to England and oppressing her people." They understand it; and yet we hear talk about our peo-

ple here being equal to them in finance, when we are their servants because we will not study economic questions and understand them plainly.

Ah, Mr. President, you are brave in talk, but the price of your wheat and cotton, the starving and the suffering in this country witness the baneful effects of English rule, the rule of the gold monopoly, which was so graphically explained by the Senator from Indiana [Mr. VOORHEES] in his speech in opening this debate. That is the rule which is trampling upon us. We do not fear force. We do not fear them on the battle field. We do not fear them in open daylight in a contest. But we do fear the insidious, the cunning, the artful devices of these money kings whereby they are sending misery to every home in America. Nothing would be so gratifying to every patriotic American citizen as to have the power, as our fathers did, to fight on the battle field for financial liberty.

England has not only robbed us, but she is enslaving us, and she is enslaving India, Egypt, Austria, Italy, and all the countries that are subject to her imperial rule. Only France and Russia stand out against her to-day. Otherwise she is a financial conqueror of heroes, with her fabric of wealth acquired by strategy, which Gladstone says the world never saw the like before—an accumulation of obligations amounting to $10,000,000,000 to be paid by the labor and the sweat of other nations.

Mr. HOAR. The Senator says France stood out against England. Did not France demonetize silver?

Mr. STEWART. Ah, yes, France has $700,000,000 of silver.

Mr. HOAR. We have $600,000,000.

Mr. STEWART. France has $900,000,000 of gold. France has a French policy. France has the option, as we have, to pay in gold or silver. France refuses to let English speculators draw her gold. France is not increasing in population. France does not need much increase of money. She gives her people all the increase required. France acts for France. The Government of France is patriotic; she acts for her people. The Government of the United States acts for money speculators; it acts for those who ship gold to England. Our Treasury is open to them. With the law and contract providing that we have the right to pay England only silver our Administration repudiated the contract, took away the option from the Government, and gave it to the speculators. If we were patriotic, if we had an American policy, we could take care of the American people.

Mr. HOAR. I should like to ask the Senator a question, with his leave. He says that France stood out against England?

Mr. STEWART. Yes.

Mr. HOAR. The only country that did.

Mr. STEWART. No; Russia, too.

Mr. HOAR. I think he said also formerly that France was the wisest financial country in the world. Now, I wish to ask him if France did not only demonetize silver, but if she has not a less proportion of silver to gold (although she has a large quantity of silver still remaining that she uses) than we have?

Mr. STEWART. She may have.

Mr. HOAR. Then, if I may add one remark, does not the Senator think, now, on honor bright——

Mr. STEWART. Honor bright! That is the way I talk.

Mr. HOAR. I have no doubt it is.

Mr. STEWART. My honor is always bright.

Mr. HOAR. The Senator's honor is brighter than his intelligence sometimes I am afraid. But is it not a little steep to charge the majority of both Houses of the American Congress with being subservient to England when we are doing exactly the same thing (except we are doing it with more liberality to silver) that the ablest financial nation of the world has done?

Mr. STEWART. If the Senator's honor was as bright as his intelligence he would not be a gold contractionist. We are not doing the same kind of thing as France. The conditions are altogether different. France has enough of both gold and silver for the basis of her circulation. She has only $80,000,000 of uncovered paper. She has gold and silver behind all her paper except about $80,000,000. She is able to issue more if she desires. She keeps her per capita always stationary or increasing. She takes care of her people. She does not let her gold go. Suppose she would have allowed British speculators to draw her gold out because her paper is all redeemable in gold or silver, she would have had very little gold by this time. But she was patriotic and took care of her people.

Now, we are very differently situated. We are a growing country, with untouched resources. We require constantly more new money; and instead of protecting the gold we have and having an American policy, when the law requires the Secretary of the Treasury to coin silver and provide for the redemption of Treasury notes, he allows exporters of gold to take all they want. Germany protects her gold. Our Government will not do it. When our Treasury is open to the speculation of the world, when we are required to buy gold to put there for them to speculate on, when our Treasury is simply the treasury of speculators, do you say that we are as patriotic as Frenchmen, and that the Congressmen who justify this policy are as patriotic as French citizens, when French citizens pursue an entirely different course, when our Treasury is depleted for the purpose of allowing speculators to buy gold and ship it to Austria?

Of course our finances are regulated by British influence. I do not like to charge an evil intent upon Senators, but I say this is what we are doing, and our honest statesmen have not reflected upon the fatal steps we were taking. That is what I complain of, and I complain that in all this discussion there has been no suggestion how the country would be benefited by the proposed legislation. We have had three months of discussion, and no policy developed. No Senator has said what is proposed to do next. No Senator has suggested a plan to place this country on a sound and enduring basis. We have been drifting, in the language of the Senator from Iowa. Do you say that we are patriotic when we come here to destroy without exhibiting a plan for rebuilding. The Administration has suggested no plan.

The country does not know what you intend to do. This measure is pressed in a manufactured emergency. All our financial legislation for the last twenty-five years has been legislation in an emergency, dictated by some scheme of avarice. This is of the same kind—simply a scheme of robbery. Do you call it patriotic for this great country to be made to drift without a financial plan, without a suggestion that will relieve the people after three months of debate, without a suggestion of any relief in the future, with the President saying that he is opposed to independent action so far as silver is concerned, without intimating what independent action on any subject we may take?

[At this point the honorable Senator yielded to Mr. VOORHEES, who moved a recess.]

Friday, October 27, 1893.

Mr. STEWART. Mr. President, there are two kinds of bimetallists: one from principle and the other from interest; one before election, and the other both before and after election; one through good and evil reports, and the other when there is no danger of legislation and no danger of offending the gold bugs.

At the commencement of this session scar-worn veterans of free coinage declared that they could under no circumstances be induced to surrender their bimetallic virtue, which they had maintained for so many years. They boldly told the all-powerful and virile Executive hero of monometallism, that if their votes were secured it must be by coercion; but they frankly admitted that they knew he had the power to coerce them. They gave him plainly to understand that the Federal patronage under his control and the golden cords under the control of his Wall-street associates were sufficiently strong to bind them hand and foot and prevent a struggle against the wicked embraces of the Moloch of avarice.

The plan of coercion was successfully executed. The embrace of sin was secured without a struggle or a groan. No sting of remorse disturbed the repose or touched the conscience of the victims. Why should they be charged with guilt for betraying the cause they loved so well when they only submitted to irresistible force? They will be allowed in the future to vote for silver when their votes are harmless and when a silver bill can be killed by a veto without endangering the repeal of the Sherman act. I notice that some of those Senators who invited coercion at the commencement of the session have invented what probably may be called a legislative cuttlefish, but which they call "compromise" amendments. There are two or three of that description of legislative cuttlefish. I believe the Senator from West Virginia [Mr. FAULKNER] invented the first, and that he is entitled to the discovery that such a fish could be created. He came early with his legislative cuttlefish. The Senator from Washington [Mr. SQUIRE] has invented one, which took him some time. These have been offered in the shape of amendments.

The outside world may not know to what use these legislative cuttlefish are to be applied. They will be very useful in the next campaign. It is known that the cuttlefish has a method of hiding himself from attack by the emission of a black substance, which gives forth an unpleasant odor and which colors the water and keeps him out of sight. No doubt the legislative cuttlefish which these Senators have invented will be used with vigor in the next campaign. They will say to their constituents, "Follow citizens, was I not a good bimetallist? Here is my proposition: do you not believe in that?" Thus they expect to be able in the next campaign to so muddy the waters as to blind the eyes of their constituents. I admire their genius. They may succeed. Tricks of that kind, though supposed to be vain, succeed sometimes.

It is with some satisfaction that I turn from these Senators to that bold, aggressive, great authority, the unyielding, unswerv-

ing advocate of the single gold standard. I refer to the Senator from New Jersey [Mr. McPHERSON]. He, almost solitary and alone, has stood here for years vindicating the right of the creditor classes, and showing how much better it is that the few should be happy than the many—how much better it is to enrich the gold trust than to make any foolish attempt to extend happiness too far, because it would become too thin. He wanted it thick and rich in the money centers. He undoubtedly is of the opinion of Bismarck that the gold blanket is too narrow for all. He is opposed to having any blanket but a gold blanket; and he proposes to tuck it in and make the commercial centers warm, notwithstanding the outside world may suffer from the chills of financial distress.

Mr. McPHERSON. Will the Senator give way to me a moment?

Mr. STEWART. With great pleasure.

Mr. McPHERSON. I do not think that the Senator means to do me any injustice. I have contended for the gold standard because I believe it to be the only safe and stable one; but I have not objected to the largest possible use of silver in our circulation, standing in the circulation concurrently with gold and circulating harmoniously with gold. I am willing there should be as much silver carried in the circulation of the United States as there is of gold. I want both metals to circulate together, one to be used for the payment of foreign commerce and the other, which may be used equally with gold in circulation, for domestic commerce, one metal for the butcher and the baker, and the other metal, if you please, which will transact our foreign commerce.

We need a small currency; we need a currency easily divided and subdivided. Silver can be divided and subdivided better than can gold; therefore I prefer to use silver for small transactions. I have never said that I was in favor of the exclusive use of gold as against silver; but, on the other hand, I favor the largest use of silver.

Mr. STEWART. But the Senator is in favor of the gold standard.

Mr. McPHERSON. I am in favor of the gold standard with silver maintained at the gold standard.

Mr. STEWART. I do not think I was misrepresenting the Senator from New Jersey. I think his position is very clear. He is willing there shall be silver used by the laboring man that he may have some little subsidiary coin—just how much I do not know—but the Senator is true to the foreign creditor, and he will give the foreign creditor gold or any other money which will suit the foreign creditor best.

Mr. McPHERSON. The Senator does not mean to place any such construction upon what I said. I know he does not. I said it was necessary in our domestic commerce that we should have money in circulation which would enable us to make payments in even subdivisions of the dollar; and I spoke of the little purchases that the Senator and I might have to make every morning in the market. Gold can not be used for such purposes. It is not that I want to impose on the laboring man poorer currency than I would give to the bondholder or the rich banker; but it is for the purpose of more conveniently transacting the business of the people. I want the silver dollar in this country to have the same purchasing power that the gold dollar has; and in order that that may be done we must limit the circulation of silver.

Mr. STEWART. I think I understand the Senator. He wants the laboring men to have as good a dollar as anybody else; but he wants him to have very few of them. He is willing to give him a few silver dollars; but he wants the colossal fabric, of which Mr. Gladstone spoke, to have plenty of gold dollars. I understand the Senator.

I understand that he does not comprehend that the only way to use silver as money and make it a money metal is to give it free coinage. I understand that he does not comprehend that the use of silver as subsidiary coin is a useless operation when it is not standard money. You can substitute a cheaper material; you can take copper or steel, perhaps, or anything that is cheaper. The cheaper the thing you can get the better, if it is to be only fiat money or credit money, and that would be paper. For anything except small change paper is a great deal better than silver if silver is to be only fiat or credit money.

What is meant by bimetallism is that standard money can be made out of either of the metals, thus enlarging the basis of circulation and credit. If you can not do that with silver, there is no use of talking about it.

I have no interest in silver as subsidiary coin, because you can take anything and have it circulate as token money. It is not token money that we want. We can get enough of that. We can make it at all times out of any kind of material. What we need is standard money, by which time obligations are measured, by which debts are paid. We want standard money, and we do not want the standard money diminished. That is the proposition. The gulf between the Senator from New Jersey and bimetallism is as wide as the poles. I commend him for being a gold-standard man, and sticking to it.

The Senator's theory of the gold standard is that you shall have gold money for foreigners and gold money for creditors, and a little subsidiary coin, made of anything you please, for domestic purposes.

Mr. CAREY. May I interrupt the Senator?

Mr. STEWART. Yes.

Mr. CAREY. I understood the Senator to say last evening that he was a bimetallist and believed in the use of both gold and silver as money, but that if the free coinage of silver would drive us off the gold standard, it would be better to have a silver standard than to have a gold standard. Is that true?

Mr. STEWART. May I ask the Senator a question right there?

Mr. CAREY. As soon as the Senator answers the question I have put to him.

Mr. STEWART. I will answer you by putting a question right there. Can you have bimetallism without giving each metal the same mint privileges?

Mr. CAREY. I do not believe you can.

Mr. STEWART. Then you are opposed to bimetallism.

Mr. CAREY. I am not. I am in favor of bimetallism, but I have not taken the time of the Senate to explain my position. I am in favor of the use of both of the metals on exactly the same conditions and terms as soon as it can be safely done in this country.

Mr. STEWART. Will you fix a date?

Mr. CAREY. I will fix a date.

Mr. STEWART. When?

Mr. CAREY. Just as soon as this Government can safely undertake to do it; but I do not believe that this Government or any other government on the face of the globe can undertake to coin all the silver of the world, and at the same time keep it on a parity with gold.

Mr. STEWART. Will you fix a date?

Mr. CAREY. The date is very plain.

Mr. STEWART. When will it be? Tell us that.

Mr. CAREY. As soon as we can get some other nations to undertake it.

Mr. STEWART. When? When you get England to do it?

Mr. CAREY. No.

Mr. STEWART. What nation, then?

Mr. CAREY. I say, I believe that France and this country, or the Latin Union and this country, can do it. I believe that this country and Germany can do it, or that this country and Great Britain can do it. I do not think it is necessary to get all the great commercial nations to agree to it; but I believe it will be utterly impossible to maintain the parity of the two metals if we alone shall attempt to do it.

Mr. STEWART. Does the Senator believe it would be impossible to coin silver to circulate as money?

Mr. CAREY. No; but I asked you a question.

Mr. STEWART. Then put it in the form of a question.

Mr. CAREY. You stated last evening that you were a bimetallist.

Mr. STEWART. Yes, I am.

Mr. CAREY. Do you believe in the use of both gold and silver as money?

Mr. STEWART. I do.

Mr. CAREY. But if the opening of our mints to the free coinage of silver should make the money of this country exclusively silver money, the Senator thinks silver would be better for this country than gold?

Mr. STEWART. I say so now.

Mr. CAREY. Then, I say, you are a silver monometallist.

Mr. STEWART. I say you are mistaken. You do not understand the question. You do not know what bimetallism means. [Laughter.] Bimetallism, I repeat, is the right to make coin out of either metal.

Mr. CAREY. Does anybody dispute that?

Mr. STEWART. Yes.

Mr. CAREY. Who?

Mr. STEWART. You said it was monometallism.

Mr. CAREY. I did not. I said that if we should go to the free coinage of silver it would drive all the gold from us, and silver would become the exclusive standard in this country, and we for all practical purposes would be on the silver standard, and that would be the only money in this country.

Mr. STEWART. It shows how little the Senator has thought about this subject. [Laughter.] It is surprising. The Senator says it would be silver monometallism if we got silver enough and did not use any gold. Bimetallism is the right to have your mints open to both metals. That is bimetallism.

Mr. DOLPH. At what ratio?

Mr. STEWART. At the ratio of 16 to 1 in this country. That is bimetallism, and that right is all we claim. You say the consequence will be that the gold will go out. I say that the gold will not go out until we get silver enough to take its place; and that will take so many years that there will be other changes which will probably make gold cheaper before that time.

Mr. DOLPH. Did we not have bimetallism up to 1834, when we had a ratio of 15 to 1?

Mr. STEWART. Yes, we did.

Mr. DOLPH. Then, I suppose, according to the Senator, bimetallism at the ratio of 16 to 1 was bimetallism, and when we had a ratio of 15 to 1 it was not bimetallism.

Mr. STEWART. What a little point that is! [Laughter.]

Mr. DOLPH. It is a very good point.

Mr. STEWART. You think so.

Mr. DOLPH. If you want to have bimetallism you have to fix the legal ratio without reference to the intrinsic value of the metal.

Mr. STEWART. Will the Senator give me a moment?

Mr. DOLPH. Oh, certainly. I should be the last one to curtail the Senator's right to be heard on this subject.

Mr. CAREY. I think the Senator from Nevada is a little unfair to me. I had not finished.

Mr. STEWART. I think it is a little unfair when two come at me at one time. One at a time. The Senator from Oregon asked me a question as to the ratio, and I said it was 16 to 1.

Mr. CAREY. Why?

Mr. STEWART. I am now answering the Senator from Oregon [Mr. DOLPH]. I said I was in favor of a ratio of 16 to 1. He said that we were not bimetallists when we had a ratio of 15 to 1. I have explained to him and to the Senate repeatedly what bimetallism means. It does not depend upon ratio; it does depend upon the right to make coin-money out of either metal. That is all there is to bimetallism. It often happens when that right exists that a country may have a great deal more of one metal than of the other; but where the metals are the same, the money is the same, and that is bimetallism. We do not want to give up gold. It may come back here again.

The only way to produce a parity between the two metals is to use either, and if we use either we will often use both, and the demand will fall upon the cheaper, when the price will be restored, and that will restore the parity. That is the only way to go to a parity. The talk about a parity by giving one metal the liberty of coinage and not giving it to another is nonsense. The reason the two metals have the same value is because you can take a given quantity of one or another given quantity of the other to the mint and get the same quantity of money for the one as for the other. As long as you can do that, the parity will be maintained, but it can not be maintained when one is deprived of coinage, as was done by the act of 1873, and by the act of Germany in suspending the coinage of silver. Let us restore the parity by reversing that act and opening our mints to silver. Nobody knew, not even the people of the United States, when the United States led off and destroyed the parity and discriminated against silver. We demonetized silver first, and we were followed by Germany. Now, why need we ask any organization of money dealers in any part of the world whether or not we alone may rectify the wrongs which have been committed alone?

Mr. CAREY. Will the Senator permit me?

Mr. STEWART. Yes, to ask a question, without making a long argument. That is not the way to interrupt a Senator's speech. I want the question straight.

Mr. CAREY. I shall not trouble the Senator with a speech. Between 1837 and 1862, I wish to ask the Senator, was the parity maintained between the two metals?

Mr. STEWART. Yes.

Mr. CAREY. It was maintained, was it?

Mr. STEWART. Oh, yes.

Mr. CAREY. Was this country, as a matter of fact—not as a matter of law, but as a matter of fact—using both metals during the time between 1837 and 1862?

Mr. STEWART. Oh, yes.

Mr. CAREY. Were the men who own silver bullion, the value of which was more than the coin, then rushing to the mints of the United States to have it coined?

Mr. STEWART. Yes.

Mr. CAREY. Were those men carrying silver to the mints?

Mr. STEWART. Yes.

Mr. CAREY. They were coining it then, I think, in standard silver dollars?

Mr. STEWART. You asked me a question. Let me answer it. I know how much was coined, and I will tell you.

Mr. CAREY. The Senator says the silver was going to the mints.

Mr. STEWART. I do.

Mr. CAREY. How much went between the times I have named?

Mr. STEWART. Will you let me answer that question?

Mr. CAREY. Certainly.

Mr. STEWART. In the two years preceding the 1st of January, 1873——

Mr. CAREY. I am not talking about 1873, but between 1837 and 1862.

Mr. STEWART. You said preceding 1873.

Mr. CAREY rose.

Mr. STEWART. Now, let me answer. The Senator will not let me reply. In the two years—and that is very important—preceding the 1st of January, 1873, there were over two and a half million silver dollars coined at the mints, and in the intervening period between the 1st of January, 1873, and the 12th of February, 1873—I think that was the date—there were coined about $300,000, and if the coinage of silver dollars had gone on during the year 1873 at the same rate there would have been about 2,600,000 silver dollars coined.

Mr. CAREY. Why did that silver go to the mints to be coined? Let us have the reason.

Mr. STEWART. Because it did.

Mr. CAREY. No, no. "Because it did" is no reason. None went before that time. The Senator is merely prophesying now.

Mr. STEWART. I say that if the coinage had been continued at the same rate during the year, it would have amounted to more than two and half million dollars.

Mr. CAREY. As a matter of fact—I want to be frank, and I am trying to obtain information—I ask why did silver go to the mints of the United States for coinage between 1837 and 1862, when we went off the specie basis?

Mr. STEWART. Will the Senator allow me to answer that?

Mr. CAREY. Certainly.

Mr. STEWART. Legal-tender silver was coined every year from 1792 to 1873, the larger part of which was of less denominations than the dollar, but it was full legal tender. The principal reason why no more was coined was that the United States did not produce silver. That is one reason. Up to 1857 the silver of foreign countries came here in the shape of coin, which was made a legal tender, and had been from the foundation of the Government; and we used a great deal more of silver than of gold. We had the Spanish milled dollar and other foreign coins which were declared a legal tender in this country. Other countries which shipped silver to us preferred to ship it in the shape of coin: and consequently it came in that shape. We had no silver bullion to export, for we were not then producers of silver bullion.

Mr. CAREY. Will the Senator allow me there?

Mr. STEWART. Yes.

Mr. CAREY. I believe the Senator represented the State of Nevada in the Senate; and I think along from 1862 up to 1873, during the time when so much silver was produced in the State of Nevada, it was in bullion shape. Am I not correct in that?

Mr. STEWART. To some extent.

Mr. CAREY. Was not that the time when there were so many millions of silver produced?

Mr. STEWART. No; the most of it was produced from about 1868 or 1869 up to about 1880.

Mr. CAREY. Will the Senator now tell me why that silver bullion produced in the State of Nevada did not go to the mints of the United States to be coined?

Mr. STEWART. Why it did not go?

Mr. CAREY. Yes.

Mr. STEWART. I am just telling you that a large portion was going to the mints when it was stopped by the act of 1873. A large amount was exported both before and after suspension of coinage; and gold also was exported. It is true that Europe paid a higher price for silver bullion than could be obtained here. Its owners could have it coined in Europe at the ratio of 15½ to 1, and that encouraged the exportation: but had the mints remained open and had silver coinage continued here, a vast amount would have gone to the mint and the country would have continued to prosper.

Mr. CAREY. It did not commence.

Mr. STEWART. It did commence. How many times must I tell the Senator it did commence, and how many times must I give him the figures before he understands me. I decline to be interrupted by a man who does not understand the facts when I state them. I have denied his statement.

Mr. CAREY. I think I understand the question, though I do not talk quite so much about it as the Senator. If he talked less and understood more about the subject he would get along better. [Laughter.]

Mr. STEWART. I think you have talked to the full extent of your information. [Laughter.]

Now, I turn to my friend from New Jersey who goes on in the

same easy way attributing all these evils to a plethora of money and to the Sherman act. He is not one of those who has been coerced but he is one of the original monometallists. He maintains his position boldly. His language is plain:

The present panic was caused by want of confidence. Mirabeau, the great French orator, defined confidence to be "Suspicion asleep." It is true there had been more or less suspicion ever since the passage of the Sherman act that it would ultimately lead us into financial trouble, but suspicion was not fully awakened until the real danger appeared; then confidence fled as a thief in the night. Ask the people of the country, a people excelling all others in intelligence and sound business sense, for the true cause of their distress, and what answer do they make? "Repeal the Sherman law," is their cry, "and you strike down the cause." Never before in the history of the Republic have the people condemned any act of Congress with so much emphasis as they do the Sherman law, or spoken with so much unanimity for repeal. Forty millions of people have already spoken through their Representatives in the other House in favor of repeal, and the people now ask this Senate to join the House of Representatives in correcting this faulty legislation.

Forty millions of people have spoken! If forty millions of people have spoken, when did they speak? It is claimed here that a majority of two-thirds have declared for monometallism because the House gave a two-third majority under coercion. If the Representatives who promise their constituents to vote one way are coerced to vote another, there is no use for representative government.

It was stated in the press throughout the country that there was an overwhelming majority of Democrats in the present House of Representatives elected for bimetallism. But they came here and voted for monometallism. What I am complaining of is that the Representatives here have not spoken as they were directed to speak by the platforms upon which they were elected.

What I complain of is that they have gone before the country for twenty years claiming to be bimetallists and the voice of the people was for bimetallism. They voted for the gold standard. They do not speak for the people but against them. They speak for the gold trust. They speak for the press that is in the employ of the gold trust. They speak for a President whose law office is in Wall street. They speak the language of the President. They speak the language of contraction. They speak the language of monometallism when their constituents sent them here to speak the language of bimetallism as laid down in the platform of the party. How are you to ascertain the will of the people but by the issues presented to them for determination? It is very easy for great capital to get up clamor in the public press to carry out any object desired. It is so difficult to get the people to indorse the gold standard that no party has dared to have this question put to that test, and they do not do it now.

Why this hurry? The reason for all this hurry is that the people may not be informed of the proceedings that are here taking place. I deny that there is any demand coming from the people to repeal the Sherman act. It is not true. You dare not submit that question to a vote of the people. You dare not submit monometallism to a vote of the people. You know that if the question were submitted to the people others would occupy seats here.

I read further from the Senator:

In the fullness of time it became apparent to the people that under such a system the avowed policy of the Government to continue gold payments could not be maintained.

To avoid such a calamity, the executive department of the Government was forced to choose between two methods of relief: First, to issue bonds and buy gold with which to continue the purchase of silver, or to adopt the alternative method of calling Congress together in extraordinary session to repeal the Sherman act and stop the purchases of silver. The President called Congress together on the 7th day of August last, choosing, as he did, the wiser and better method, and thus obeying, as he did, the injunction of the Democratic national convention, which met in Chicago in June, 1892, the first convention of either party held after the passage of the Sherman law in 1890, and which denounced this law in unmeasured terms as fraught with future evil.

Now he says that to avoid the calamity of paying out gold and depleting the Treasury the Administration was forced to the alternative of either continuing to pay out gold and letting the calamity come, or call Congress together.

I deny that. The law made it expressly the duty of the Secretary of the Treasury to coin silver for the purpose of redeeming the Treasury notes. The law expressly and in words enjoined this duty upon the Secretary. The Secretary would not obey. The calamity could have been avoided by complying with the law. The calamity was created by the refusal of the Secretary to comply with the law.

The contempt for law on the part of the Executive and its violation of law creep in everywhere. Since the 1st of July last the Executive has practically nullified this law. A plainer case of nullification was never known in the history of man.

The Secretary is deficient in the purchase of silver since the 1st of July last over 8,000,000 ounces. A law that the President said was imperative, the Secretary has refused to execute, and demands here and now a vindication of that violation of law. They want a vote, and want it quick, which shall say that the law was so infamous, so bad that the President and his Cabinet had a right to trample upon it. They want it repealed for the purpose of vindicating monometallism and for the purpose of forming an excuse for boldly and defiantly nullifying the law.

We had nearly eleven hundred millions of silver and paper items in our circulation, all resting upon one hundred millions of gold in the Treasury, and even that gold was pledged to a specific purpose. But this is not all; an unprecedented, greedy demand for gold arose among European nations, anxious to strengthen their gold reserve.

That is a pitiable condition. One thousand one hundred million dollars of silver and paper, all resting upon $100,000,000 of gold. Who tore up the foundation and made that $1,100,000,000 rest upon $82,000,000 or $100,000,000 of gold? Who paid out gold when they should have paid out silver? I repeat, who tore up the foundation? Who has been guilty of bringing on panic and ruin? Who denied silver already coined its monetary function? Was it Congress? No. It was the gold monometallists who have charge of the Government.

With precedents of every other self-respecting nation to guide them, with the act of Congress before them making it their duty to pay out silver, this Administration gave the gold to speculators to be shipped across the ocean, creating a condition of panic. That condition of panic will not be cured by the repeal of the Sherman act. When you recognize the Department's theory that there is nothing which can redeem itself but gold, and that your $1,100,000,000 of paper and silver must be redeemed in gold in order to sustain the credit of this country, your Treasury will be bankrupt. That is what the gold monometallists want. They want the Treasury bankrupted so as to form an excuse for borrowing gold. Why do they want to borrow gold? Because those who lend gold want a safe investment. Why do they want the Government to buy gold? Because then the Government would issue bonds. Why do they want bonds issued? Because they could use the bonds and obtain a subsidy for issuing money. Why do they want this done? They want it done to make them rich and to give them control of this Government, to give them control of the legislation of this Government.

The gold power has had control of the executive department of the Government for many years, and they have expected to be able to control the legislative department as well, and that Congress must obey. That is the scheme. That is the tyrannical scheme to remove the foundation of the credit of the country. They are attacking the foundation of the credit of the Government, shattering it, and sending gold across the ocean. Their own misdeeds are their only excuse for further ruin and oppression.

The Senator further says:

This the Treasury was in no position long to continue. The newspapers were daily recording the rise and fall of the gold reserve in the Treasury, and with the warning the people had already received it is not surprising that a panic should ensue.

I deny that the panic came from the people. I deny that any citizen of the United States believed that these conspirators against the credit of the Government, who were attempting to tear out this foundation and to reduce the silver coin of the country to a worthless mass of "pig silver"—as it has been designated by one member of the Cabinet—would succeed. The people were willing to take silver or paper or any issue of the Government, and hoard it and hide it away from the banks who were conspiring to destroy the credit of the Government. It was the banks and the Executive who were engaged in pulling down our fabric that had been built up by the labor and the taxes of the people.

Ah, here comes another idea, but it is not original. This excuse was invented by the President:

It matters not whether the danger is actually present or the full force of the storm center an apprehended calamity; surely there is no denying the fact that a panic is here.

The danger is actually present. I admit that there is danger under our financial fabric. I admit that the executive department has done all it could to destroy it. I admit that no Executive Administration has been patriotic in acting for the Government of the United States for the last twenty-five years. I admit that. That danger is present, and has been present.

But I deny that the $150,000,000 of legal-tender notes issued under the Sherman law have produced any danger or any panic. There has been sufficient silver bullion in the Treasury to redeem them according to the contract, and to maintain the credit of the Government. While the Government can maintain its contracts its credit is safe. This is the only Government on earth where the executive department dare give an option secured by law to the Government to speculators.

The Senator goes on:

At this moment gaunt poverty stalks uncovered in the streets of our principal cities; and its hungry victims are fed with the loaves supplied by the bounty of a generous people.

Is not that a beautiful picture for an American Senator to draw? What has closed business? What has impeded prosper-

ity? I answer, and I answer what every citizen knows, scarcity of money. Scarcity of money has made hard times. What has made falling prices? Scarcity of money, because property offered for sale on one side, and the volume of money on the other, are the demand and supply of each other; and when you reduce the volume of money or cut off the supply of money, money goes up, or, what is the same thing, property goes down, as it has been going down for the last twenty years.

That is what has closed your factories. That is what has made it impossible for the consumer to buy. That is what has made underconsumption. Poverty has made underconsumption and closed your factories. Falling prices have discouraged production, because the man who puts money into property loses if property is falling and money is rising. Hard times are made. That is a beautiful picture that the Senator from New Jersey has offered to us, of the starving multitude in the streets, the millions of unemployed. I should like to have him or any Senator tell me how they are going to furnish employment, how they are going to furnish more money, how they are going to remedy this evil. Will they remedy it by cutting off the little supply we have? By more contraction? Will that remedy it? That is the only remedy they propose, and there is either not ability enough or not honesty enough in the whole gold party to tell us what they propose to do. No plan is proposed. Here we are, short of money, called together for the sole purpose of making the supply shorter.

Labor, which a short time ago was happy and contented, having steady employment and abundant reward, is to-day tramping and seeking bread from door to door.

How do you propose to give them bread? They ask for more money with which to start factories, to inaugurate new enterprises, to prosecute existing enterprises, to raise prices, to relieve the farmers; and we are called together in the dog days to give them less money, to make times harder, to close more factories, to create more tramps. That is the way we answer their call. That is the humanity of the gold standard. That is the answer that greed and avarice furnish to the struggling masses.

What a mockery to be called here to repeal a law which has already been nullified. What a mockery to be called here to cut off the little supply of money we now have, when the country is suffering for want of money, when the streets are full of tramps, when misery has been abroad and visited every door for want of money on account of this terrible contraction created by the gold standard.

What a mockery, I say, to call us here and ask us to pretend to give relief by striking another blow, which the gold men believe will be the fatal blow at silver and the fatal blow at the masses. What mockery to call us together here now, to augment the colossal fabric of money and diminish the power of production; to call us together here and suggest nothing to us, no glimmer of hope, no word of promise, to relieve the distress which the Senator from New Jersey has pictured to us.

He says:

Any proposition, under existing conditions, which involves the continued issue of silver currency, payable in gold by the Government, even though said issue be reduced in quantity, only serves to perpetuate the vicious system which we hope to abandon.

"Any proposition, under existing conditions, which involves the continued issue of silver currency payable in gold!" We have no such currency. Congress has made no such currency. That currency was made by the Treasury Department, at the dictation of the gold ring, when the Treasury Department refused to obey the law and coin silver for the purpose of paying these notes.

That system never should have been inaugurated; and in the better times of the Government, when the people were free, when representatives were free, such trampling upon the laws, such subversion of the rights of the people would have been promptly met. It would have been stopped, not by legislation, but by another power in the Constitution which, when the lower House sees proper to make the complaint, may be judged in this Chamber.

I say in the purer days of the Republic if any Executive would have thrown away so valuable an option that was given to this Government to pay in silver its notes and protect the gold, if that had been given away to speculators in the early days of the Republic, we would have heard from it in the other House in a different voice from what we did the other day, and if in any days of the Republic, previous to the enthronement of the gold king, if any Secretary of the Treasury had nullified as plain a law as the act of 1890 is, requiring the Secretary to purchase silver, there would have been a noise in the other House and it would have reverberated here.

Was it not intended that there should be an exact equipoise between coins of gold and coins of silver? Did it not mean that you were to go into the markets of the world and ascertain what just relative proportion the value of silver bore to that of gold, and bring about the equipoise of justice between the two by deciding what certain proportion of one should be paid for a certain proportion of the other?

That was not the method suggested in the platform, to go to Europe and ask them to inform us what should be the proportion of value between silver and gold. The suggestion in the Democratic platform was that there should be unlimited coinage of both metals without discrimination against either. That is the way to restore the equipoise. The way to restore the equipoise is not to deny the use to the one that is given to the other. The Senator says:

After the repeal of the Sherman law the reformation of the laws relating to coinage becomes a duty devolving upon Congress, and not at present a subject for Executive action or interference. It remains to be seen whether Congress will act as wisely as the President has done. Promptly repeal the Sherman law. Give nature a chance to get back to its normal condition. Restore confidence in the ability of the Government to maintain its financial policy: help the crippled banks to resume: light again the fires in our furnaces and start anew the wheels in our factories.

That is a beautiful way to do, to take away their money, what little they are getting now. He says after the repeal of the Sherman law, then we can reform our currency. But we can not reform it according to the platform of the Democratic party, because Mr. Cleveland has taken pains to write to Governor Northen that he will have no such reform, he will have no independent action on the part of Congress.

They ask us to vote for the repeal and then trust to men who openly defy the law; who, when they are commanded to coin and pay out silver, refuse to do it. When they are commanded to purchase silver they refuse to do it, and we are told that we must trust to them. The time is far distant when the people of the United States will trust to Wall street, or Wall street lawyers, after the experience we have had in the last three months. The Senator says:

Mr. President, bimetallism and free coinage are impossible anywhere, and in no country do both gold coins and silver coins circulate except by virtue of limitations placed upon the coinage of silver.

Bimetallism and free coinage impossible! Did it not exist for three thousand years? The Senator from New Jersey is absolutely ignorant of what is meant by bimetallism when he makes that remark. Bimetallism, as I stated this morning, and repeat, is the right to use both metals and let the automatic theory have its full force to make money of either metal, to take either metal you please to the mint. You can have your choice. If gold is so dear that you can not get it, use the other; but the choice is a glorious boon. The choice is a boon that was guaranteed by the Constitution.

The right to use either metal and make money out of it was placed in the Constitution. It was declared in that instrument that the United States should coin money and that the States should not coin money, nor should they make anything a legal tender but gold and silver. When the States gave up the right to make anything but gold and silver a legal tender they did not suppose that a conspiracy would be formed to deprive them of silver coin of which they might make a legal tender. They have the constitutional right to make silver coin a legal tender.

You say you will take that right away by stopping the coinage of silver; you will take that right away which was reserved. You have destroyed all the reserved rights of the States in that respect. The States gave to the General Government the exclusive right to coin money. The Constitution denied to the States the right to coin money, and denied them the right to make anything a legal tender but gold and silver coin. Do you pretend to say that you can refuse to coin silver and take that right away from the States? If you can, you can also refuse to coin gold. Then if you refuse to coin gold, and refuse to coin silver, what rights are left to the States? They will have no silver coin or gold coin to make a legal tender. They can make nothing else a legal tender, and they are helpless.

Was it contemplated that the General Government should have the power and the right to deprive the States of legal-tender money? The demonetization of silver is a halfway step. It has deprived them of one of the metals which they reserved the right to make a legal tender of. Now, if you can take the right away as to one you can take it away as to both. A more unconstitutional, oppressive, wicked scheme was never invented.

The quibble is that nothing is bimetallism unless the exact parity is maintained; that if there is the slightest difference of price in the two metals it destroys bimetallism. That is a misconception of bimetallism. We have heard a great deal of harping about the parity. Parity is not bimetallism. It is the right to make coin out of either metal and the choice of the two. That is bimetallism, and that is all there ever was in it. Let the parity take care of itself.

Mr. President, evolution is as irresistible in the financial and commercial world as anywhere else, and it can not be to our interest to lose sight of the fact that evolution has selected gold as the best standard of value, and has rejected silver.

The evolution has done this but the Constitution has not. Are we going to evolutionize the Constitution out of existence? The evolution of rascality, which appears in all ages; the evolution of secret combinations; the evolution of greed; the evolution of oppression; the evolution of intrigue is the one that selected gold and destroyed silver—the evolution that secured the passage of the act of 1873, the act that is universally condemned, the act that nobody defends. That is the evolution. The evolution is the secret manipulation of interested parties to reap where they did not sow and to gather other people's property at will. That is the evolution.

Not only is this true in regard to commerce, but it is also true of all great nations as regards their money of account. Shall it be said that this great nation of 67,000,000 people, rivaling all other nations in civilization, in intelligence, inventive genius, and skill, imbued with the love of country and inspired by a pride in her glorious achievements, will tamely submit and abandon without a struggle the field of commerce and finance to her commercial and financial rivals?

The plan here proposed by the Senator is that this nation, as great as it is, shall abandon its right to mine and coin money and be as weak as a child for want of money. Oh, I have heard boasting of power and strength before. It reminds me of what I have seen in the ruder times in the West, when a burly crowd would gather around the gambling table, full of vigor and force, ready to fight ten times their weight in wildcats; but when they came before the gambling table the fellow behind, with his marked cards, would bring them all to bay. He would take all their money; he would send them home to their cabins without money to get their breakfast in the morning. I have seen that done. The Senator from Illinois [Mr. PALMER] boasted of his prowess. What prowess has brute force against the cunning of the gambling table? The man who sits behind the game marks the cards, loads the dice, and robs his victim is the man of power.

Does anybody believe that silver could have been demonetized if the giant strength of the people had been aroused? It was easily done in the dark. The tricks of the ordinary gambling place are harmless in comparison with the gamblers of Wall street and Lombard street when they deal the financial cards, and you allow them to deal as they please and you allow them to hire the press to defend their rascally game. The courage of the American people! I care not how much courage you have, if you play at the game which they have set up for you to play, if you let them destroy your money, if you let them monopolize your money by fraud, you will be slaves.

England has long ceased to make war upon the United States in the open battlefield, but her money power—not the great majority of the people of England, for they are our friends, and they are oppressed as we are, but the London bankers, the manipulators, and the Wall street bankers and manipulators—play with marked cards and loaded dice and play the financial game of the world, and your bravery and your resources count for naught. They have in their hands as cards to play against you bonds to the extent of at least $25,000,000,000 in London alone. You have made two bets. You bet with gold and silver that you could beat this creditor's game. They were not willing to give you the chance of your bets, but they call in one of them and make you rely upon the other alone, and double the chances of ruining you, and they are succeeding.

Bravery, forsooth! Bravery of the American people! With the Executive marching under the banner of three balls, the commander of the Army and Navy marching to the music of greed and avarice, eulogizing money when it is growing dearer and robbing the world! The people of the United States must be brave at the ballot box; and they must hold their Representatives responsible for the promises they make. Oh, if they could hold them responsible now for the pledges they made, we would have no trouble here. These bimetallists that could not be seduced, but gave notice in advance that they could be forced, that coercion would make them yield, make all the trouble.

The Senator from New Jersey continues:

The mass of the people are always in position to be injured by any governmental folly, and the experience of the last six months justifies the belief that the people have lost confidence in those intrusted with the responsibility of making their laws, and have assumed the responsibility of deciding for themselves what shall be the money of the country.

Yes; the mass of the people can be injured by the folly of the Government. There is no doubt about it. There is no doubt about the mass of the people being injured by the folly of the Government. It was the folly or the crime of Government that robbed the people of one-half their money. It was the folly or the crime of Government that refused to execute what laws Congress did pass; and for these crimes and these follies want has been brought to every household in the land.

What the Senator then said is true; but he did not put the blame in the right place. He is using the evil that has already been wrought and the misery that now exists as a reason for further extortion. Your condition is bad, he says; we have robbed you by bad legislation and worse administration; we propose to go on in the same direction, and from bad to worse.

The people understand how much harm bad legislation and bad administration may do. Why, here we have had twenty-five years of peace and abundant harvests. We have had the most industrious and the most energetic and progressive people in the world. We have unlimited untouched resources, but we have misery throughout the land. Whose fault is it? Is it the fault of honest people? They are as anxious to make money, they are as anxious to develop the resources of the country, they are as anxious to build up homes and educate their children as they ever were. Whose fault is it that they do not have the means of doing it? I say that the Senator in that respect is right. It is the fault of the legislation of 1873, which struck down silver and deprived them of money. It is the fault of the Administration, that would not execute the laws passed tending to restore silver. And after this great crime has been committed, when we see misery throughout the land, we are called together here to sanctify by our vote the crime of 1873 and strike from the statute book every law that recognizes the use of one of the precious metals as money.

We are asked to do this, too, after the gold in the world is cornered and in the hands of the few. We are asked to do this, too, when that combination can draw the entire foundation from our financial structure at any time. We are asked to do this, too, when the contraction of the currency has filled the streets with tramps and starving men. We are asked to do this, I say, after going in the same direction which has filled every house with mourning and starvation. We are asked to do more of the same infamous work. I protest against it in the name of justice, in the name of the Constitution, in the name of the people of the United States, whom I love and want to benefit.

It may not be now, but it is sure to come. The civilization of the age demands it. The whirlwind of indignation which is sweeping over this country to-day is not all in vain. It proclaims in thunder tones to the politicians and to parties alike, "You shall not debase the coin." Hearing the sound, yet heeding not the voice of the people, like as the autumn leaves are driven before the winter storms will you be driven from place and power in this land.

"You shall not debase the coin!" Who has proposed to debase the coin? The men who are robbing the people of one of the precious metals, or the men who are seeking to restore it? Is silver a debased coin, the silver in the Constitution, the silver which the States reserved the right to make a legal tender, the silver that has gone on *pari passu* with gold for thousands of years, the silver which the people used, which 1,200,000,000 people use to-day; the silver which circulates among the people? Is that a debased coin? If it is a debased coin who debased it? How was it debased? By violating the Constitution and rejecting it from the mints, by fraud by which bills were passed by Congress, by the greed of the bondholder who wanted to double his fortune, by the dishonesty, or weakness, or ignorance of public men.

The coin of Hamilton, of Jefferson, of Washington, and Jackson is not a debased coin. The silver that they ordained and declared in the Constitution would be coined by the General Government and might be a legal tender is not a debased coin. The debasement is in the rascality that destroyed the coin. The very proposition which destroyed this coin and robbed the people is a debasement of humanity, the crime is so great.

Debased coin! The coin is good enough, but the rascality which rules us, which rules this Government in its attempt to deprive the people of the coin of the Constitution, is debasing to the very name of humanity. That is the debasement. The people say, "Do not take away our coin; do not take away the coin of the fathers." That is the whirlwind that you will hear. That is what is coming up from the people. That is what has been demanded by them ever since the crime of 1873 was perpetrated. It is not the coin that is debased. It is the debasement of the men who have conspired against the welfare of the people. The Senator says:

Mr. President, since the 7th day of August last I have sat in this Chamber, patient and speechless, awaiting an opportunity to record my vote in favor of the repeal of a vicious law; a vote required of me by a whole nation of Democrats, and demanded by considerations affecting the public weal. I have listened to many able and eloquent speeches made for and against repeal; but in common with many Senators here, and in view of the manifest impatience and great financial distress of the people whom we were expected promptly to relieve, it has been to me a session full of distress and bitter disappointment. And when we reflect that not a single aye or nay vote will be changed as a result of this long debate, we need hardly feel surprised that what at first was popular discontent should in the end become public condemnation.

Ah, then, we can not change a vote. No yea-and-nay vote can be changed by debate. What does the Senator mean by that? Does he mean to say that they are deaf to reason, or that the influence is such elsewhere that it will control the votes, and that they can not be controlled by debate?

This is the greatest question that ever interested the human race. Upon it the destiny of mankind depends, because when the people are deprived of money they must relapse into barbarism. That has been repeated too often in history to be denied. Upon a question as far-reaching as this, involving all the hope of financial and political liberty of 70,000,000 people, the Senator tells us that no debate in this Chamber can change a vote.

Where were the votes fixed and made unchangeable? Where were the Senators made impervious to reason? Where was it done? In Wall street or in this Capitol? Whence came the influences that should make Senators dumb as lambs before the shearer, that should make them harden their hearts and their consciences so that they could not feel for the sufferings that they were about to inflict upon humanity? Can not change a vote, a yea-and-nay vote!

We did not expect, as I said before, to change the vote of the Senator from New Jersey, because he is a strict monometallist, but I did hope that those Senators who come here and declare that the purity of their bimetallic record is above suspicion, equal to the highest estimate that was ever placed upon the virtue of Cæsar's wife, might not possibly be effected by reason. They might be persuaded to return to their first love. We thought perhaps they might be open to reason, and that we might persuade them not to submit too readily to the coercion of the Executive, or any other force; but the Senator here says it is all fixed, that no vote can be changed. Let me tell you that the votes of the people will not be changed so as to indorse this offense.

The Senator concludes:

To-day the Senate of the United States is put upon its trial. We have just celebrated from the steps of the Capitol our centennial anniversary.

The Senate is on its trial. Yes; I admit it is on its trial, and a severe trial, if its votes are so fixed that the Senate is not open to reason. We did have a celebration from the steps of the Capitol about which I commented a short time ago. Such celebrations, if they are repeated too often, will produce trouble in this country at sometime.

Returning again to this Chamber, shall we find that the character of this body has changed, and that representative government here is a farce?

"That representative government here is a farce." I think we come pretty near finding it so. I think we pretty nearly find it so when no vote can be changed; when the Senators come here with a fixed purpose to trample upon their platform. It comes pretty near being a farce when we abdicate our authority to the Executive, when the Executive can determine when we shall adjourn, when we shall have a recess, and when we shall have a compromise and when we shall not have a compromise. I think representative government is a farce if what rumor says is true of that representative government. I am not speaking from actual knowledge. The President does not take me into his confidence, but if we can believe anything that the papers say there is no representative government here except the Senate, and, if the papers tell anything like the truth, we can only record the edicts of another department.

How often have we been told here to do what we were called together to do, pass this bill and go home, that there was no other use for the legislative department? Of course the Senate is a farce and the House is a farce if the edicts can come from the other end of the avenue to adjourn the Senate, to make and break compromises. The papers are full of it and no friend of the President has denied that this is his legislation. No friend of the President has claimed that either House of Congress has any right to participate in any legislation except that it is our duty to record the edicts of another department. That is the position. Is it not a farce? If the position that it is placed in by the unanimous voice of the press, particularly the Democratic press, is correct, the legislative branch is a farce.

That the Senate of the United States, as at present constituted, is not competent to exercise the authority conferred upon it and to discharge the functions it was intended to fill.

The authority conferred by whom? By the Constitution or by the Executive? If the Senate had the power to exercise the authority conferred by the Constitution and was untrammeled by Executive control, who would think of passing this bill without a substitute? Does anybody think that when the Senate records the edict of the Executive it is exercising the authority conferred by the Constitution? Not if the President is firm. He will submit to no compromise. Here they have been waiting for the President. Such humiliation of the legislative department as this was never anticipated by the framers of the Constitution.

Of what use is a legislative body that can not act as the majority dictates?

Of what use is the legislative body that can not act except as the President dictates, as one man dictates? What use is the legislative body that can not act as the majority desires? This legislative body is free at any time to act as the majority desires. The majority in this Hall desires bimetallism. The majority desires that, but the Senator tells us that they were so fixed before they came in here that no argument can induce them to change a vote; that it was predetermined.

When the pressure was not on it has been tested time and time again and found a majority for the free coinage of silver; and if the same men would vote for free coinage who voted for it when the pressure was not on we could pass a free-coinage bill; but the President and the Secretary of the Treasury and the banks and our master, the gold ring, determined to bring on a pressure, a squeeze, as it was called by the President last March. It was created by refusing and locking up money, and the panic was inaugurated by the Secretary of the Treasury refusing to buy silver of Denver smelters and breaking the Denver banks. These things had to be done, and the press had to be called in to misrepresent public sentiment. Every debtor in the land was called upon by his creditor to pay up or compel his representatives in Congress to fall in line and do the bidding of the gold kings.

All this was done to place the power in the hands of the Executive, in addition to patronage, so that he might fix members of Congress and so that the voice of reason could not be heard. What made the Senate deaf to the voice of reason? Was it not the strategy of avarice? Was it not the corrupting influence of the money powers? Was it not Federal patronage? If it was not Federal patronage, somebody ought to have denied the statement in the public press that is going about daily. These powers were brought to bear to suppress the majority. Then it is said that the voice of the majority can not be heard!

That a minority of this body should be allowed to stand as an obstacle to the other branch of the Legislature in giving effect to the will of the majority of the people is not to be endured.

I deny that any minority here has stood against the will of the majority of the people. The minority here is backed by ninety-nine one hundredths of the people of the United States. Feeling and knowing that, we defy a majority procured under the circumstances by which this majority was procured, when we read the speeches of the great Senators who are now marching to the music of gold avarice and obeying the behests of the Executive, when we read their speeches which I think have come from their hearts for twenty years, we know that they are with us still in their desire. We are not thwarting their desire. We know that some extraordinary power must be used to swerve men from the path of duty so clearly marked out in their grand and eloquent speeches. We know that in following their teachings when they were free from any influence to subvert their judgment, we are with them in their honest sentiments. We know that the honest judgment of the majority is with us.

They were sent here because they said they were in favor of bimetallism. They were sent here because they were said to be against the money power. They were sent here because they said that they were in favor of restoring to the people the money of the Constitution. Why have they changed? Is it not safe to follow their example when that example has been indorsed so many times by the overwhelming majorities of those who sent them here? Let them go back to their people and get a new warrant before they change. I would as soon cut my throat as to have an election by the people on an issue, pledge myself to a certain policy, and repudiate that pledge in my legislative capacity before I had submitted the question to the people.

We ask of you to postpone this criminal act, to postpone the ratification, and justification, and sanctification of the great wrong of 1873, demonetizating silver, until you have warrant by vote of the people to do it. The voice of the press in the interest of the gold ring is not sufficient. The command of the President, with an office in Wall street, is not sufficient. They are no excuse. They will not be heard by the people as an excuse for a change of front.

I have a few suggestions to make to my friend, the junior Senator from Kentucky [Mr. LINDSAY], whose speech was in the main a very acceptable free-silver speech, and it does not deserve any lengthy criticism. Still I wish to call his attention to the fact that he was acting under a misapprehension at the time he made the speech, and I shall expect when his attention is called to it, if there are no very strong influences bearing upon him, that he will change front. He says:

An international agreement is most desirable, but by no means indispensable, and, for one, I shall never consent that the action or nonaction of foreign countries shall determine for us our policy as to questions so vitally affecting our domestic trade as are the questions of standard money and the volume of our circulating medium.

That is very sound doctrine. I commend it because it comes from a man from Kentucky who in his first speech is pretty nearly right on the main question. He has to be away from that State

some time and has to go to New York a good many times before he gets rid of Kentucky views. Kentucky is a pretty good State, and that is a very sound proposition. I commend the Senator from Kentucky for that statement. I wish he was in his seat. The next position taken by him I think he will change when he learns the facts. He says:

> The President has nowhere said that the future coinage of silver shall depend upon international agreement. Our platform contemplates independent legislation as well as international conference, and we may safely resort to either method with the full assurance of Executive support, provided only we adopt the necessary safeguards to make it reasonably certain that "every dollar put in the hands of the people shall be of the same intrinsic value or purchasing power."

Since the Senator made those remarks the President has more fully defined his position and declared:

> I am therefore opposed to the free and unlimited coinage of silver by this country alone and independently, and I am in favor of the immediate and unconditional repeal of the purchasing clause of the so-called Sherman law.

The President has declared in unequivocal terms that he is opposed to independent action, that he is opposed to the platform on which he was elected, which provided for independent action. He is opposed to the position of the Senator from Kentucky, who favors independent action, and the Senator from Kentucky bases as his reason for voting for this bill upon future independent action and upon his confidence that the President will coöperate. Now he has notice that the President will not coöperate, and will he still continue to vote for monometallism in the hope of getting bimetallism from a President who says he will not let him have it? I think the Senator from Kentucky will revise his speech. I presume his attention has not been called to it or he would have been prompt to do it. He is an honorable man and he would not rest his case upon the supposition that the President is going to give us bimetallism after he found he was mistaken. The Senator says:

> This is all the Senator from Alabama [Mr. PUGH] demands. This is the platform upon which the President stood when he penned his letter of acceptance. This is the platform upon which I believe he stands to-day.
> So believing, I can not and will not be a party to a course of conduct, the tendency of which is to create a breach in the Democratic ranks, with no other or greater justification than the unfounded and groundless suspicion that he, whom the people trust as they have trusted no other public man of this generation, is quietly awaiting the opportunity to break faith with his party, with his friends, and with the country.

If the Senator from Kentucky should see the Northen letter, which he probably has not seen, what a shock it must be to him to find that his confidence was entirely misplaced; that the President was going to break faith with his platform and with his party, and commit a crime he could not suppose it possible for him to commit!

What position is the Senator from Kentucky in when he places his acts upon this sublime faith, and only a few days afterwards the President comes out with a declaration in a direction precisely opposite to what the Senator supposed he held? He breaks all the hopes of the Senator, if he has read that letter. I advise him to read the Northen letter, and then vote for bimetallism here and now. He will not have another opportunity to cast such a vote while the President is in power. There will be no use in passing any bill here to secure a more liberal use of silver while the President is in office, unless there is a two-thirds majority behind it.

The Senator from Kentucky is not the only Senator who would be inconsistent in voting for this bill if he was sincere in the reasons already given. Several Senators in defining their positions have told us that they were bimetallists; that after the passage of this bill they would vote for the free coinage of silver; that the President was a bimetallist, and would favor legislation to secure that object. Since those speeches were made the President has declared that he is opposed to independent action on the part of the United States. This makes a radical change in the situation, and if the Senators who have declared that they would vote for this bill in anticipation of obtaining free coinage in some other bill during the present Administration were sincere, they ought to vote against this bill unless a free-coinage provision is added to it. They now know that if free coinage is not obtained in this bill it can not be obtained at all during the present Administration. The logic of what they have already said compels them to vote with us for a free-coinage measure as a part of this bill.

I had intended to review the speeches of several other Senators, but I find nothing in them which seems to call for reply that is not contained in the speeches which I have already discussed. The friends of repeal have made no case for the passage of this bill and given no reason why it will benefit the country, nor have they answered the arguments which have been made showing the necessity of the restoration of silver to prevent disastrous contraction. The arguments so far are all against and none for the unfortunate legislation proposed.

Certainty and Uniformity in the Standard of Value Essential to Prosperity.

SPEECH
OF
HON. JOSIAH PATTERSON,
OF TENNESSEE,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, November 1, 1893,

On the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes."

Mr. PATTERSON said:

Mr. SPEAKER: It is now certain that before another sun rises this memorable debate will have passed into history, and the repeal of the law authorizing the purchase of silver bullion will be an accomplished fact. In the heat of discussion much has been said calculated to mislead the people. It has been repeated time and again by the opponents of the measure, that it would, if enacted into law, destroy silver money. The people will soon see that this prophesy will never be fulfilled.

On the contrary, they will find that every dollar of silver now coined will remain with us as money, and in circulation on a parity with every other dollar. Nay, more, I predict, and I invite those who have differed with me on this great question to note the prediction—the amount of silver now in circulation will be from time to time increased as the exigencies of the country may permit or demand. I for one shall insist on the assimilation with our currency the largest amount of silver coins which it will absorb, without deranging our standard of value.

It has been repeatedly said by those who differ with the Administration on this measure that the passage of the bill would result in bringing the United States to the gold standard. They assume we have now some other standard of value. The truth is, this country has been at the gold standard from the day we resumed specie payments in 1879. Gold has been the standard for more than twenty-four years, and it has been the settled policy of this country during all those years to hold all kinds of money in circulation on a parity with gold.

The fearful ordeal through which we have passed, an ordeal which has wrecked so many fortunes and entailed so much want and misery on our people, was the result of an apprehension that this country could not, under existing conditions, maintain its standard of value. For sixty days prior to the date on which the President convened Congress in extra session not a dollar in gold was received at the port of New York in the way of revenue. With five hundred millions of dollars of currency which had to be redeemed in gold, if demanded, with the reserve being daily depleted and not a dollar of gold flowing into the Treasury, a financial crisis such as the country never witnessed before was inevitable unless something was immediately done to avert it.

The entire business community believed that this condition was brought about by the vicious law which we are now about to repeal, whereby the Government, without any limit as to time, was committed to the purchase of 4,500,000 ounces of silver every month. This silver was piled up in the vaults of the Treasury, while the Treasury notes given for its purchase went into circulation not only to flow back into the Treasury as revenue, but to menace the Treasury reserve. For all practical purposes it was an exchange of gold for silver bullion. This was the effect of the law.

For a time a country so great in its resources as ours could maintain its gold reserve and hold all its currency on a parity, but this thing could not go on forever without disaster. There is not a political economist of repute in America who has not warned the people of the catastrophe which was approaching. President Cleveland five years ago sounded the note of alarm. At last apprehension seized the public, and an appalling calamity was the result. It became evident that this country could not, under existing conditions, maintain gold payments. It was certain the moment the Government suspended payments in gold it would go to a premium and the United States would go to the single silver standard.

The real question at issue is whether we shall be forced to abandon a standard by which the gold dollar of the bullion value of 100 cents is the medium of exchange, or be forced to the necessity of shifting to a standard by which the silver dollar of the bullion value of 55 cents would become our measure of value. Disguise it as we may, this is the real question which confronts us. Such a contingency, Mr. Speaker, can not be contemplated by any thoughtful and well-informed mind without real-

izing that it is fraught with untold evil. Such a derangement of all values as would necessarily ensue would paralyze all enterprise, all industry, and all markets.

No human imagination can conceive the misfortunes of laboring men and women, the woe and misery of the poor which would necessarily follow such a derangement of our standard of value. A dear dollar and a cheap dollar constitute an ill-omened currency, fatal as a upas tree to all prosperity. England in the reign of William passed through such a calamity. Fortunately, we are not without the light of experience in the history of our own race. Macaulay, the great historian of England, thus graphically and pathetically describes the result when, in 1695, the medium of exchange was deranged and out of joint in that country:

The evils produced by this state of the currency were not such as have generally been thought worthy to occupy a prominent place in history. Yet it may well be doubted whether all the misery which had been inflicted on the English nation in a quarter of a century by bad kings, bad ministers, bad parliaments, and bad judges, was equal to the misery caused in a single year by bad crowns and bad shillings. Those events which furnish the best themes for pathetic or indignant eloquence are not always those which most affect the happiness of the great body of the people.

The misgovernment of Charles and James, gross as it had been, had not prevented the common business of life from going steadily and prosperously on. While the honor and independence of the state were sold to a foreign power, while chartered rights were invaded, while fundamental laws were invaded, hundreds of thousands of quiet, honest, and industrious families labored and traded, ate their meals and lay down to rest in comfort and security. Whether Whigs or Tories, Protestants or Jesuits were uppermost, the grazier drove his beasts to market; the grocer weighed out his currants; the draper measured out his broadcloth; the hum of buyers and sellers was as loud as ever in the towns; the harvest home was celebrated as joyously as ever in the hamlets; the cream overflowed the pails of Cheshire; the apple juice foamed in the presses of Herefordshire; the piles of crockery glowed in the furnaces of the Trent; and the barrows of coal rolled fast along the timber railways of the Tyne.

But when the great instrument of exchange became thoroughly deranged, all trade, all industry, were smitten as with a palsy. The evil was felt daily and hourly in almost every place and by almost every class, in the dairy and on the threshing floor, by the anvil and by the loom, on the billows of the ocean, and in the depths of the mine. Nothing could be purchased without a dispute. Over every counter there was wrangling from morning to night. The workman and his employer had a quarrel as regularly as the Saturday came round. On a fair day, or a market day, the clamors, the reproaches, the taunts, the curses, were incessant; and it was well if no booth was overturned and no head broken. No merchant would contract to deliver goods without making some stipulation about the quality of the coin in which he was to be paid.

Even men of business were often bewildered by the confusion into which all pecuniary transactions were thrown. The simple and the careless were pillaged without mercy by extortioners whose demands grew even more rapidly than the money shrank. The prices of the necessaries of life, of shoes, of ale, of oatmeal, rose fast. The laborer found that the bit of metal, which when he received it was called a shilling, would hardly when he wanted to purchase a pot of beer, or a loaf of rye bread, go as far as a sixpence. When artisans of more than usual intelligence were collected together in great numbers, as in the dockyard at Chatham, they were able to make their complaints heard and to obtain some redress. But the ignorant and helpless peasant was cruelly ground between one class which would give money only by tale and another which would take it only by weight.

Mr. Speaker, who can conjecture the appalling consequences if Congress continued the fatal policy which has brought the country to this pass? The financial condition from which we are emerging has already cost the people of the United States billions of material wealth and brought want and despair to the homes of the humble and the poor throughout the land. The passage of this bill will leave the country in a state of convalescence. It may not immediately bring that measure of prosperity which has been predicted, but it will restore confidence and mark the beginning of better times. It will insure employment for labor, a market for the products of the manufacturer, and a better price for the produce of the farmer. No dollar of our money will be destroyed or eliminated from our circulation, but the standard of value will be certain, uniform, and assured, and all our money will remain on a parity.

In conclusion, Mr. Speaker, let me impress on my party associates that, great as this question is, and far-reaching as the results of this legislation may be, yet the question about which we have differed and which we have so earnestly discussed, is not a party question. It involves no constitutional principle. It does not intrench on the liberty of the citizen. No cardinal doctrine of democracy is here at stake. It is a great economic question, equally affecting all parties and all citizens, without regard to condition in life, about which Democrats differ, and have the right to differ, according to the lights before them.

I assume that each and all of us have been impelled by honest convictions and patriotic motives. I am willing to ascribe to my colleagues, no matter how widely they have differed with me, on this great economic issue, the same love of truth, the same honesty of conviction which I claim for myself. We all believe in the patriotism of the present Administration. The President of our choice, who convened us in extra session, may be fallible as other men, but all realize his broad statesmanship, his consecration to the welfare of all the people of a common country, and his high sense of official duty. Those of us who believe with him on this question will secure the enactment into law of the bill now under consideration.

I for one claim no advantage of my fellow Democrats who differ with me, and find no pleasure in their discomfiture. No sense of superior sagacity, no feeling of triumph actuates me at this hour. On the contrary, I realize with regret that our differences have been sharp and sometimes not without acrimony. I am more concerned about securing perfect harmony throughout the ranks of our great organization, which stands pledged to the country for the accomplishment of reforms, which we all have so much at heart. The money problem at most is extremely difficult of solution. No man however wise can predict with certainty the result of financial legislation. I believe, and those Democrats who vote with me believe, the passage of this bill is absolutely essential to the welfare and prosperity of the country.

I say to my Democratic colleagues who have differed with us, we all had the right to differ according to the lights before us, within the Democratic party and without the violation of any one of its cardinal doctrines. But I appeal to you to give the Administration of our choice a fair chance. Do not antagonize it before results are known. If its policy turns out well for the country, if prices improve, labor is employed, and prosperity comes, then I beg you to accept results and let us abide together in the same political household in peace and harmony. Let us in good part abide, not by that which now seems to us best for our common country, but by that which experience proves best. My voice is for harmony in our councils, and for justice and forbearance to one another. We have great purposes in common. Let us proceed to accomplish them.

Silver.

From 1792 to 1820 the world's production of silver was more than three times that of gold, and the ratio or relative value was 1 to 15.5.

In 1855 the production of gold had so increased as to be four times that of silver—the change in the ratio of production therefore being twelvefold; and yet this marvelous change in the relative production did not change the relative value or ratio of the two metals.

Going further back we find that from 1493 to 1520 the world produced twice as much gold as silver, but from 1581 to 1600 the yield of silver so largely increased that the production of silver was nearly four times that of gold, and yet there was no material change in the relative value or ratio of the two metals.

Still again, from 1855 to 1873 the world doubled its silver production, and yet during that eighteen years there was scarcely any variation in the relative value or ratio of gold to silver.

The reason for this was, that with the exception of England, no nation had, up to that time, commenced hostile legislation against silver.

SPEECH

OF

HON. JOSEPH WHEELER,

OF ALABAMA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, August 25, 1893.

The House having under consideration the bill (H. R. 1) to repeal a part of an act approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. WHEELER of Alabama said:

Mr. SPEAKER: I have listened with great attention to the debate which has now occupied the attention of the House for more than two entire weeks, and I have failed to hear any argument which justifies Congress in refusing to pass a bill for the coinage of silver as promised by the Democratic platform.

The gold-standard men say thot excess in production of silver has and always will depreciate its value.

This is untrue.

From 1792 to 1820 the world's production of silver was three and one-eighth times that of gold, and the ratio or relative value was 1 to 15.5.

In 1855 the production of gold was about four times that of silver. To be exact, it was three and eight-tenths times. The change in the ratio of production was, therefore, twelvefold, and yet this marvelous change in the relative production did not change the relative value or ratio of the two metals, as in 1855 it was 1 to 15.5.

Going further back we find that from 1493 to 1520 the world produced twice as much gold as silver, but from 1581 to 1600 the yield of silver so largely increased that the production of silver was nearly four times that of gold, and yet there was no material change in the relative value or ratio of the two metals.

Still again, from 1855 to 1873 the world doubled its silver production, and yet during that eighteen years there was scarcely any variation in the relative value or ratio of gold to silver.

The reason for this was, that with the exception of England, no nation had, up to that time, commenced hostile legislation against silver.

This disposes of the first proposition.

2. They then say that Germany and the United States demonetized silver because of the excessive production of that metal as compared with gold.

This is untrue.

Germany first demonetized silver in 1871 and the Congress of the United States inaugurated proceedings to accomplish that purpose the same year.

The world's production of silver the preceding year (1870) was $51,575,000, while the production of gold was more than double—being $106,850,000. This disproves their second proposition.

3. They then assert that Germany and the United States were impelled to demonetize silver because the world took alarm at the great increase of production of that metal prior to the year 1871.

This is untrue.

The production of silver the previous year (1870) was $51,575,000 and the average production for the six previous years was $51,058,000. This disproves the third proposition.

4. Beaten at every point, the gold standard men then tell us that the United States must now demonetize silver because since 1871 silver production has enormously exceeded the production of gold.

This also is utterly untrue.

The world's production of gold during that period was $2,256,697,000 and the world's production of silver during that time was $2,411,769,000.

We therefore see that this assertion is also untrue. The excess in the production of silver was less than 10 per cent.

It was to England's advantage to demonetize silver, because she became a creditor nation and the debts due her would increase in value just in proportion to the decrease of the volume of money.

It was also to the advantage of Germany to demonetize silver for the same reason. France had contracted to pay her 5,000,000,000 francs in gold. The demonetization of silver increased the value of this gold. The United States followed in the same line and demonetized silver under the influence of a European emmissary and European capitalists.

5. In their desperation the gold-standard men charge that the Democrats of the South and West desire to flood the country with cheap, debased money.

This is untrue.

We only demand that the pledges of the platform be redeemed and that silver be coined upon such a ratio that the value of the silver in the silver dollar will be equal to the gold in the gold dollar. This proves that the fifth proposition is untrue.

6. Overwhelmed with despair, the gold standard men then say that silver coinage will result in the laborer being paid with depreciative silver dollars. They must know this is untrue. They know that the silver dollar demanded by our platform has precisely the same value as the best gold dollar ever coined, and they know that every such silver dollar would be added to the specie money of our country, and would strengthen the foundation of our financial system, and would result in giving more constant and better paid employment to the millions of laborers who, without the sufficient volume of money, must remain idle. But no one will question but that additional sound money would be of equal benefit to the farmers of the United States.

This disposes of the sixth proposition.

7. In their further desperation the gold standard men tell us that with very little delay an international agreement will provide for free coinage of silver throughout the world.

They must know that this is untrue, because the evidence before us is overwhelming that international bimetallism is impossible. This disproves their seventh proposition.

The gold standard men stripped of every other argument are driven to their last and only position and assert that less money will be better for the world in general and for this country in particular. This assertion would be true if by the word "world" they mean the Rothschilds, Lombard, and Wall street brokers, bankers, and capitalists. But it is utterly untrue if we include as a part of the world the great industrial masses of the people; the people who have built up the civilization of our country and the entire world, the people to which we owe all of our progress, all of our inventions, all of our wonderful development in the arts, all of our contributions to literature, and all of our marvelous material prosperity. If they include these people as part of the world, their statement is utterly untrue, and we see that every vestige of argument which has been made in this Hall in favor of the gold standard is swept away like froth before a mighty current.

I shall endeavor to establish—

1. That to demonetize silver would destroy one-half the foundation upon which our credit fabric is based.

2. That the debts of the people in this country are very largely in excess of $19,000,000,000, and that to maintain this country's credit we must be able to liquidate these debts in coin.

3. That the combined gold and silver of the United States is necessary to give strength and stability to our credit system.

4. That the increasing demand for the use of gold and silver in the arts leaves us an inadequate annual increase of specie.

5. That the record of the Democratic party up to and including the last election was emphatically in favor of silver coinage.

6. That the record of the Republican party shows that in every political canvass it has promised the people free coinage of silver, and in all its legislation it has falsified its pledges and promises.

7. That the history of the world shows that abundant full debt-paying money is essential to the progress of civilization.

8. That in the present condition international bimetallism is impossible.

9. That upon the silver question the New York press represents interests that are directly antagonistic and diametrically opposed to the interest of the people of the South and West.

10. That the journals of New York predicted in 1885 that the continuation of silver coinage would denude our country of gold.

11. That the Southern States were the first to respond to the Administration's appeal for gold.

12. That prior to the hostile silver legislation no excess in the production of either gold or silver materially affected the ratio of value of the two metals.

13. That under Democratic rule the stock of gold in this country has always increased and that under Republican rule the stock of gold has always decreased.

14. That during the entire month of July the purchase of silver has been less than 2½ cents per capita.

15. That a law which demonetizes silver is unconstitutional.

The advocates of the measure now before this House reiterate over and over again that the purpose of the bill is to restore confidence and bring hoarded money back into the channels of trade. The arguments have been little more than admissions that this bill is an expedient and that its advocates believe that it is alone upon the condition of its passage that capitalists in this country and Europe will unlock their vaults, release their money, and allow confidence to be restored and business to resume its accustomed channel.

GOLD AND SILVER THE FOUNDATION OF ALL CREDIT.

The Treasury reports show that in 1890 the amount of specie in the country was $1,152,471,538. Therefore at that time, in round numbers, the United States had about $1,000,000,000 of gold and silver, nearly equally divided.

The gentlemen who seek to demonetize silver inform us that 95 per cent of the business is credit and 5 per cent cash.

If this is correct, we must have $19,000,000,000 of credit. But they tell us that this great amount of credit has shrunken from want of confidence. Of course, they must mean want of confidence in ability to pay. That is all that withdraws credit.

The reason why the $19,000,000,000 of creditors lose confidence is because they see there is only $1,000,000,000 of coin available in the country to pay these great sums.

The opponents of silver coinage contend that this $19,000,000,000 can more certainly and more easily be paid by striking down $500,000,000 of coin and leaving only $500,000,000 in existence.

These gentlemen want us to believe that a debt which can not be paid with $1,000,000,000 can be easily paid with half that sum.

It is a new, scientific finance by which $50 will pay a debt which a round $100 can not begin to pay.

On the same principle, if a man has $1,000,000, and his creditors become alarmed and fear he can not pay them what he owes, he has only to let one-half be destroyed, leaving him $500,000, and his creditors become perfectly satisfied with his solvency and his ability to pay every dollar.

A DEBT OF OVER NINETEEN BILLION DOLLARS.

But, Mr. Speaker, I fear very much that our friends underestimate the amount of debt actually owed by the people of this country, including, as we must, the debts due our fellow-citizens, as well as those we owe to European capitalists. The people of England alone claim that the amount we owe them is not less than $7,000,000,000. I can not say that this is correct, but I have looked into some of our statistics and have prepared a table from official documents which gives only a part of our indebtedness. In the North American Review of November, 1891, page 618, Hon. Robert P. Porter, Superintendent of the Census, says:

It it probable that the number of families occupying and owning mortgaged farms and homes does not exceed 2,250,000.

Mr. Porter also says:

The average farm and home debt shown by tabulation of partial returns from counties distributed throughout the Union, is $1,288 for farms and $924

for homes. If these averages hold good for the United States there is an existing debt in force of $2,500,000,000 on the farms and homes of the United States occupied by owners.

This is very much less than other estimates. Mr. Porter does not claim it to be reliable. He says in his article that—

Only some rough results of this inquiry are now known.

But to keep our estimate at the lowest figure possible we will assume Mr. Porter's estimate to be correct.

With these figures, together with the official statements from the authorities I shall quote, I will show some of the indebtedness which existed in our country during the census year of 1890.

It is as follows:

Table showing some of the debts of people and corporations in the United States during the year 1890.

Railway debts of 163,420 miles of railroad as stated in Poor's Manual for 1891. Introduction, page 1:	
Funded debt	$5,105,902,025
Unfunded debt	376,494,297
Current debt	271,145,250
Loans from 3,540 national banks, as shown by Statistical Abstract of the United States for 1891, page 31	1,986,100,000
Loans from 5,579 State, saving, stock, and private banks and trust companies, as shown by United States Statistical Abstract	2,201,764,292
National debt (Treasury report)	891,960,104
State, county, municipal, and school district debts, as stated by Statistical Abstract of the United States for 1891, page 9	1,135,351,871
Mortgages on farms and homes, not including those occupied by tenants	2,500,000,000
Mortage indebtedness on real estate used in business and all other realty not including the farm and home mortgages as stated above	3,500,000,000
Indebtedness of street railways, manufactures, business enterprises, etc., as shown by the census of 1890	1,500,000,000
Total indebtedness	19,468,616,709

These debts have increased during the last three years probably 20 per cent, making the debts included in these items amount to not less than $23,000,000,000.

We all know there are many other debts caused by the great and constant money exchanges in our financial centers and also the small indebtedness to merchants and others which constantly exists among the 70,000,000 people of our country. With this great mass of indebtedness or business done upon credit, can it be possible that there are men here who wish to demonetize silver and thus to materially reduce the specie foundation upon which this great fabric of credit business must be based?

But they tell us that they do not intend to destroy the silver we now have.

In reply I assert that if the money power of England and this country is strong enough to so coerce Congress as to secure the enactment of a law to stop the coinage of any more silver from the silver ores of our mines they will certainly be strong enough to succeed in their next move and deprive every silver dollar in this country of its legal-tender qualities.

GOLD AND SILVER THE BASE OF ALL FINANCIAL SYSTEMS.

Pass this bill, and one of two results is inevitable. Either the mines must produce less silver, and in that way the increase of wealth be lessened, or, if the output is the same, the price must fall. If silver falls in value, the silver in our present silver dollars would be of less value. The demonetizers now denounce the silver dollar as a fraud. If its value is lessened one-half or one-third, would they not denounce it still more?

Again, the gold and silver countries have $1,784,605,000 of gold and $1,757,200,000 of silver.

They have slightly more than half the gold of the world, and almost half the silver.

They have 7½ per cent per capita of gold and 7½ per cent per capita of silver, almost 15 per cent per capita of coin. Now, strike down silver and half of our money metal is gone.

Gold and silver form the base upon which all financial systems are constructed. Gold and silver is the foundation, and paper money is the superstructure. To insure firmness and stability, the foundation must be sufficiently strong and broad. Take away silver, and thus remove half of the foundation, and the superstructure will lose half its firmness and stability.

This is an inevitable result.

The only way to avoid it is to remodel and reduce the paper superstructure, and that is the ultimate purpose of the gold-standard advocates. They have but one object in view. They want less money and less distribution of money. This will give them more power, and the labor of our land will be more thoroughly under the dominion and control of capital.

No one will deny that in a country like ours, increasing so rapidly in both population and wealth, there must be a corresponding increase in the amount of money.

The gold production of this country is on the decline.

The use of gold in the arts is on the increase. Therefore gold coinage must be less and less each year.

How can this necessary money be obtained?

The real friends of sound money point to the Democratic platform and demand that the pledge made by that instrument be redeemed.

They demand that silver be coined.

The last report of the Director of the Mint, page 51, tells us that the entire gold product of the United States for the calendar year 1891 was $33,175,000, and on page 50 he says the approximate use of gold in the arts that year was $19,700,000, leaving but the insignificant sum of $13,475,000 for coinage. It is true that the actual coinage of gold was $29,222,005, but this excess partly comes from abroad, and partly is the result of recoinage.

The same report tells us, page 51, that the commercial value of silver product that year was $57,630,040, and on page 50, that $9,630,000 of the silver was used in the arts.

To give some idea of the amount of gold and silver used in the arts, I give below a table prepared from figures taken from the various reports of the Director of the Mint, stating the amount consumed in the United States each year since 1879. It will be observed that the amount used in the arts has been constantly on the increase.

Gold and silver furnished for use in manufactures and the arts in the United States during the calendar years 1880–1892.

Calendar years.	Gold.	Silver.
1880	$10,962,600	$6,098,000
1881	11,770,700	6,619,000
1882	10,868,000	7,197,500
1883	14,458,800	5,540,000
1884	14,560,000	5,520,000
1885	11,824,742	5,264,769
1886	13,069,529	5,055,965
1887	14,810,346	5,438,331
1888	16,514,842	8,101,889
1889	16,697,056	8,766,945
1890	17,655,960	9,229,154
1891	19,686,916	9,003,309
1892	19,329,074	9,301,388
	192,148,565	91,776,841

It will be admitted that the annual increase or production of the two metals does not keep pace with the growing needs for metal money, caused by the development of business enterprises, and most certainly the annual production of gold falls very far short of supplying the specie which is absolutely essential for the purposes of commerce.

It seems impossible to fully estimate the power which would be exercised by the Rothschilds and their associate capitalists if silver should be demonetized by the United States. We must remember that at least 36 per cent of the gold product now comes from mining silver. Of necessity for every dollar's reduction in silver production there will be 36 cents' less product of gold.

We see by the above table that the use of gold in the arts is constantly increasing, which, of necessity, still further deducts from the use of that metal for coinage.

Again, the establishment of a gold standard would increase the wealth of the class of people who indulge in the luxury of gold plate and gold ornaments, and therefore their ability and inclination to use gold in that manner would again reduce the amount of metal available for gold coinage.

That in the early days the world contained a large amount of gold and silver there can be no question. The Bible contains hundreds of verses which allude to the profusion of those metals.

Later during the Dark Ages there was very little enterprise and the production of gold, like all other industries, was neglected. But in the early history of man there is abundant evidence that gold was found in large quantities, and the early inhabitants of the world of course availed themselves of all the gold and silver that was easily attainable.

All through the Old Testament from the second chapter of Genesis to the last or nearly the last chapter of that Holy Book we see constant reference to gold and silver, and in the New Testament from the second chapter of Matthew down to and including Revelations, we again see repeated allusions to gold and silver.

In the second chapter of Genesis, eleventh and twelfth verses, I read:

The whole land of Havilah where there is gold; and the gold of that land is good.

This is the first reference to gold which I find in the Bible, and the last that I find is verse 16, chapter xviii, of Revelations:

That great city that was clothed in fine linen and purple, and scarlet, and decked with gold.

All through, and from the beginning of the Bible to the end, we see expressions of like character.

We read from the forty-first chapter of Genesis, forty-second verse:

And Pharaoh put a gold chain about his [Joseph's] neck.

We now read from the twenty-fifth chapter of Exodus and from the following verses:

Verse 3:

And this is the offering which ye shall take of them; gold and silver.

Verse 11:

Make upon it a crown of gold.

Verse 12:

Cast four rings of gold.

Verse 13:

Make staves and overlay them with gold.

Verse 17:

And thou shalt make a mercy seat of pure gold; two cubits and a half shall be the length thereof, and a cubit and a half the breadth thereof.

Verse 18:

And thou shalt make two cherubims of gold.

Verse 24:

And thou shalt overlay it with pure gold, and make thereto a crown of gold.

Verse 25:

And thou shalt make a golden crown.

Verse 26:

And thou shalt make for it four rings of gold.

Verse 28:

And thou shalt make the staves of Shittim wood, and overlay them with gold that the table may be borne with them.

Verse 29:

And thou shalt make the dishes thereof, and spoons thereof, and covers thereof, and bowls thereof, to cover withal; of pure gold shalt thou make them.

Verse 31:

And thou shalt make a candlestick of pure gold; of beaten work shall the candlestick be made; his shaft, and his branches, his bowls, his knops, and his flowers shall be of the same.

Verse 36:

Their knops and their branches shall be of the same; all of it shall be one beaten work of pure gold.

Verse 37:

And thou shalt make seven lamps thereof.

Verse 38:

And the tongs thereof, and the snuff dishes thereof, shall be of pure gold

Verse 39:

Of a talent of pure gold shall he make it, with all these vessels.

We see here in a single chapter of Holy Bible abundant evidence that gold was used in very great profusion. And there are many other chapters of the Bible where the use of gold is referred to in a manner which shows it must have been much more abundant in very ancient times than at the present period.

In the thirty-sixth chapter of Exodus I read from the following verses:

Verse 13:

And he made 50 taches of gold.

Verse 34:

And he overlaid the boards with gold. And made their rings of gold, to be places for the bars, and overlaid the bars with gold.

Verse 36:

And he made thereunto four pillars, and overlaid them with gold. Their hooks were of gold.

Verse 38:

And their fillets with gold.

I also read from First Kings, chapter vi.

Verse 20:

And the oracle in the forepart was twenty cubits in length and twenty cubits in breadth and twenty cubits in the height thereof; and he overlaid it with pure gold.

Verse 21:

So Solomon overlaid the house within with pure gold; and he made a partition by the chains of gold before the oracle; and he overlaid it with gold.

We also read from First Kings, chapter ix.

Verse 14:

And Hiram sent to the King six score talents of gold.

I also read from First Kings, chapter x.

Verse 14:

Now the weight of gold that come to Solomon in one year was six hundred three score and six talents of gold.

Verse 15:

Besides that he had of the merchantmen, and of the traffic of the spice merchants, and of all the kings of Arabia, and of the governors of the country.

Verse 16:

And King Solomon made two hundred targets of beaten gold; six hundred shekels of gold went to one target.

Verse 17:

And he made three hundred shields of beaten gold; three pound of gold went to one shield; and the King put them in the house of the forest of Lebanon.

Verse 18:

Moreover, the King made a great throne of ivory, and overlaid it with the best gold.

Verse 21:

And all of King Solomon's drinking vessels were of gold, and all of the vessels of the house of the forest of Lebanon were of pure gold.

Verse 22:

For the King had at sea a navy of Tharshish with the navy of Hiram; once in three years came the navy of Tharshish bringing gold.

Verse 25:

And they brought every man his present, vessels of silver and vessels of gold.

I also read from First Chronicles, chapter xxii.

Verse 14:

I have prepared for the House of the Lord a hundred thousand talents of gold.

Besides the verses I have read, I have before me two hundred and fifty verses from the Bible speaking of gold.

I also have before me in all one hundred and twelve verses from the Bible speaking of silver.

With all this evidence I feel that we would be justified in assuming that prior to the Christian era the production of gold and silver was equal to the production during any period of the world. If that were true, the production prior to the Christian era would have been ten times the production during the last 400 years, reaching the enormous sum of $82,143,030,000; but in order to prevent the possibility of making too high an estimate, we will assume that the production during the 5,497 years prior to 1493 was at a very much lower figure.

During the last four hundred years we have authentic records of the production of $8,214,303,000 of gold and $9,726,072,000 of silver. The Roman Empire alone at the Christian era had metallic money to the amount of $1,800,000,000. It would be no exaggeration to assume that the production of gold and silver during the five thousand four hundred and ninety-seven years preceding the discovery of America was at least three times as much as it was in the last four hundred years. That would make a total production to date of $32,817,212,000 of gold and $38,904,288,000 of silver.

The entire amount of gold we now have in the world is $3,582,605,000, and the total amount of silver in the world is $4,042,700,000, showing that the amount of gold and silver in the world which has not been consumed by the arts or lost or destroyed is only about one-tenth of the production. This fact, together with the demand which we see to-day for the precious metals for the arts shows that there is no possible danger of any excess of coinage of the precious metals.

DEMOCRATIC PLEDGES MUST BE REDEEMED.

The money promised by the Chicago platform is what the people demand.

This is honest money. It is honest politics. It is honest statesmanship. It is honesty to the people.

It is necessary in order to enable Congress to carry out the other financial pledges, and by repealing the 10 per cent tax, restore to the sovereign States of the Union their sovereign rights to enact laws to regulate their own financial affairs.

The Democratic Campaign Book for 1890, page 374, says:

DEMOCRATIC PARTY ON SILVER.

The records of the Fifty-first Congress show that the Democratic Senators and Representatives are practically a unit in support of the free and unlimited coinage of the white metal.

The Democratic platform of 1884, reaffirmed in 1888, spoke as follows on the coinage:

"We believe in honest money, the gold and silver coinage of the Constitution, and a circulating medium convertible into such money without loss."

The Republican platform of 1888 spoke thus:

"The Republican party is in favor of the use of both gold and silver as money."

The meaning of these declarations can be best learned from the history of silver-coinage measures in Congress.

In all its years of power the Democratic party never enacted a law to demonetize silver, but constantly and unceasingly maintained its free and unlimited coinage from 1792 to 1873, when the Republicans, being in a large majority in both Houses of Congress and having all departments of the Government, enacted a law in February prohibiting the coinage of the standard silver dollar.

In November, 1877, a Democratic House of Representatives enacted a free-silver coinage bill, which went to its grave in the Republican Senate.

The book then proceeds to give the vote upon silver showing that the Democratic vote in the House in 1877 was 97 votes for the free coinage of silver and only 10 against it. Various other votes upon the silver question are then given, including the vote of June 7, 1890, at which time the House gave a direct vote upon

the question of free coinage. The Democrats in the House were almost solid for free coinage, only 13 Democrats voting against the bill, and of that thirteen but three are now members of Congress, and these three all represent banking constituencies, one from the city of Boston, one from the city of Philadelphia, and one from the city of Albany.

Among those who voted for free coinage, I recall BRECKINRIDGE of Arkansas, BRECKINRIDGE of Kentucky, BYNUM, CARUTH, CATCHINGS, CLARKE of Alabama, CRANE, CRISP, EDMUNDS, MCCREARY of Kentucky, MONTGOMERY, OATES, O'FERRALL, OUTHWAITE, SPRINGER, STONE of Kentucky, TUCKER, TURNER, WASHINGTON, and the distinguished gentleman from West Virginia [Mr. WILSON].

With this overpowering expression of the Democracy in favor of free coinage fresh in the minds of the people, the election of 1890 took place and resulted in the great Democratic victory which gave us 150 Democratic majority.

This vote in favor of free coinage was made a very prominent feature in the campaign. It was made very noticeable in the campaign books, and it was regarded as a declaration and pledge on the part of the Democracy for free coinage.

Two years later, in 1892, the Democratic party again went before the people on the positive declaration in favor of the free coinage of silver.

The platform pledged the party to the use of both gold and silver as the standard money of the country and to the coinage of both gold and silver, without discriminating against either metal and charge for mintage, but upon the condition that the dollar unit of coinage of both metals must be of equal and intrinsic value.

THE NEW YORK PRESS INTERPRET THE CHICAGO PLATFORM FOR FREE SILVER.

The press of the United States were emphatic in interpreting this platform of the Democratic party as a pledge for free silver.

Just after the Democratic convention adjourned, the New York World asserted that the Democratic silver plank was stronger than the silver plank in the Republican platform. It went beyond this, and stated that that was the general opinion of conservative men.

In its issue of June 27 the New York World editorially said:

It is the general opinion of conservative men that the Democratic silver plank is stronger than the Republican.

The New York World also said in the same issue:

The issues are perfectly plain and simple. Every voter will know for what, as well as for whom, he votes.

The New York Herald not only concurred with the World, but emphatically indorsed the silver plank of the Democratic platform.

In its leading editorial of June 24, 1892, this great paper said:

The platform is squarely representative of Democratic principles. It is right on the tariff, right on silver, and right in its denunciation of Republican extravagance. It has already commended itself to the good sense of those who have carefully read it, and will still further commend itself when we get into the thick of battle.

The New York Tribune also asserted that a great majority of the Democratic convention was unequivocally in favor of a free-silver platform. It then discusses the subject, and says:

It is a free-silver platform.

The language of the New York Tribune in its leading editorial of June 23, 1892, headed "The Democratic Platform," was—

The Democratic platform is not an honest one.

It then proceeds to criticise it, and finally says:

Everybody knows that the great majority of the convention was disposed to adopt an unequivocal free-silver platform. If it is honest in any respect the platform means the free coinage of silver.
It is a free-silver platform with a trickery in the form of utterance.

In reply to the assertions now being made by the New York World and prominent gold-standard Democrats, that the main issue last year was a demand for the repeal of the Sherman act, I will quote an unequivocal refutation on this point, which I find in the New York World of June 27, 1892. In a leading editorial of that date that influential paper said:

Whatever the platforms may say, however, the silver issue is not in the present campaign. As the World has urged, this issue has been sent to the rear, behind the tariff, the force bill, and billion-dollarism.

And to show that the New York World in 1892 fully approved of the demand of the Democratic platform for the coinage of both gold and silver, without discrimination of either metal, and the further demand for such legislation as shall insure the maintenance of the parity of the two metals, I will read another paragraph from the same editorial of the New York World of June 27. It says:

Not only is the silver question not an issue in the present campaign, but there is a wholesome sign in the excellent Democratic plank that when it comes up for serious consideration it will be dealt with on business and economic principles and will not be made the sport of politics.

A large element of the Democratic party are here ready and anxious to comply with this demand of the Democratic platform. They are here using every effort to deal with this question upon business principles. They are endeavoring to obtain consideration for bills providing for the coinage of silver, in which the silver in the silver dollar shall be equal in value to the gold in the gold dollar.

THIRTY-ONE STATE PLATFORMS FOR SILVER.

Not only did the Democratic platform promise the people free silver, but in addition to that thirty-one States, in their conventions, adopted free-silver platforms, and substantially all of the Congressional districts which expressed themselves on the subject were emphatic for free coinage. The New York Tribune of June 21, 1892, refers to this subject in these words:

Behind Cleveland is a party which in the last three years has declared for free silver in thirty-one State platforms, and in two Congresses has voted for free-silver bills with substantial unanimity.

One of these thirty-one States was the State of Alabama, which in the State convention expressed itself unequivocally for silver.

I read from the fourth plank of the Alabama State platform of 1892:

That the Democratic party of Alabama expresses its condemnation of the Republican party for their administration of the finances of the country, under which the demand of the people for a sufficient circulating medium has been ignored, and silver has been driven from its time-honored and rightful place and uses under the Constitution of the United States, where it was maintained so long as our party had control of the national legislation.

So thoroughly was it understood that the people throughout the United States were in favor of free coinage that the Republican party did not dare go into the canvass without floating free-coinage banners to the breeze. It promised the people all that words could express in the line of free coinage, but the trouble with that party was that the people had learned to put no confidence in their pledges.

The Republican convention seemed to realize this, and endeavored to meet the exigency with an effort to outstrip the Democratic party in fulsome expressions in favor of silver. Not only were they profuse in the extreme in favor of silver coinage, but they even went so far both in 1884 and 1888 as to condemn the policy of the Democratic Administration for what they chose to term "the efforts of Democracy to demonetize silver."

REPUBLICAN PLEDGES IN FAVOR OF SILVER.

I read from page 19 of the Republican Campaign Book of 1890:

In its last national platform the Republican party declared this doctrine: "The Republican party is in favor of the use of both gold and silver as money, and condemns the policy of the Democratic Administration in its efforts to demonetize silver."
In conformity with this pledge the Republican Congress has passed, against the unanimous opposition of Democratic members, a silver bill, than which there has been no more useful and inspiring act since the resumption of specie payments. It provides, in brief, that the Secretary of the Treasury shall purchase 4,500,000 ounces of silver per month, at the market price, and issue in payment thereof legal-tender Treasury notes, redeemable in coin. This affords an annual increase in money of over $60,000,000.

The Republican Campaign Book, same page, then says:

The Democratic Bland act afforded an annual increase of $24,000,000.

The book then goes on to assert that the $60,000,000 of Treasury notes issued under the Sherman act is as good and must under all circumstances remain as good as any money the world has ever seen.

REPUBLICANS EULOGIZE THE SHERMAN ACT.

The language used was in these words:

The money provided by the present Republican Congress is as good and must in all circumstances remain as good as any money the world has ever seen.

Here was a positive declaration that the Sherman act was giving the people annually $60,000,000 of the best money the world has ever seen, and Republican criticism of the Democratic Bland act was that it gave the people but $24,000,000 when the Sherman act gave them $60,000,000, and yet those same Republicans are so faithless to the people as to stand in an almost solid phalanx, using every possible effort to take away from the people every dollar of the money which they assert is the best the world has ever seen, and the reason they now give for this action is, that these Treasury notes are dishonest money.

Now, each dollar which is now being issued under the Sherman act at the present price of silver is based upon almost twice as much silver as the dollars were based upon which were being issued in 1890 when the Republicans said the Sherman-act "Treasury notes" were as good as any money the world has ever seen.

But Republicans do not stop at these pledges to the people with regard to their advocacy of free coinage of silver.

The silver plank in the Republican platform of 1892 were in these words:

SILVER AND CURRENCY.

The American people, from condition and interest, favor bimetallism, and the Republican party demands the use of both gold and silver as standard

money, with such restrictions and under such provisions, to be determined by legislation, as will secure the maintenance of the parity of the values of the two metals, so that the purchasing and debt-paying power of the dollar, whether of silver, gold, or paper, shall be at all times equal.

And their candidate, President Harrison, in his letter of acceptance indorsed all that had been said by his party and used this emphatic and unmistakable language:

COINAGE AND CURRENCY.

The resolution of the convention in favor of bimetallism declares, I think the true and necessary conditions of a movement that has, upon these lines, my cordial adherence and support. I am thoroughly convinced that the free coinage of silver at such a ratio to gold as will maintain the equality in their commercial uses of the two coined dollars would conduce to the prosperity of all the great producing and commercial nations of the world.

The Republican Campaign Book, pages 157 to 165, then devotes a chapter in eulogy of the Sherman act and its effects, and unblushingly charges Democrats with having demonetized silver.

They also assert that the Bland act was a Republican measure.

They say, page 163:

The act formed by the Republican Senate in 1878 provided for limited coinage of silver. It was savagely denounced by Democrats, but, after, twelve years of experience, was found to have done no harm.

I wish to call attention to this remarkable fact.

This paragraph which I take from page 163 of the Republican Campaign Book of 1892 refers to the Bland-Allison act.

It will be observed that they claim that this act was formed by the Republican party, and they claim only last year that it was beneficial and was found to have done no harm, and yet this is the very law which the Republicans repealed on June 14, 1890, and it is this same act which the Republicans are using every effort in their power to prevent being restored.

The Republican party fully understood that the best interests of the great masses of the people demanded a more abundant volume of money and that bimetallism was essential to attain this deserved end.

The Republicans realized that these propositions were so self-evident, and they so fully appreciated that the people would not support a party which did not subscribe to them, that they incorporated in their campaign book a distinct announcement in favor of these principles.

I read from the Republican Campaign Book, page 157:

Some money lenders who are money monopolists want scarcer money that it may be dearer. The honest wage-earners, the tillers of the soil, and other producers who would rob no man, want more money but good money. More money, they believe, is required by the constant growth of commerce and industry.

In the next paragraph, the same page, the book says:

No party has ever favored money monopolists. a contraction of the currency, or an unchanged volume of circulation which, with growing business would involve a relative contraction.

In the great anxiety of the Republican party to secure votes they proceed in the next paragraph of their campaign book to use these expressions:

The subhead of this paragraph is as follows:

THE REPUBLICAN A BIMETALLIC PARTY.

The book then says:

Nine-tenths of the people are bimetallists. They want both money metals used, because they believe both needed to sustain the world's commerces The Republican party intelligently and honestly answers their wishes. President Harrison is a bimetallist, as his official papers and his speeches plainly show. The Republican platform declares for bimetallism, and in that respect faithfully represents the course of the party.

TRIBUNE, RECORDER, AND WORLD ON REPUBLICAN PLATFORM.

Not only was their campaign book emphatic in interpreting their platform and principles as unqualified in advocacy of free silver, but the leading Republican organ, the New York Tribune, was explicit in that interpretation. and even went further, and added its approval and admiration for the free-silver plank of the platform upon which they were to ask the people of the United States to retain them in power.

Remember that the Republican platform of 1892 said:

The American people from condition and interest favor bimetallism, and the Republican party demands the use of both gold and silver as standard money.

The New York Tribune of June 10, 1892, in its leading editorial on the Minneapolis platform says:

The platform gives frank expression to the pride of Republicans with the grand work of the Congress of 1890, and appeals without hesitation to the results of that work thus far realized.
The declaration on the silver question is equally free from ambiguity.

The New York Tribune very properly says that this—

Declaration on the silver question is free from ambiguity.

And it speaks of the pride of the Republicans in what the Tribune calls the great work of the Republican Congress of 1890 in enacting the Sherman law.

And the Tribune appeals without hesitation to the results of that work.

Bear in mind that this New York Tribune, which was so emphatic for bimetallism and free silver coinage pending an election, is, if possible, more emphatic in precisely the other direction when bills are before Congress to demonetize silver.

I especially call attention to its editorial of February, 1885, and February, 1893, and since the present Congress has been in session.

The contrast between its editorials just before the national election and just after, are as marked as it is possible for them to be.

The leading editorial in the New York Recorder of August 20, 1893, says:

The Recorder desires it to be distinctly understood that it is making its fight for free silver coinage strictly within the lines of the Republican party, as laid down in the Minneapolis platform of 1892, which declared that—
"The American people, from tradition and interest, favor bimetallism, and the Republican party demands the use of both gold and silver as standard money."
That was the declaration upon which Mr. Harrison was renominated last year by his party for the Presidency.

An election is now pending.

The Recorder is an extreme Republican paper, and its editor knows that expressions like the above will help his party.

Mr. Pulitzer's paper, of course, criticised the silver plank of the Republican platform, but it asserted that the platform declared in favor of bimetallism, and that it indorsed the existing Sherman law.

The New York World of June 10, 1892, in its editorial on the Minneapolis platform, says:

The silver plank agreed upon for a Republican convention is a dishonest dodge and a continent-wide straddle.
It declares in favor of "bimetallism" under such regulations of law as shall establish and maintain the parity of value of the two metals, so that the purchasing and debt-paying power of the dollar, whether of silver, gold, or paper shall be at all times equal.
This is virtually an indorsement of the existing silver law.
In trying to placate the voters of the silver and inflation States, and at the same time not to offend the friends of honest money, the Republican platform makers have left their party liable to fall between two very widely separated stools.

UNBLUSHING FALSEHOOD OF THE REPUBLICAN CAMPAIGN BOOK.

The Republican Campaign Book, page 157, then proceeds to make the most unblushing, false assertion that was ever placed in a document asking party support of the people. The assertion is in these words:

Every measure for the past thirty years, looking to a larger use of silver, has been passed by Republican votes.

Every public man knows that not only is this statement untrue, but that it is exactly the reverse of truth. Every public man knows that in 1873, when the Republican party was in control of every branch of the Government, that party demonetized silver. Every public man knows that after the Democratic House had, in 1877, passed a free-silver coinage bill at 16 to 1, that the bill was defeated in a Republican Senate.

The bill I refer to passed the House on November 5, 1877, just twenty days after the meeting of that Congress and one week after the committees were appointed.

One hundred and sixty-three members voted for the free-coinage bill, and only 34 voted against it, a little bevy of Republicans, with a sprinkling of some half dozen Democratic bank presidents, and gold standard Democrats who represented banking constituencies, but the bill was passed by the Democratic party, such grand Democrats as Blount, Carlisle, Forney, Sunset Cox, Garth, Herbert, Kelly, Hewitt, R. Q. MILLS, and Reagan.

The bill provided for the free coinage of silver dollars containing 371¼ grains of pure silver and 412½ grains of standard silver, 90 per cent fine.

I read a statement of the bill from the RECORD of November 5, 1877, page 241:

The first section provides that there shall be coined at the several mints of the United States the silver dollar of the weight of 412½ grains troy of standard silver, as provided in the act of January 18, 1837, on which shall be the devices and superscriptions provided by said act; which coins, together with all silver dollars heretofore coined by the United States of like weight and fineness, shall be a legal tender at their nominal value for all debts and dues, public and private, except where otherwise provided by contract; and any owner of silver bullion may deposit the same in any United States coinage mint or assay office to be coined into such dollars for his benefit upon the same terms and conditions as gold bullion is deposited for coinage under existing law.

This is the bill which, after passing a Democratic House by a vote of 163 to 34, was defeated in a Republican Senate.

A similar bill passed a Democratic House in 1876, and that also died in a Republican Senate.

Every public man knows that the Democrats succeeded, in spite of the veto of the Republican President, in securing a coinage of at least 2,000,000 ounces of silver per month, and that the Republican party again came into power, controlling absolutely every branch of the Government, and repealed this law, against the solid vote of the Democratic party, and enacted the Sherman law, which was as far as they could go in the direction of silver demonetization, and to-day that same Republican party stands in an almost solid phalanx, using every possible effort to wipe from the statute books every line and word which authorizes the coin-

age of silver, thus completing the conspiracy entered into by Rothschild, Lombard street, Wall street, and the Republican party, to deprive silver of its monetary functions and place this country, like the imperial governments of Europe, upon the gold standard.

And yet this party with such a record, had the unblushing audacity to insult the intelligence of the American people by going into canvass with such assertion, professions, and promises, as I have read.

I respectfully submit that it would hardly be possible for a party to express more extreme sentiments in favor of bimetallism than those uttered by Republican party managers when soliciting the confidence and votes of the people.

REPUBLICAN FAITHLESSNESS.

For a series of years this party had, in convention and out of convention, in season and out of season in Congress and out of Congress, reiterated over and over again, their devotion to and pledges for free-silver coinage; but when Harrison was elected, and Republicans became intrusted with full control of every department of the Government, instead of fulfilling their pledges, they, on the contrary, deliberately repealed the Bland-Allison silver-coinage law against the opposition of the solid Democratic party, and enacted in its place the Sherman law.

By the repeal of the Bland act Republicans took one step toward the gold standard, and now they seek the unconditional repeal of the Sherman act to complete their work, and in violation of these pledges utterly destroy silver as a legal-tender money, and effectually and forever make this Republic, like imperial Germany, Austria, and England, a gold-standard plutocracy.

The effect of the demonetization of silver by the United States will be to set many agencies in motion to still further enhance the value of gold.

Already, the metropolitan press demand an immediate issue of bonds for the purpose of buying gold.

EFFECT OF SILVER DEMONETIZATION.

This contention that bonds be issued and gold be bought is reiterated day after day. An increased demand for gold will of necessity enhance its value and purchasing power, and all other products, including silver, will apparently decline in value.

This will tend to drive other nations to the gold standard, and the action of the United States will very probably be followed by France, Belgium, Italy, Switzerland, Greece, Netherlands, and Turkey, or at least, some of these nations.

None of them have one-tenth the interest in silver coinage that we have.

The United States produces about twenty times as much silver as the combined production of all these nations. And leaving out France, the United States has four times as much legal-tender silver as is held by all the other nations I have mentioned combined.

It is evident that to put these nations, or even a part of them, on the gold standard they would be compelled to buy gold, and that would of necessity enhance its value.

It would in reality cause a scramble for this metal, and the result would be disastrous to all debtor nations. It would be equally disastrous to the farmers of the United States, as it has been clearly shown that it would accelerate the fall in the price of all farm products.

Republicans meet these undeniable facts by telling the farmer that the low price of his products is compensated by the low price of the manufactured articles which he is compelled to purchase.

These artful Republicans then go to the half-paid factory hand and tell him his low wages is compensated for by the low price of farm products.

MONETARY COMMISSION DEMANDS FREE SILVER COINAGE.

The monetary commission investigated this subject, spending years at their labors. The report is dated March 2, 1877, using these words (I read from page 49):

At the Christian era the metallic money of the Roman Empire amounted to $1,800,000,000. By the end of the fifteenth century it had sunk to less than $200,000,000. During this period a most extraordinary and baleful change took place in the condition of the world. Population dwindled, and commerce, arts, wealth, and freedom all disappeared. The people were reduced by poverty and misery to the most degraded conditions of serfdom and slavery. The disintegration of society was almost complete. The conditions of life were so hard that individual selfishness was the only thing consistent with the instinct of self-preservation. All public spirit, all generous emotions, all the noble aspirations of man shriveled and disappeared as the volume of money shrunk and as prices fell.

I admit that there are other causes than the shrinkage of money for the fearful conditions of society during the Dark Ages, but there is no question but that it was due very largely to that cause. The report then proceeds in these words:

History records no such disastrous transition as that from the Roman Empire to the Dark Ages. Various explanations have been given of this entire breaking down of the framework of society, but it was certainly coincident with a shrinkage in the volume of money, which was also without historical parallel. The crumbling of institutions kept even step and pace with the shrinkage in the stock of money and the falling prices.

Bear in mind that this condition continued until after the discovery of America, and until the discovery of the rich silver mines of Potosi. During the ten years from 1546 to 1555 the production of silver averaged $17,000,000 a year, and this inflow of the precious metals to Europe was the beginning of a new dawn to civilization. The report of the monetary commission, in alluding to the energizing influence caused by the shipping of silver from the mines of Potosi, says:

It needed the heroic treatment of rising prices to enable the society to reunite its shattered links, to shake off the shackles of feudalism, to relight and uplift the almost extinguished torch of civilization.

The commission further discusses this subject in these words:

That the disasters of the Dark Ages were caused by decreasing money and falling prices, and that the recovery therefrom and the comparative prosperity which followed the discovery of America were due to an increasing supply, the precious metals and rising prices, will not seem surprising or unreasonable when the noble functions of money are considered. Money is the great instrument of association, the very fiber of social organism, the vitalizing force of industry, the protoplasm of civilization, and as essential to its existence as oxygen is to animal life. Without money civilization could not have had a beginning; with a diminishing supply it must languish and, unless relieved, finally perish.

I now read from page 51:

It is in a volume of money keeping even pace with advancing population and commerce, and in the resulting steadiness of prices, that the wholesome nutriment of a healthy vitality is to be found.

I also read from page 53:

While the volume of money is decreasing, even although very slowly, the value of each unit of money is increasing in corresponding ratio, and property is falling in price. Those who have contracted to pay money find that it is constantly becoming more difficult to meet their engagements. The margins of securities melt rapidly away, and the confiscation by the creditor of the property on which they are based becomes only a question of time.

The report of the monetary commission, from which I read these extracts, was created by an act of Congress, and consisted of three Senators, three members of the House, and three Secretaries.

FRANCE CONSERVATIVE ON SILVER.

The French officials have always considered this subject in a conservative and business-like manner.

In 1869 a French commission on finance, in reporting to that Government on this question, very frankly stated the effect of both the single and double standards. In behalf of the gold standard it says:

That the prices of property had risen in consequence of wars and the increased output of precious metals, and that it affected unfavorably all that portion of the population who had fixed salaries and incomes.

This is a statement that I think no well-informed man will question, and it is certainly a strong argument against the gold standard in this country, and shows that the farmers will be injured by any system which reduces the price of products.

On the other hand, in favor of the double standard, the Commission said:

That the output of the precious metals had not increased faster than the business of the world, as shown by the exchanges, but that each had shown an increase of about 3 per cent per annum, thereby preserving an equilibrium. Besides that, it was a bad time to demonetize silver while the output of gold was falling off, inasmuch as it was $200,000,000 in 1853 and only $140,000,000 in 1869.

There is no question but that the world's output of gold was less in 1869 than it was in 1853, but the French report is a little in error in putting the output in 1853 at $200,000,000. The falling off of the production of gold in the United States during that period was very great. In 1853 we produced $65,000,000, in 1869 our production had fallen to $49,500,000, and it has now fallen to $32,000,000. These figures speak in tones of thunder in denunciation of a law which would confine the coin basis or foundation of the money in the United States to a metal which is so rapidly decreasing in production.

The facts I have stated make it evident that the reasons given in the French report against the demonetization of silver in 1869 have become stronger nearly every year since the report was made. The business of the world has been constantly increased, and therefore the demand for coin as the basis of paper-money circulation has become more and more necessary every year, and yet from that time to this date the production of gold has been constantly on the decrease, averaging since the date of that report only $111,822,000.

ENGLAND EMPHATIC FOR THE GOLD STANDARD.

In nearly all the speeches made in favor of unconditional repeal, we are told that the passage of this bill will cause England Germany, Holland, and other gold-standard countries to abandon their present system and agree to free and unlimited coinage of silver upon the same conditions that gold is coined. It seems to be incredible that intelligent gentlemen would allow themselves to be so deceived and deluded.

For three-quarters of a century England has been using all

possible efforts to induce or compel debtor nations to demonetize silver. She has persuaded, threatened, bullied, and bribed. Anyone who will read the expressions of English statesmen in the British Parliament and in the monetary conferences of the last twenty-five years must be convinced that international bimetallism can not be obtained by our demonetizing silver. We would be doing just what England is using every effort to induce, and, if possible, compel us to do.

During the Salisbury government it did seem for a time that bimetallism in England was possible. There was a strong pressure from English officials in India, who sought to have the double standard in England and all her colonies, because with the double standard in India they would be paid in gold, but now that England virtually established the gold standard in that country these officials receive all they sought, and we need not expect any further advocacy of bimetallism from that quarter. With that hope gone we may assume that England will be more tenacious than ever.

I have before me some expressions which I will read. The report of the American commissioners to the International Monetary Conference at Paris, dated October 17, 1878, page 8, says:

The English delegation, while strongly deprecating the crusade against silver, nevertheless declared that England would not recede from the monetary legislation of 1816, establishing the 'single gold-standard.'

AMERICAN DEMANDS AT MONETARY CONFERENCE IN 1878.

On the 16th of August, 1878, Mr. Fenton, Mr. Groesbeck, Mr. Walker, and Mr. Horton, the commissioners on the part of the United States, submitted to the conference the two following propositions:

1. It is the opinion of this assembly that it is not to be desired that silver should be excluded from free coinage in Europe and in the United States of America. On the contrary, the assembly believes that it is desirable that the unrestricted coinage of silver, and its use as money of unlimited legal tender, should be retained where they exist, and, as far as practicable, restored where they have ceased to exist.

2. The use of both gold and silver as unlimited legal-tender money may be safely adopted.

First. By equalizing them at a relation to be fixed by international agreement, and,

Secondly. By granting to each metal, at the relation fixed, equal terms of coinage, making no discrimination between them.

We see here that fifteen years ago the delegates on the part of the United States were demanding some of the same principles which are enunciated in the Democratic platform of last year.

The Democratic platform of 1892 expressed willingness to make another attempt at international agreement, but the convention declined to allow the prosperity of the United States to depend entirely upon obtaining the consent or coöperation of European powers, and, therefore, the platform also demanded and promised the people coinage of silver on the same terms as gold "by such safeguards of legislation as shall insure the maintenance of the parity of the two metals."

In 1878 our commissioners did not demand any special ratio, but left that to be fixed by international agreement. If there had been any inclination on the part of the gold-standard countries to join the United States in bimetallism they would certainly have acceded to these propositions; but what was the surprise of our commissioners to be informed that Belgium, Norway, Sweden, and England had sent commissioners with positive instructions against entering into any agreement whatever for the coinage of silver. Mr. Goschen, the English delegate, said:

England had plainly stated her intentions of maintaining her gold standard; Norway had said so, too; Germany was of the same opinion, while the Latin Union was not at present disposed to resume the free coinage of silver or depart from the ratio of 15½ to 1, by which they are now bound.

We see here that Mr. Goschen expressed himself in the plainest possible language as the determination of England to maintain her gold standard, and it seems from his speech that he had a right to speak with equal positiveness as to the determination of Norway, Germany, and the Latin Union. It is, therefore, clear that in 1878 these nations had determined not to consent to the coinage of silver upon any ratio, even though it should be fixed by an international agreement, in which they would have a controlling voice. The conditions which made it to England's advantage to maintain the gold standard at that time have more than doubled during the last fifteen years. England has now become a creditor nation, to an amount of not less than $10,000,000,000.

THE ROTHSCHILDS DEMAND CHEAP FARM PRODUCTS.

Every possible contraction of the money in the world will add to the value of this vast accumulation of wealth which is owing to the people of that nation. That England's desire to extend the gold standard to all debtor countries has become intensified was very manifest in the monetary conference at Brussels in 1892. Her delegate, through Mr. Rothschild, not only was very emphatic in his statement that England would not join in the coinage of silver, but he even went so far as to ask the people of the United States to partially demonetize silver in our own land, and to agree that the price should be kept as low as 83 cents an ounce, and when he was reminded that such a course would cause a falling price of commodities and distress, this great capitalist of the house of Rothschild unfeelingly replied:

I hold that wheat at 30*s.* a quarter instead of 45*s.* is rather a blessing than otherwise.

Another English delegate, Hon. Sir Rivers Wilson, speaking for his colleagues, expressed in a few emphatic words the determined devotion of England to the single standard. He said:

Our faith is that of the school of monometallism, pure and simple.

I think this is sufficient proof of the folly of passing the repeal bill and thus placing our country upon the gold standard, with the hope of returning to bimetallism with the aid of England. But there is abundant more proof that if this is done our country will never again coin silver as standard money.

MR. GLADSTONE AGAINST SILVER.

Only last February a proposition was made in the House of Commons for reconvening the Brussels conference. The prime minister of England, William E. Gladstone, was very prompt to express his disapproval of any conference which looked to the restoration of silver money. In speaking of England he said:

It is the great creditor country of the world; of that there can be no doubt whatever; and it is increasingly the great creditor country of the world. I suppose there is not a year which passes over our heads which does not largely add to the mass of British investments abroad. I am almost afraid to estimate the total amount of the property which the United Kingdom holds beyond the limits of the United Kingdom; but of this I am well convinced, that it is not to be counted by tens or hundreds of millions.

One thousand millions probably would be an extremely low and inadequate estimate. Two thousand millions, or something even more than that, is very likely to be nearer the mark.

This expression of Mr. Gladstone was met with exclamations of approval. Of course the prime minister, in speaking of 2,000,000,000, referred to that number of pounds, sterling pounds; and when he told the House of Commons that something more than 2,000,000,000 sterling was due to England from foreign countries, it meant that more than $10,000,000,000 was owed the people of the United Kingdom. The prime minister then proceeds with an air of sarcasm to ask whether England is called upon to sacrifice a part of the debt due her by the substitution of inferior or cheaper money. Mr. Gladstone proceeds in this language:

I think under these circumstances it is rather a serious matter to ask this country to consider whether we are going to perform this supreme act of self-sacrifice. I have a profound admiration for cosmopolitan principles. I can go a great length in moderation [laughter] in recommending their recognition and establishment, but if there are these two thousand millions or fifteen hundred millions of money which we have got abroad, it is a very serious matter as between this country and other countries.

We have nothing to pay to them; we are not debtors at all; we should get no comfort, no consolation out of the substitution of an inferior material, of a cheaper money, which we could obtain for less and part with for more. We should get no consolation, but the consolation throughout the world would be great. [Loud laughter.]

Mr. Gladstone knows full well that when money is abundant it has less purchasing power than when restricted in volume. Therefore as a defender of the great creditor nation of which he is prime minister, he opposes any measures which would increase the coinage of the world. Mr. Gladstone continued in these words:

This splendid spirit of philanthropy, which we can not too highly prize, because I have no doubt all this is foreseen, would result in our making a present of fifty or a hundred millions to the world. It would be thankfully accepted, but I think that the gratitude for your benevolence would be mixed with very grave misgiving as to your wisdom.

The veteran statesman then proceeds to tell the people of England that they must pause and consider for themselves, once, twice, and thrice before departing from the solid ground on which they have erected a great commercial fabric. He says:

I have shown why we should pause and consider for ourselves once, twice, and thrice before departing from the solid ground on which you have within the last half century erected a commercial fabric unknown in the whole history of the world—before departing from that solid ground you should well consult and well consider and take no step except such as you can well justify to your own understanding, to your fellow-countrymen, and to those who come after us

BRITISH ROYAL COMMISSION AGAINST SILVER.

But we have even more emphatic proof than this of the unalterable determination of the British Government to maintain the gold standard in England and use her best endeavors to establish it in all countries of which she is a creditor. The report of the Royal British Commission expressed this determination in no uncertain terms. It plainly asserts that as England is largely a creditor of debts payable in gold, that any change which would cause the rise in the price of commodities, or what is the same thing, a diminution of the purchasing power of gold, would be to the disadvantage of England. The report of the commission contained these words:

That it must be remembered that England is largely a creditor country of debts payable in gold, and that any change which entails a diminution of the purchasing power of gold would be to the disadvantage of England.

The Royal Commission then proceeds to call the attention of Parliament to gold-producing Australia, and the other gold-

producing colonies of great Britain, and the commission cautions Parliament against any step which would depreciate that metal. The exact language of the commission on this point was as I will read:

The interest of our Australian and other gold-producing colonies, at which we have already glanced, must also be considered. Their deposits of gold are one of their principal sources of wealth, and any measure which tended to check gold-mining or to depreciate that metal would, in all probability, injuriously affect the prosperity of the colonies and react upon the trade of the mother country with them.

Great Britain is ruled by the wealthy nobilities, and their expressions are only accumulative proof that the English Government is administered in their interest, and that the interests of the English nobility, like that of the wealthy of all lands, is best served by the maintenance of the gold standard.

With this overwhelming proof as to the unquestioned policy of that Government, is there a man in this Congress who can be deluded into the hope that England will join in international bimetallism?

And the proof is equally overwhelming that if we pass the pending bill and repeal the purchasing clause of the Sherman act, we need not have any hope of its being followed by legislation which will increase the volume of money in our country by the passage of a law for the coinage of one single full purchasing debt-paying silver dollar out of silver to be taken from the mines of this or any other country.

The Hon. BOURKE COCKRAN'S views on this subject are very clearly and forcibly expressed in a late article of the North American Review. He says:

The recent utterances of the President and of the Secretary of the Treasury, however, appear to settle the question that the present Administration is determined to use all the means at its command to maintain a gold standard.

Mr. COCKRAN also says:

The question of free coinage of silver by the United States may be excluded from consideration, as nobody deems the passage of such a law within the limits of possibility during the present Administration.

We are told that we ought to repeal the purchasing clause and demonetize silver, because it is demanded by the great and powerful metropolitan press of New York.

I have great, and I may say profound, respect for these superb daily journals.

METROPOLITAN PRESS ADVOCATES NEW YORK'S INTEREST.

I like to see people exhibit zeal and determination. I can not help but admire the earnest efforts of the New York press to secure the legislation they no doubt believe to be essential to the best interest of our country. But the trouble is, the tastes and associations of the learned and distinguished New York editors have thrown them into more intimate association with princes and lords and dukes of the old country and the millionaires and bankers of New York than it has with the honest farmer and breadearner of the great South and West. They sit at the tables of the rich men and simultaneously imbibe their wine and views regarding the financial laws which should govern our country.

We read of James Gordon Bennett dining and riding and sailing with the Prince of Wales and other notables. We hear of Joseph Pulitzer's visits to German counts and other people of noble blood. We hear of Whitelaw Reid's association of the some character, but if Mr. Bennett or the other gentlemen have ever been out among the farmers and miners of the South and West, this important fact has escaped our notice.

Naturally these papers express the views and wishes of the people with whom they daily associate.

The capitalists of Europe tell them they will lend money to Americans if they will demonetize silver, and these capitalists give their distinguished guests to fully understand that unless this is done the money they have to lend will be turned in other directions.

It is but natural that the surroundings of the great metropolitan press of New York should have a tendency to cause them to estimate the interest of the entire country very largely by what they plainly see is the interest of the people of New York.

We do not see how it could expect to be otherwise. The great journals are owned and supported by New York men. And it is proper and right for them to advocate laws which are demanded by their constituencies, and they expect the journals of the South and West to advocate laws which are best adapted to the welfare of these several sections of this great country.

The people of the South have nothing but kind words for these great and powerful agencies.

They have been our defenders when we needed their strong arms to shield us from oppression and wrong.

NEW YORK PRESS DENOUNCED SILVER COINAGE IN 1885.

We do not question the integrity of their motives, but we keep in view the influences to which we know they are subjected and which we fear affect their judgment.

It is still fresh in our memory that some eight years ago the same papers were equally emphatic and vehement in their predictions on this great question; and we also see that their predictions were as far from the mark then as we think they are now.

In 1884 the law made it imperative upon the Secretary of the Treasury to purchase and coin not less than 2,000,000 and not more than 4,000,000 ounces of silver every month.

This made an increase in the amount of money in the country, which was very distasteful to the moneyed element, and every means in their power was brought to bear to bring about a repeal of that law.

During the winter of 1884 and 1885 we were overwhelmed with the shout from Wall street and the New York press that unless we repealed the law which compelled the Government to annually buy and coin 2,000,000 ounces of silver that the United States would be denuded of gold and become the dumping ground of the world for silver.

NEW YORK BANKERS AND JOURNALS MISTAKEN IN 1885.

The Democrats did not repeal the law and so far from the prediction being verified the exact reverse was the result. So far from being denuded of gold, the reports of the Treasury show that during the four fiscal years of Cleveland's Administration, 1885, 1886, 1887, 1888, the imports of gold exceeded the exports by $54,772,459, and so far from our country becoming the dumping ground for silver the same official report shows that during those years the exports of silver exceeded our imports by $30,534,511.

In compliance with these demands of the bankers and brokers a bill was introduced in 1884 to repeal the law authorizing the coinage of 2,000,000 ounces of silver a month, and we recollect that all the metropolitan newspapers of New York and the Northeast were vehement in insisting that the law should be immediately repealed. It was called the bill to suspend silver coinage.

New York Tribune, February 27, 1885, said:

This suspension ought to be ordered—ought to be ordered at once—ought to be ordered without the least reference to the wishes of any President now in office or coming into office, known or unknown—ought to be ordered absolutely, and simply because it is right and demanded by the situation.

The New York Tribune also said:

The Senate at all events ought to send to the House a distinct and unequivocal proposition to suspend the coinage of silver.

The New York Herald of February 28, 1885, published and editorially approved and commended the following prediction with regard to the disaster which would befall the country unless that law was repealed.

These being the facts of our present condition, our danger, and our duty to avert that danger would seem to be plain. I hope that you concur with me and with the great majority of our fellow-citizens in deeming it most desirable at the present juncture to maintain and continue in use the mass of our gold coin as well as the mass of silver already coined. This is possible by a present suspension of the purchase and coinage of silver. I am not aware that by any other method is it possible.

Everybody is well aware of the authorship of the above quotation. We see here a positive assertion in February, 1885, eight years and a half ago, that the suspension of the purchase and coinage of the 2,000,000 ounces of silver a month was the only possible way to continue in use the mass of our gold coin as well as the mass of silver already coined.

An editorial in the New York Herald, February 28, 1885, headed "Mr. Cleveland's silver letter," said:

We have been encouraged to expect much from Mr. Cleveland, but we hardly looked at this moment for such a thoroughly statesman-like letter as that he has written to Mr. WARNER on the silver question. We print it elsewhere in our columns. It is a masterly exposition of the subject, and treats it as it should be treated, as an economic and not a political problem.

This is a direct and positive indorsement and adoption by the New York Herald of the view expressed in the letter which stated that the repeal of the Bland act and the absolute suspension of the purchase and coinage of silver in February, 1885, was the only possible method to continue in use the gold coin and the silver coin then in the country.

NEW YORK JOURNALS MISTAKEN IN 1885.

To show how mistaken these great journals were in their predictions we have only to point to the reports of the Treasury, which show that the coinage of silver or issue of notes in place of silver bullion since that time has more than doubled, and yet both the gold and silver continue in use.

At the time that these statements were made by the New York press and the letter referred to was written there were but 198,000,000 standard silver dollars in the United States; whereas now there are 419,332,450 standard silver dollars in the country, and $149,000,000 Treasury notes issued upon bullion silver in compliance with the provisions of the Sherman act, making a total of 568,332,450 silver dollars or Treasury notes representing silver.

After the first defeat of the attempt to demonetize silver a leading editorial from the New York Tribune of February 28, 1885, headed "Vote on Silver," said:

A larger number of Republicans would probably have supported the motion to suspend the coinage of silver had it been offered in a form worthy of

Congress. As it was, though objectionable in form, Republicans two to one voted for it.

This shows that the Republicans were then, as they are now, unanimous, or nearly so, in their efforts to demonetize silver.

If these great newspapers were so thoroughly mistaken then, is it not possible that they may be mistaken now?

COL. JOHN A. COCKERILL ON THE NEW YORK PRESS.

Col. John A. Cockerill published an article in the Cosmopolitan entitled "Contemporary Journalism." This article was discussed in the magazine called the Review of Reviews, which is published simultaneously in the United States and Great Britain. The article is entitled "The Trend of the Great Daily." I read from the Review of Reviews, page 450:

Col. Cockerill paints the evils of nonresident ownership of newspapers, resulting, as it does, in an absolutely heartless money standard.

When the success of a paper and the value of its work are gauged by the amount of the monthly remittances to the proprietor's European banker—all the rest follows. The managing editor must get money to his proprietor if he wishes to retain his position and reputation.

That many of the owners and editors of the great metropolitan newspapers spend much of their time in Europe no one will dispute; and here we have the statement of Col. Cockerill to that effect, who for years had control of the New York World and is now the editor of the Commercial Advertiser, which I believe is the oldest paper in New York.

It seems to me that such papers are not safe guides upon the question in which the interests of European capitalists and Wall Street banks, on the one side, and the great body of the American people on the other, are so entirely antagonistical.

NEW YORK PAPERS EDITED FROM EUROPE BY CABLEGRAM.

In the article written by Col. Cockerill in the Cosmopolitan, to which the Review refers, we find special mention of this evil of foreign ownership of the metropolitan press in New York. He speaks of the fashion of editing daily newspapers by cablegram, and he deprecates the effect of such control of the American press. He states that it leads to serious results. That the editor of the New York paper is beyond the reach of proof sheet and is not accessible to direct the policy of the paper, but, says Col. Cockerill, the address of the editor's banker in Europe is always known, and hither on the first of every month large sums of money is forwarded. He then goes on to say that a tendency of nonresident ownership of New York papers affects the *morale* of the paper and also affects the treatment of the interests of the people, whose trustee the paper professes to be, and which he states are only considered from the money point of view. Col. Cockerill winds up this branch of the subject by stating that the worst phase of nonresident ownership is its heartlessness.

Although these articles were written a year ago they have most accurately foreshadowed the appalling truth, which has been so forcibly manifested by the editorials of the New York press during the last four or five months. The Rothschilds, the New York bankers and capitalists may not influence the tone and language of the editorials of these papers, but if they do not they are precisely the kind of editorials which they would desire to have written, and they are precisely the kind of editorials which would tend to carry out the purpose nearest to their hearts. I will read some extracts from Col. Cockerill's article. It is in the October number of 1892. On page 699 he says:

The fashion of editing the more influential or the more successful daily newspapers by cablegram has completely destroyed what little virility was left in their editorial pages.

On page 700 he says:

The nonresident ownership of newspapers leads to one serious result, which, I think, has not been generally considered.

The owner receives from his newspaper property, at stated intervals, returns in money. He is beyond the reach of proofs.

The address of his banker is always known. Thither, on the first of every month, large sums of money must be forwarded.

The tendency of nonresident ownership must, therefore, necessarily be to measure everything by a pecuniary test. The *morale* of the paper, its course of public measures, and its treatment of the interests of the people, whose trustee it professes to be, with such protestations, are considered only from the point of view of the counting room.

The worst phase of nonresident ownership is its absolute heartlessness.

Also, on pages 698 and 699 Col. Cockerill says:

The editorial page has gone steadily to seed in the last decade or two; it has ceased to stand for the views of any individual, or to represent the demands of any preeminent power.

The readers of their papers are ignorant of what Whitelaw Reid, James Gordon Bennett, or Joseph Pulitzer thinks or says.

It seems to be incredible, with all these facts before the American people, that they could be influenced on such a question to follow the lead of journals whose editors are so entirely removed from them in interest, sympathy, and association.

That these journals most ably and honestly represent the interest of the bankers and brokers of New York on the silver question, I do not doubt, but they will not contend themselves that they represent the interest of the people of the great South and West.

I repeat that they are not proper guides for the people of the South and West on the question now being considered by the House.

PATRIOTIC SOUTHERN STATES GIVE THEIR GOLD TO THE TREASURY.

Soon after our Administration came into power it became evident to Mr. Cleveland and Mr. Carlisle that the net gold would soon fall below the $100,000,000, as the demands on the Treasury which were compelled to be honored were such as to make such a result inevitable. The entire public seems to keep their gaze upon the figures ready to cry out in alarm and create a crisis the moment the $100,000,000 is encroached upon.

The President and the Secretary strained every nerve and exhausted every resource to maintain the integrity of the reserve. They appealed for aid, and they did not appeal in vain. From what source did aid come? From what part of our country came the first patriotic response?

Any reader of American history could have foretold. When the British soldiers were shooting down the patriots at Lexington and Concord the first response came from a company of brave men from Virginia under Capt. Morgan.

In the war with Mexico nearly two-thirds of the killed and wounded were from the South. The people of that sunny land were always free with their blood, and now those same patriots on the first intimation that the financial integrity of our country was endangered, were equally generous with their gold, and the first response to Mr. Carlisle's appeal for gold came from Alabama and Kentucky, from Georgia and from grand old Virginia. They did not offer a part of their gold, but without a moment's delay shipped all they possessed to aid our grand Executive and honored Secretary in their efforts to maintain the integrity of the Treasury.

I have obtained from the Treasury a list of the States and cities that voluntarily tendered their gold to the Government. They are as follows:

States.	Cities.	States.	Cities.
Alabama	Selma.	District of Columbia	Washington.
Georgia	Columbus.	Colorado	Denver.
Do	Rome.	Illinois	Centralia.
Kentucky	Owensburg.	Do	Peoria.
Maryland	Baltimore.	Indiana	Indianapolis.
Do	Cumberland.	Massachusetts	Boston.
Missouri	St. Louis.	Minnesota	Minneapolis.
Virginia	Richmond.	Pennsylvania	Philadelphia.
Do	Norfolk.	Do	Pittsburg.

When President Cleveland handed over the Government to President Harrison in March, 1889, he left $197,874,421.96 of net gold in the Treasury.

When Mr. Cleveland received the Government from Mr. Harrison in March, 1893, the net gold in the Treasury had become reduced to $103,284,218.91.

It would have been much less at this time had it not been for the extraordinary efforts that were made by the outgoing Administration to keep the gold above $100,000,000 until the 4th of March.

I give below a table, which shows the amount of net and total gold coin and bullion in the Treasury, and also the percentage of each kind of money received for customs in New York, the statements being made for ten-day periods, from March 1, 1893, to date.

Table showing the total of net gold in the Treasury and the percentage of each kind of money received for customs in New York for ten-day periods since March 1, 1893.

For ten-day periods ending—	Gold and gold bullion in Treasury at the end of each ten days since March 1, 1893.		Gold coin.	Silver coin.	Gold certificates.	Silver certificates.	United States notes.	United States Treasury notes.
	Total gold in Treasury, coin and bullion.	Net gold in Treasury, gold and bullion.						
March 1	$217,672,947.91	$103,284,218.91	0.0	0.0	9.2	20.7	30.3	36.8
March 10	216,875,237.40	102,302,818.40	0.0	0.0	4.1	14.3	30.7	50.9
March 20	219,808,303.90	103,575,584.90	0.0	0.0	5.5	15.3	25.9	53.3
March 31	218,378,232.99	103,892,223.99	0.0	0.0	7.8	15.7	28.0	48.5
April 10	216,433,583.33	106,189,654.33	0.1	0.0	2.6	15.0	53.1	29.2
April 20	210,874,230.44	101,003,301.44	0.1	0.0	4.0	20.1	47.6	28.2
April 29	202,283,359.08	97,011,330.08	0.1	0.0	2.9	23.3	41.0	32.7
May 10	203,022,684.76	99,225,665.76	0.1	0.0	0.0	33.6	28.6	37.7
May 20	202,257,408.59	99,975,099.59	0.1	0.0	0.0	40.2	24.5	35.2
May 31	183,528,609.76	95,048,640.76	0.1	0.0	0.0	37.8	26.2	35.9
June 10	190,461,877.18	90,722,958.18	0.0	0.0	0.0	20.2	47.1	32.7
June 20	191,367,769.75	94,050,310.75	0.0	0.0	0.0	15.0	54.0	31.0
June 30	188,455,432.59	95,285,413.59	0.0	0.0	0.0	12.0	53.0	35.0
July 10	188,779,016.14	97,286,677.14	0.1	0.0	1.0	12.3	64.9	21.7
July 20	188,756,609.60	97,389,080.60	5.5	0.0	4.7	13.8	57.6	18.4
July 31	188,813,982.98	99,202,933.98	12.5	0.0	4.6	12.3	55.6	15.0
August 10	186,282,914.35	103,853,290.35	24.6	0.3	8.0	5.1	53.7	7.7
August 19	179,498,045.27	98,310,246.27	36.7	0.3	6.0	4.3	46.0	6.1

By the above table we see that when Mr. Cleveland became President there was a mere fraction of gold above the $100,0 0,-000 reserve. I also desire to call attention to the fact that until July 20 scarcely a dollar of gold coin was received for customs in New York; but I wish more especially to call attention that since that time the gold coin received for customs at the port of New York has been constantly increasing, and is now nearly 40 per cent of the total receipts.

This certainly shows that during the last thirty days people are paying out gold coin almost as freely as they are any character of money. I also wish to call attention to the fact that on August 10 the amount of net gold in the Treasury exceeded the amount of net gold which was in the Treasury when Cleveland was inaugurated.

WORLD'S PRODUCTION OF GOLD AND SILVER FOR FOUR HUNDRED YEARS.

In the speech which I had the honor to deliver when this bill was first reported to the House, I called attention to the fact that the enormous production of gold following the discovery of that metal in California and Australia had no material effect upon the comparative value of gold and silver; and I further called attention to the fact that the reduction in the production of gold, and the enormous increase in the production of silver, did not in any way depreciate silver as compared with gold; but the depreciation of silver did not commence until it was attacked by hostile legislation by its demonetization in 1873.

It was suggested on this floor that in an argument of this kind we should not confine ourselves to the consideration of the gold and silver productions of this country alone, but should extend them to include the products of the entire world. In order to meet this very proper suggestion, I have prepared tables showing the products of both gold and silver from 1493 to the present time, also showing the ratio of gold and silver during this period of four hundred years.

The first part of the table, from 1493 to 1792, is taken from figures found in the work prepared by Dr. Adolph Soetbeer. At the latter date the United States Mint was established; and from the year 1792 to the present time the figures are taken from the estimates of the Bureau of the Mint. A grand total during this period of about four hundred years shows a production of gold amounting to $8,204,303,000; the production of silver, $9,726,072,-000, and that the production of both metals amounted to $17,930,-375,000. The tables are as follows:

Statement of the production of gold and silver in the world since the discovery of America to 1792.

[From 1493 to 1792 is from table of averages for certain periods compiled by Dr. Adolph Soetbeer.]

Period.	No. of years.	Gold, value.		Silver, coining value.		Percentage of production, by value.		Ratio.
		Annual average.	Total.	Annual average.	Total.	Gold.	Silver.	
1493–1520	28	$3,855,000	$107,931,000	$1,954,000	$54,703,000	66.4	33.6	
1521–1544	24	4,759,000	114,205,000	3,749,000	89,986,000	55.9	44.1	1 to 11.2
1545–1560	16	5,656,000	90,492,000	12,952,000	207,240,000	30.4	69.6	1 to 11.3
1561–1580	20	4,546,000	90,917,000	12,450,000	248,990,000	26.7	73.3	1 to 11.7
1581–1600	20	4,905,000	98,095,000	17,413,000	348,254,000	22.0	78.0	1 to 11.9
1601–1620	20	5,662,000	113,248,000	17,579,000	351,579,000	24.4	75.6	1 to 13.0
1621–1640	20	5,516,000	110,324,000	16,361,000	327,221,000	25.2	74.8	1 to 13.4
1641–1660	20	5,828,000	116,571,000	15,226,000	304,525,000	27.7	72.3	1 to 13.8
1661–1680	20	6,154,000	123,084,000	14,008,000	280,166,000	30.5	69.5	1 to 14.7
1681–1700	20	7,154,000	143,088,000	14,212,000	284,240,000	33.5	66.5	1 to 15.0
1701–1720	20	8,520,000	170,403,000	14,781,000	295,629,000	36.6	63.4	1 to 15.2
1721–1740	20	12,681,000	253,611,000	17,924,000	358,480,000	41.4	58.6	1 to 15.1
1741–1760	20	16,356,000	327,116,000	22,162,000	443,232,000	42.5	57.5	1 to 14.8
1761–1780	20	13,761,000	275,211,000	27,133,000	542,658,000	33.7	66.3	1 to 14.8
1781–1791	11	11,823,000	130,055,200	36,540,000	401,945,500	24.4	75.6	1 to 15.1
			2,570,395,200		4,648,111,500			

This brings us down to the year 1792, after which the United States Mint was established, and the following table, showing the production of gold and silver in the world from 1792 to 1892, is prepared from the annual estimate of the officials of that Bureau:

Table showing production of gold and silver in the world, 1792–1892.

Calendar years.	Gold.	Silver (coinage value).	Total.	Ratio of value of gold to silver.
1792 to 1800	$106,407,000	$328,860,000	$435,267,000	1 to 15.37
1801 to 1810	118,152,000	371,677,000	489,829,000	1 to 15.49
1811 to 1820	76,063,000	224,786,000	300,849,000	1 to 15.49
1821 to 1830	94,479,000	191,444,000	285,923,000	1 to 15.79
1831 to 1840	134,841,000	247,930,000	382,771,000	1 to 15.75
1841 to 1848	291,144,000	259,520,000	550,664,000	1 to 15.85
1849	27,100,000	39,000,000	66,100,000	1 to 15.78
1850	44,450,000	39,000,000	83,450,000	1 to 15.70
1851	67,600,000	40,000,000	107,600,000	1 to 15.46
1852	132,750,000	40,600,000	173,350,000	1 to 15.59
1853	155,450,000	40,600,000	196,050,000	1 to 15.33
1854	127,450,000	40,600,000	168,050,000	1 to 15.53
1855	135,075,000	40,600,000	175,675,000	1 to 15.38
1856	147,600,000	40,650,000	188,250,000	1 to 15.38
1857	133,275,000	40,650,000	173,925,000	1 to 15.27
1858	124,650,000	40,650,000	165,300,000	1 to 15.38
1859	124,850,000	40,750,000	165,600,000	1 to 15.19
1860	119,250,000	40,800,000	160,050,000	1 to 15.29
1861	113,800,000	44,700,000	158,500,000	1 to 15.50
1862	107,750,000	45,200,000	152,950,000	1 to 15.35
1863	106,950,000	49,200,000	156,150,000	1 to 15.37
1864	113,000,000	51,700,000	164,700,000	1 to 15.37
1865	120,200,000	51,950,000	172,150,000	1 to 15.44
1866	121,100,000	50,750,000	171,850,000	1 to 15.43
1867	104,025,000	54,225,000	158,250,000	1 to 15.57
1868	109,725,000	50,225,000	159,950,000	1 to 15.59
1869	106,225,000	47,500,000	153,725,000	1 to 15.60
1870	106,850,000	51,575,000	158,425,000	1 to 15.57
1871	107,000,000	61,050,000	168,050,000	1 to 15.57
1872	99,600,000	65,252,000	164,850,000	1 to 15 63
1873	96,200,000	81,800,000	178,000,000	1 to 15.92
1874	90,750,000	71,500,000	162,250,000	1 to 16.17
1875	97,500,000	80,500,000	178,000,000	1 to 16.59
1876	103,700,000	87,300,000	191,300,000	1 to 17.88
1877	114,000,000	81,000,000	195,000,000	1 to 17.22
1878	119,000,000	95,000,000	214,000,000	1 to 17.94

Table showing production of gold and silver in the world, 1792–1892—Continued

Calendar years.	Gold.	Silver (coinage value).	Total.	Ratio of value of gold to silver.
1879	$109,000,000	$96,000,000	$205,000,000	1 to 18.40
1880	106,500,000	96,700,000	203,200,000	1 to 18.05
1881	103,000,000	102,000,000	205,000,000	1 to 18.16
1882	102,000,000	111,800,000	213,800,000	1 to 18.19
1883	95,400,000	115,300,000	210,700,000	1 to 18.64
1884	101,700,000	105,500,000	207,200,000	1 to 18.57
1885	108,400,000	118,500,000	226,900,000	1 to 19.41
1886	106,000,000	120,600,000	226,600,000	1 to 20.78
1887	105,775,000	124,281,000	230,056,000	1 to 21.13
1888	110,197,000	140,706,000	250,903,000	1 to 21.90
1889	123,489,000	162,159,000	285,648,000	1 to 22.10
1890	113,150,000	172,235,000	285,385,000	1 to 19.76
1891	129,519,000	186,733,000	307,252,000	1 to 20.92
1892	130,817,000	196,605,000	327,422,000	1 to 23.72
Total 1792–1892	5,633,908,000	5,077,961,000	10,711,869,000	
Total 1493–1791	2,570,395,000	4,648,111,000	7,218,506,000	
Grand total for 400 years, 1493–1892	8,204,303,000	9,726,072,000	17,930,375,000	

From the first table we see that during the twenty-eight years from 1493 to 1520 the annual production of gold was double the production of silver, and the ratio during that period was 1 to 11.3.

During the sixteen years from 1545 to 1560 the annual production of silver had so increased as to be much more than double the production of gold, and the ratio of gold to silver did not change at all, but still remained at 1 to 11.3.

GREAT VARIATION IN THE AMOUNT OF GOLD OR SILVER PRODUCTION DOES DOES NOT CHANGE RATIO.

From 1561 to 1580 the annual production of silver was almost three times that of gold, and yet the relative value of silver to gold changed but the merest fraction.

From 1581 to 1600 the production of silver was three and one-half times the production of gold, and yet there was no material

change in the ratio between silver and gold, at the end of that period the ratio being 1 to 11.9.

From 1601 to 1660 the relative production of silver materially decreased, while the production of gold materially increased, and yet silver, instead of becoming more valuable, became much less valuable, and during this period the ratio of gold to silver ran as high as 1 to 13.8.

From 1661 to 1680 the production of silver continued to fall and the production of gold so increased that the production of silver was a little more than double that of gold, but the ratio, instead of showing increase in the value of silver, showed a decrease, the ratio during that period being 1 to 14.7.

From 1681 to 1740 the relative production of silver as compared with that of gold still further decreased, so that during that period the production of silver was less than one and one-half times that of gold. But here again, instead of silver relatively increasing in value it actually decreased, the average ratio during that period being 1 to 15.1.

Then again, what is more remarkable, during a period from 1781 to 1792 there was an enormous increase in the production of silver and a decrease in the production of gold, so that the production of silver far exceeded three times the production of gold, and yet the ratio remained the same, being during that entire period 1 to 15.1.

We see by the second table that from 1792 to 1820 the production of silver continued to be more than three times that of gold, and the ratio of gold to silver averaged 1 to 15.49.

From 1831 to 1840 silver production materially decreased, being only about one and three-fourths times that of gold, and according to the arguments of gold-standard men silver should have increased in volume, but, on the contrary, it actually fell, averaging during that time 1 to 15.75.

From 1841 to 1848 the production of gold outstripped silver, and here certainly it would be argued that gold would fall and silver rise in value, but again the contrary took place and the average ration was 1 to 15.85.

ARGUMENTS OF GOLD-STANDARD MEN UTTERLY REFUTED.

In 1852 the production of gold was three and a half times that of silver, and yet the ratio was 1 to 15.59, even higher than the ratio which existed from 1792 to 1820, when the production of silver was more than three times greater than that of gold; and, notwithstanding the enormous production of gold from 1852 to 1861, during which period there was no increase in the production of silver, the ratio remained without any material variation.

If the arguments of the gold-standard men are correct, gold should have very materially depreciated, and silver should have advanced in value, but we see that quite the contrary, the reverse took place, and silver depreciated and gold advanced, the average ratio during the five years from 1856 to 1860 having been 1 to 15.30.

Now, from 1860 to 1873 the production of gold fell off 20 per cent, and the production of silver increased more than 100 per cent.

Here the gold men would argue that silver should have fallen enormously, but, on the contrary, the ratio had not perceptibly changed, the average for the three years just prior to January, 1873, being 1 to 15.59.

I insist that all this proves that with coinage of silver at a proper ratio there is no probability of any increase in production which possibly could affect the relative value of the two metals.

HOSTILE LEGISLATION ALONE DISPARAGED SILVER.

It was not until hostile silver legislation commenced in the United States, Germany, and other countries that the value of silver as compared with gold began its downward tendency.

I have prepared a table showing the amount of specie and the amount of paper money supposed to be in the country from the organization of the Government to June 30, 1892.

A most exhaustive examination of the reports of the various Secretaries of the Treasury and other documents failed to find data for the years which are omitted. Neither could I find any records of the amount of specie in the country from 1862 to 1875, except the general statement that about $25,000,000 was in circulation on the Pacific coast. There is no record of the amount of hoarded specie during that period, and any estimate would be mere conjecture.

The figures given for the early years may be taken as safe approximation, compiled from such evidence as was attainable.

From 1851 to 1861 the figures are very reliable, and from 1879 to date they are official and accurate.

With this explanation I give the following table:

Statement of the amount of gold and silver and paper money in the country for the years stated, according to the authorities quoted in the margin.

Years.	Total of specie in the country.	Bank notes in circulation.	Authorities.
1790	9,000,000	2,500,000	Blodget.
1791	16,000,000	9,000,000	Do.
1792	18,000,000	11,500,000	Do.
1793	20,000,000	11,000,000	Do.
1794	21,500,000	11,600,000	Do.
1795	19,900,000	11,000,000	Do.
1796	16,500,000	10,500,000	Do.
1797	16,000,000	10,000,000	Do.
1798	14,000,000	9,000,000	Do.
1799	17,000,000	10,000,000	Do.
1800	17,500,000	10,500,000	Do.
1801	17,000,000	11,000,000	Do.
1802	16,500,000	10,000,000	Do.
1803	16,000,000	11,000,000	Do.
1804	17,500,000	14,000,000	Do.
1805	18,000,000	15,000,000	Do.
1806	18,500,000	17,000,000	Do.
1807	20,000,000	18,000,000	Do.
1811	20,000,000	29,000,000	Gallatin.
1815	23,000,000	46,000,000	Do.
1816	26,500,000	89,000,000	Do.
1820	27,000,000	44,800,000	Do.
1830	22,100,000	61,000,000	Do.
1834	----------	94,000,000	Congressional report.
1835	----------	103,000,000	Treasury report.
1836	65,000,000	140,000,000	Woodbury.
1837	73,000,000	149,000,000	Do.
1838	87,500,000	116,000,000	Do.
1839	87,000,000	135,000,000	Hazard, Commercial Register.
1840	83,000,000	107,000,000	Woodbury.
1841	75,000,000	107,000,000	Gouge, Journal of Banking
1842	----------	83,700,000	
1843	----------	85,500,000	
1844	100,000,000	75,000,000	Hunt, Merchants' Magazine.
1845	96,000,000	90,000,000	Estimates.
1846	97,000,000	105,500,000	Do.
1847	120,000,000	105,500,000	Do.
1848	112,000,000	128,500,000	Do.
1849	120,000,000	114,700,000	Do.
1850	154,000,000	131,366,526	Do.
1851	186,000,000	155,165,251	Estimates of the Treasury
1852	204,000,000	171,673,090	Do.
1853	235,000,000	188,181,000	Do.
1854	241,000,000	204,089,207	Do.
1855	250,000,000	186,952,223	Do.
1856	250,000,000	195,747,950	Do.
1857	250,000,000	214,778,822	Do.
1858	200,000,000	155,208,344	Do.
1859	250,000,000	193,306,818	Do.
1860	235,000,000	207,102,477	Do.
1861	250,000,000	202,005,767	Do.
1862	25,000,000	333,452,079	Do.
1863	25,000,000	648,867,283	Do.
1864	25,000,000	680,588,087	Do.
1865	25,000,000	745,129,755	Do.
1866	25,000,000	729,337,254	Do.
1867	25,000,000	703,200,612	Do.
1868	25,000,000	691,553,578	Do.
1869	25,000,000	690,351,180	Do.
1870	25,000,000	697,868,461	Do.
1871	25,000,000	716,812,174	Do.
1872	25,000,000	737,721,174	Do.
1873	25,000,000	749,445,610	Do.
1874	25,000,000	781,084,781	Do.
1875	25,000,000	773,273,509	Do.
1876	52,418,734	738,254,550	Do.
1877	86,230,643	676,823,204	Do.
1878	102,047,907	689,205,669	Do.
1879	357,268,178	694,253,363	Do.
1880	493,363,884	512,666,313	Do.
1881	647,778,682	758,563,141	Do.
1882	703,976,839	776,554,880	Do.
1883	769,740,048	873,749,768	Do.
1884	801,068,939	904,385,250	Do.
1885	872,185,823	945,472,513	Do.
1886	903,027,304	906,532,340	Do.
1887	1,007,513,901	892,929,771	Do.
1888	1,092,391,690	970,563,250	Do.
1889	1,100,612,434	974,738,277	Do.
1890	1,152,471,638	991,754,521	Do.
1891	1,068,131,071	931,999,903	Do.
1892	1,234,588,789	1,139,745,170	Do.
1893	1,213,412,584	1,109,988,808	Do.

I have also prepared a table which shows that from 1843 to 1861 under Democratic rule we gained gold to the amount of $77,682,257; that under Republican rule from 1862 to 1877 we lost gold to the amount of $583,831,117.

That from 1878 to 1888, with only a part of the Government controlled by Democrats, we gained gold to the amount of $224,203,020. That during Harrison's Administration we again lost gold to the amount of $200,070,000, and we have already shown that during July and thus far in August under Cleveland and Carlisle the flow of gold to our shores has reached $45,000,000.

Table showing the value of gold coin and bullion imported into and exported from the United States from 1843 to 1861, inclusive, and from 1862 to 1877, inclusive, and from 1878 to 1888, inclusive, and from 1889 to 1893, inclusive, also showing annual excess of imports or of exports.

Year ending June 30—	Exports.	Imports.	Excess of exports over imports.	Excess of imports over exports.
1843 (9 months)	$300,258	$17,066,437		$16,766,179
1844	1,183,116	1,613,304		430,188
1845	2,210,979	818,850	$1,392,129	
1846	1,629,348	910,413	718,935	
1847	975,301	21,574,931		20,599,630
1848	8,370,785	3,408,755	4,962,030	
1849	1,015,359	4,038,647		3,053,288
1850	2,513,948	1,776,706	737,242	
1851	4,767,332	3,569,090	1,198,243	
1852	2,636,142	3,658,059		1,021,917
1853	1,894,323	2,427,356		533,033
1854	2,491,894	3,031,964		540,070
1855	1,151,797	1,092,802	58,995	
1856	852,698	990,305		137,607
1857	5,154,301	6,654,636		1,500,335
1858	7,595,558	11,565,068		3,970,510
1859	3,605,748	2,125,397	1,480,351	
1860	1,499,188	2,508,786		1,009,598
1861	3,624,103	42,291,930		38,667,827
Total, 1843-1861	53,471,179	131,154,426	10,547,925	88,230,182
1862	35,439,903	13,907,011	21,532,892	
1863	6,169,276	5,530,538	638,738	
1864	100,661,684	11,176,769	89,484,865	
1865	58,381,033	6,498,228	51,882,805	
1866	71,197,309	8,196,261	63,001,048	
1867	39,026,637	17,024,806	22,001,761	
1868	73,396,344	8,737,443	62,658,901	
1869	36,003,498	14,132,568	21,870,930	
1870	33,635,962	12,056,950	21,579,012	
1871	66,686,208	6,883,561	59,802,647	
1872	49,548,760	8,717,458	40,831,302	
1873	44,856,715	8,682,447	36,174,268	
1874	34,042,420	19,503,137	14,539,283	
1875	66,969,977	13,696,793	53,284,184	
1876	31,177,050	7,992,709	23,184,341	
1877	26,590,374	26,246,234	344,140	
Total, 1862-1877	702,704,090	188,982,873	583,831,117	
1878	9,204,455	13,330,215		4,125,760
1879	4,587,614	5,624,948		1,037,334
1880	3,639,025	80,758,396		77,119,371
1881	2,565,132	100,031,259		97,466,127
1882	32,587,890	34,377,054		1,789,174
1883	11,000,983	17,734,149		6,133,261
1884	41,081,957	22,831,317	18,250,640	
1885	8,477,892	26,691,696		18,213,804
1886	42,952,191	20,743,349	22,208,842	
1887	9,701,187	42,910,601		33,202,414
1888	18,376,234	43,934,317		25,558,083
Total, 1878-1888	184,774,255	408,777,275	40,459,482	284,632,328
1889	59,952,285	10,284,858	49,667,427	
1890	17,274,491	12,943,342	4,331,149	
1891	86,362,654	18,232,567	68,130,087	
1892	50,195,327	49,699,454	495,837	
1893	108,680,844	21,174,381	87,506,463	
Total, 1889-1893	323,465,601	112,334,602	210,070,999	

DEMOCRATS CAUSED AN INFLOW OF $77,682,257. REPUBLICANS AN OUTFLOW OF $578,813,117 OF GOLD.

I wish to call special attention to the valuable lessons of instruction which are given to us by this table. We see that from 1843 to 1861, when the country was under Democratic rule, with economy in the administration of affairs in every department, and with judicious tariff laws, our imports of gold exceeded our exports by $77,682,257, and at that time, it must be borne in mind, we had free coinage of both gold and silver. The Republicans then came in power, and even in time of peace increased the expenditures of the Government more than fourfold what they were under Democratic rule. They also enacted odious protective tariff laws, and during their fifteen years of unbridled extravagance our gold was very freely exported. We see by this table that from 1862 to 1877 the exports of gold exceeded the imports by the enormous sum of $538,831,117.

DEMOCRATS CAUSED $224,203,020 OF GOLD TO FLOW TO OUR SHORES.

In December, 1875, the Democrats for the first time obtained a voice in the Government by getting control of the lower House of Congress. They immediately inaugurated systems of reform, and in spite of the hostile Senate, finally succeeded in obtaining compromises, by which they materially reduced expenses, and in February, 1878, succeeded in enacting a law for the coinage of 2,000,000 ounces of silver a month. This was enacted over the veto of the Republican President. Its effect in checking gold exports was almost instantaneous, and from 1878 to 1888 our imports of gold exceeded exports of that metal by $224,203,020. It will therefore be seen that Democratic economy and almost free coinage of silver enabled us to increase our stock of gold during eleven years by $224,203,020, while we see that the Republican extravagance and bad government from 1862 to 1877 caused us to lose gold to the amount of $538,831,117.

In 1889 the Harrison Administration came into absolute power with a Republican House and a Republican Senate. Extravagance, which was denounced by the conservative press as criminal, was immediately inaugurated. The McKinley bill and the Sherman law were enacted, and these two acts, together with the criminal extravagance and foreign demand for gold, caused us to lose gold so rapidly that up to June 30, 1893, the excess of our exports over the imports during Harrison's Administration reached the enormous sum of $210,070,999. The last year of Harrison's Administration the loss to our country in gold reached the sum of $87,506,463.

CLEVELAND AND CARLISLE HAVE TURNED THE FLOW OF GOLD TO AMERICA.

I am very happy to say, however, that the conservative action on the part of Cleveland's Administration has already brought about a change, and in July the country ceased losing gold and commenced gaining it. The excess of exports of gold over imports during January and February of this year under President Harrison were $25,201,621; while in July under Cleveland the reverse took place, and so far from losing gold we gained very largely. The imports of that metal exceeded the exports by $5,776,401, and the inflow of gold in August has been much greater, and the gain to our country in gold during this month will exceed $40,000,000.

We see from the reports of the Treasury that the purchasing clause in the Sherman act is correcting itself. The law only proposes to authorize the Secretary of the Treasury to discontinue the purchase of silver, and yet the reports show that last month he was unable to purchase half the amount which the law required. This shows that the Sherman law is repealing itself.

PURCHASE OF SILVER LESS THAN TWO AND ONE-HALF CENTS PER CAPITA.

The amount paid out for silver in July was $1,675,000, and the amount paid out thus far in August is even less than those figures, and at this rate the entire amount of Treasury notes paid for silver would be but $20,000,000 a year, which is less than 4 per cent of our expenditures; and I wish to call special attention to the fact that the entire expenditure for silver in the entire month of July amounted to less than 2½ cents for every citizen in the United States.

I beg to ask if anyone can reasonably contend that the expenditure of $20,000,000 a year in purchasing silver can be the cause of the great money stringency which this Congress has been called together to relieve.

We have also shown that gold is no longer being hoarded, but that it is more freely paid out for customs than any other money. We have also shown that the outflow of gold has ceased, and that in July and August, so far from losing gold, the imports of gold were $45,000,000 greater than the exports.

We have also shown that silver-coinage laws do not cause an export of gold, but exactly the contrary. The reports of the Treasury show that thus far in the history of our country they have had precisely a contrary effect, notably during the period from 1878 to 1888.

We therefore see that every reason that has been given in opposition to coinage of silver has ceased to exist.

Not only is it very plain from these figures that coinage of silver is not responsible for the present financial condition, but the very reverse. And they show the wisdom of the distinguished gentlemen who framed the Democratic platform which pledges the party to free coinage of both metals, and with the enactment of such a law the repeal of the Sherman act would of necessity follow.

PROHIBITORY BANK TAX TO BE REPEALED.

The platform also pledges the party to a repeal of the prohibitory tax upon banks other than national banks, thus decentralizing money and restoring to the States their constitutional right to control the financial affairs of their own people.

Our great statesmen of years ago were emphatic in their opposition to banks in which the Government became virtually a partner.

In referring to such institutions Thomas Jefferson said that—

Banking institutions are more dangerous than standing armies.

The New York Tribune takes a very different view. In speaking of banks, it expresses the views and purposes of the Republican party. It says:

The time is near when they will feel compelled to act strongly. Meanwhile a very good thing has been done. The machinery is now furnished by which, in any emergency, the financial incorporations of the East can act together on a single day's notice with such power that no act of Congress can resist their decision.

In another article the New York Tribune said:

It is astonishing, yea, startling, the extent to which faith prevails in money circles in New York that we ought to have a king.

In the same line of argument the millionaire Senator Sharon said:

We need a strong central government. The wealth of the country has to bear the burdens of the country and should control it.

These are the character of expressions which emanate from the extreme centralizing strong-government Republicans.

During the Harrison Administration the influence of that element with the party in power was almost absolutely controlling.

DANIEL WEBSTER'S DECLARATION THAT CONGRESS HAS NO POWER TO DEMONETIZE SILVER.

In a former speech I quoted Daniel Webster as asserting that Congress had no authority to demonetize either gold or silver. In his great speech of December 31, 1836, on the subject of "A Specie Circular," this great statesman said—I read from volume 4 of the Boston edition of the works of Daniel Webster, page 271:

If we understand by currency the legal money of the country, and that which constitutes a lawful tender for debts, and is the statute measure of value, then, undoubtedly, nothing is included but gold and silver. Most unquestionably there is no legal tender, and there can be no legal tender in this country, under the authority of this Government or any other, but gold and silver, either the coinage of our own mints, or foreign coins, at rates regulated by Congress. This is a constitutional principle, perfectly plain, and of the very highest importance.

The States are expressly prohibited from making anything but gold and silver a tender in payment of debts; and although no such express prohibition is applied to Congress, yet Congress has no power granted to it in this respect but to coin money and to regulate the value of foreign coins. Congress has exercised this power fully in both its branches. It has coined money, and still coins it; it has regulated the value of foreign coins, and still regulates their value. The legal tender, therefore, the constitutional standard of value, is established and can not be overthrown. To overthrow it would shake the whole system.

This language is very clear; but further on in the same speech Mr. Webster clearly and positively asserted that gold and silver constitute the legal standard of value in this country, and that Congress had no authority to establish any other standard or to displace this standard, namely, the gold and silver standard. I read Mr. Webster's exact words, on page 280:

I am certainly of opinion, then, that gold and silver, at rates fixed by Congress, constitute the legal standard of value in this country; and that neither Congress nor any State has authority to establish any other standard, or to displace this.

Here we have the legal opinion of the greatest constitutional lawyer that this country has produced, proclaiming in the plainest and most positive language that a law which demonetizes silver or deprives that metal of its function as money—which means a full debt-paying, full purchasing power—would be in violation of the Constitution of the United States. This is the plain, unmistakable meaning of Mr. Webster's language.

CONSTITUTION TREATS GOLD AND SILVER THE SAME.

The Constitution makes no discrimination between gold and silver.

The great Democratic party which met in convention and nominated Mr. Cleveland and Mr. Stevenson so understood the Constitution, and in the plainest language pledged the Democratic party to favor silver and promised the people—

Coinage of both gold and silver without discriminating against either metal.

The only conditions imposed were that—

The dollar unit of coinage of both metals must be of equal intrinsic and exchangeable value.

This plank of our platform closes with these words:

We insist upon this policy as especially necessary for the protection of the farming and laboring classes, the first and most defenseless victims of unstable money and a fluctuating currency.

Now, as a friend of the farming and laboring classes I demand, and as long as I have breath in my body I will continue to demand, that this policy be adhered to, and that these promises so specially made to the farmers and laboring classes be redeemed.

THE HONORABLE COURSE FOR DEMOCRATS.

It seems to me, Mr. Speaker, there is but one fair and honorable course to be pursued by the Democratic party. We should immediately enact a law carrying out the pledges of the financial plank of the Chicago platform of 1892. This would involve free coinage of silver at a ratio provided for in the platform. By the same bill we should repeal the 10 per cent tax, and the bill should close by repealing the purchasing clause in the Sherman law. Having done this our pledges to the people would be redeemed, and if, after giving the law a fair trial, it should be found that a modification of the law was necessary we could enact legislation to accomplish that purpose very much easier than we can pass the bill now under consideration. In answer to this proposition we are told that it might become necessary from time to time to recoin the silver so to keep the commercial value of the silver dollar always equal to the commercial value of the gold dollar. I do not think such a result would necessarily follow, because the history of metal coins during the last 400 years shows that when the law provided for the free coinage of both metals there was never any material change in the ratio. But even if we were compelled to change the ratio every fifteen or twenty years that ought not to be raised as an objection. The cost would be very slight, and the history of money and mintage shows that in all countries gold and silver are recoined on an average of about once in fifteen years. The laws of both this country and England especially provide for recoinage of all money whereby abrasion of metal has sustained a very slight loss in weight. The standard weight of the double eagle is 516 grains, and when by abrasion it falls to $513\frac{43}{100}$ grains it ceases to be legal tender, and section 3512 of the Revised Statutes provides that it shall be recoined.

The weight of an English sovereign is 123.274. It ceases to be legal when by abrasion its weight does not exceed 122.50.

WHEN SHALL OUR PROMISES BE REDEEMED?

When, Mr. Speaker, do we propose to commence to comply with our solemn pledges to the people and give them the silver coinage promised in our platform of 1892? When, Mr. Speaker, shall we redeem the promises which were inscribed upon the banners which waved throughout our land from the beginning to the end of our last campaign, and around which patriots gathered, and behind which an army of 11,000,000 Democrats followed with exultant shouts—the banners of the Democratic party borne aloft and carried to victory in that memorable battle of less than a year ago? When shall these pledges be redeemed? Shall it be the next week or the next year? Shall it be when the rich mines are closed, which are now adding so much to the wealth and prosperity of our beloved country? Will it be when we have abandoned and trampled upon the wealth of that precious metal which God has given to us and now demands that we dig from the earth for the use of our people? Will it be when the silver-mining interests of our country are destroyed, and the noble pioneers who have developed the great West have been crushed?

God bless those men with brave and stout hearts who, with rifle in one hand and pick in the other, met and conquered the fierce Indian, endured hardships, overcame obstacles, made prosperous States of arid deserts, silent plains, and uninhabited forests.

Shall it be when these men are crushed and the place they made civilized and beautiful are again the homes of wild beasts and savage Indians? Will it be when silver is thoroughly debased and its function as a legal-tender money is utterly destroyed? Will it be when, with double force, the Rothschilds and the Lombard and Wall street brokers are exercising their already almost irresistible power in the interest of money and plutocracy and against the interests of liberty and the people? Will it be when the mortgaged homes in our loved South and the great West are sold by the sheriff, and the honest husbandman and his loved ones have ceased to be home-holders and have become tenants of soil once theirs, but then owned by Eastern or foreign landlords; or will it be when these tenants of the soil, these brave, honest men, crushed by unjust legislation, have become tenants of the sod? Will it be then, Mr. Speaker, that the solemn pledges and promises of last November will be redeemed?

What boots it to those whose votes placed the Democratic party in power last November as to what laws are enacted after they are crushed or dead, and the beautiful Republic which their forefathers founded has passed from the hands of the people and is controlled by the arrogant and wealthy?

Now, Mr. Speaker, is the time. This year, this session, this month, this week. Let us not delay.

The promise was sacred; let it be redeemed. [Applause.]

Uniform System of Bankruptcy.

SPEECH

OF

HON. EDWARD LANE,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, October 25, 1893.

The House being in Committee of the Whole, and having under consideration the bill (H. R. 12) to establish a uniform system of bankruptcy throughout the United States—

Mr. LANE said:

Mr. CHAIRMAN: If the measure under consideration had been on the Calendar in the ordinary way I would have contented myself with simply voting and would not have taken up any of the time of the House in this discussion. But, as a member of the committee that had charge of the bill, I deem it proper to make

some statement to the House as to the manner of the reporting of this bill. I know it is not customary, nor perhaps, in every case, proper to state what has occurred in the committees of the House, but the gentleman who opened the debate in favor of the bill made some statements that I deem it necessary to meet with counter statements.

The fact is, sir, that this bill has never been considered by the Committee on the Judiciary of this House. The committee sat one morning to consider it and the bill was taken up, and after a few minutes, before we had discussed it for more than ten minutes, we discovered that our views were very diverse, and a motion was made that the bill be referred to the House and that the House or the Committee of the Whole take the place of the Judiciary Committee in dealing with this bill, as we were not very busy in the House at that time. There was just a quorum of the Judiciary Committee present, nine members. There are seventeen members in all on that committee. I think that on the vote on the motion to refer the bill to the House a majority of those present voted, so the motion prevailed. But instead of the Committee on the Judiciary considering the bill it was referred to the House.

The gentleman who has charge of the bill [Mr. OATES] was presiding in the absence of the regular chairman, and he was authorized by the majority of the quorum present to report the bill. I understand now—I will not state it as a positive fact—that ten members of the Committee on the Judiciary are opposed to the bill in its present form; that is, a majority of the whole committee are against the bill.

Mr. OATES. Will the gentleman allow me to say a few words just there?

Mr. LANE. Yes, sir.

Mr. OATES. My friend has not got the facts precisely right, although he is correct as far as he goes. When this bill was first taken up in the committee and discussed I do not know whether he was present or not.

Mr. LANE. I think I was present at every meeting.

Mr. OATES. When it was first taken up and discussed it was agreed that the consideration of it should be postponed for one week, to afford an opportunity to the members of the committee to examine the bill. At the end of that week it was again taken up for consideration. The first chapter was read and we got into the second chapter, relating to the causes of involuntary bankruptcy. They were discussed, and motions were made to strike out or amend, and all except one or two of those motions were voted down. Then it was stated by myself, I know, and probably by others, that the bill had been well considered, had received a great deal of attention, that the House was not very busy, and that it would be perhaps wise to report it to the House, and I, as acting chairman, stated that if I had charge of the bill in the House, those who favored the measure but who desired to amend it, should certainly have an opportunity to offer their amendments and to test the sense of the House in relation to them.

Then a vote was taken. I do not remember how many members were present—the gentleman says nine. I presume he is right. When the vote was taken, according to my recollection (and I counted those voting for and against), only two voted against reporting the bill. But of course that was done with the understanding that liberal opportunity would be afforded in the House (as it will be) to members of the committee and to other gentlemen to amend the bill as we proceed with it under the five-minute rule.

Mr. BAILEY. And to offer a substitute?

Mr. OATES. Yes; a substitute is one form of an amendment.

Mr. LANE. We agree substantially about the facts. There were not two pages of the bill read all the way through. I know that I never read the bill before it was reported; I had not the time. I expected that the bill would be read in committee and that we would have full time to consider it. But it was stated that some former committee had fully considered the bill. The fact, however, was that the personnel of the committee had been changed and also its politics. In the Fifty-first Congress it was a Republican committee that acted upon the bill; and many members—some at least——

Mr. OATES. The committee of the last Congress is the one that labored so long upon the bill—three months in all; and that was a Democratic committee. It was also considered by the committee of the Fifty-first Congress, which was Republican.

Mr. LANE. At any rate, the bill is now before the House without full consideration by the present committee, it having been reported in the manner that the gentleman states. It is a very extraordinary measure; and it is unfortunate that it should come up at the present time. The jurisdictional fact in this bill is the question of insolvency. As a measure for the collection of debts we have nothing to do with it. A measure of this kind can deal with no person unless he is insolvent. I concede that Congress has power to pass "uniform laws on the subject of bankruptcy," but I think the conditions in this country have so changed since the adoption of the Constitution as to render it impossible for us to pass such a bill.

I doubt very much as to the construction which would be adopted by the courts if this question should now come before them, in view of the settled condition of our country and the changed habits of our people. I make the broad assertion that in this country at the present time we should not pass a bankruptcy bill. The very foundation of a bankruptcy bill is uniformity. If such a bill is not uniform in its operation upon all the citizens of the Republic it should not be passed. I insist that this bill is not uniform; and that no bill can be made uniform under our existing laws.

I know that the Constitution and the laws passed in pursuance of the Constitution are the supreme law of the land. But if you adopt the policy of a bankrupt bill you repeal the laws of forty-four States of the Union. If you undertake to pass a uniform bankrupt law, you must make it uniform as to the persons to whom it applies; and when different parties have been subjected to the operation of this law, their estates must be left in the same position. This can not be done under our present system.

This bill declares in effect—I do not pretend to quote its exact terms—that a man is a bankrupt when his estate is not equal to his liabilities at some valuation—I do not know whether it means a valuation with reference to a forced sale or a voluntary sale; but for the purposes of my argument that question is immaterial.

In this connection, the bill makes no statement as to the amount of property which may be exempted under the law of any State. In the State of Texas the law allows a debtor an exemption of something like $5,000; in Illinois the exemption is $1,000; in Michigan $4,000; in some other States it is as low as $300. Now, when you declare a man a bankrupt do you take into consideration all his property? If you do, then a man in the State of Texas who owes $2,000 and owns property to the value of $5,000 is not an insolvent; but if you take into consideration the exemption law of the State, a man in Texas who has $5,000 and has not sufficient property over and above that amount to pay his debts, is insolvent; so in Illinois a man owning $1,000 worth of property, and not having sufficient above that amount to pay his debts, is insolvent. Is this a uniform system of bankruptcy?

Here you have forty-four States of the Union, all or nearly all of them having insolvent laws and laws regulating assignments for the benefit of creditors; and in a great many cases these laws are equitable and just. Now, when the bankruptcy machine provided by this bill begins to grind, one debtor starts with a margin of $5,000, another with a margin of $4,000, another with a margin of $1,000, and so on. Is this uniformity within the meaning of the Constitution when it provides for a "uniform" system of bankruptcy? No; sir. The meaning of that instrument must have been that such a law should apply equally on all persons in all parts of the Union, that when you discharge bankrupts under this law you should leave them in just the same condition.

The bill provides that each debtor shall be entitled to the exemptions provided by the laws of his own State. Thus under the operation of this bill the debtor would in some cases, when discharged by the bankruptcy court, be in comparatively good circumstances, worth $30,000 or $40,000; in other States he would be left with little or nothing. Again in many of the States the law declares specifically what property shall be exempt. That is the case in my own State. There the law reserves to a man the homestead on which he is living to the value of $1,000, and also allows him personal estate to a certain amount. When execution is sued out against his goods and chattels, he has a right to schedule as against that execution $400 worth of personal property.

Now, how are you going to enforce this under the provisions of this bankruptcy bill? It can not be done. Why? Because, take as one illustration: The law of the State of Illinois makes an exception of $400, but the law can not be brought into operation until the execution is actually in the hands of the sheriff, the constable, or other officer, and a levy is about to be made upon the property. Therefore under this act there is no property in that State that can be exempt. You see, then, the manifest injustice of undertaking to establish such a law. So you might pass on through the whole schedules of this bill and you will find it is thoroughly impossible, absolutely impossible, to accomplish the intent of the Constitution by making a uniform bankrupt system that will treat every man alike, under the design of the Constitution, in all parts of the Union over which the law has dominion and power.

I know in my own State, Mr. Chairman, our courts have taken different views as to the application of laws in different States. For example, we have the common law of England in operation in that State, and it is held in England that a man is compelled to keep his stock on his own land. We have, as I say, the common

law prevailing in Illinois, and yet in Illinois our supreme court—and there is no abler court in the Union, able men all of them—held that under the common law a man had a right to let his stock go at large; that he was not compelled to keep them in his own inclosure. Public policy would not tolerate the common law to prevail there. Why? Because we have large prairies there, vast pasture lands, and public policy, under the same law that prevails in Illinois and in England held that public policy permitted a man to turn his stock at large for the reason that I have stated, that we have extensive ranges there.

Now, when you bring this question as to the operation of a bankrupt law before the Supreme Court—I do not know that it was ever before the court in the past—why could they not hold that the conditions of the country have so changed that there are now forty-four States having assumed this jurisdiction, to be contrary to the genius of our Government to pass sweeping laws that repealed the enactments, as it must, of all of the States of this Union. You will see the confusion to which it would lead. I do not know what the court may decide on such a question, and, as I have said before, I do not care.

As far as I am personally concerned I have never paid a great deal of attention to what the courts decide unless it meets with my own approval. I have never regarded a case as *res judicata* as far as I am concerned, unless it confirms my own ideas and opinions of justice. I have seen cases overruled too often. If you follow the Supreme Court of the United States itself, you will find on the constitutional questions alone that they have time and time again reversed themselves.

There is no question of that, and when you change the personnel of the court you can not tell just what the decision on the same question may be. And you can not tell what they might hold, therefore, in a case of this kind that we are now discussing. So I say from a legal standpoint that you can not pass a uniform system of bankruptcy. Manifestly it would be an impossibility.

I want to speak, Mr. Chairman, not in extravagant terms about the bill before us. But it does seem to me, using language as mild as I can possibly use it, that it is the most drastic, vicious, and pernicious bill that was ever offered before to a legislative body for its enactment. Every word of it bristles with penalties and punishments. The genius of the man must have been extraordinary to have produced such a measure, and I can not believe that any one man ever wrote it all. It must have been the emanation of more than one human brain. Why if you leave the question of preparing a bankrupt bill to my friend from Alabama [Mr. OATES], the chairman of the subcommittee, he could no more draft that bill, with his kind heart, than he could fly in the air.

The very moment you file under this bill a petition you open the door of the State prison to the bankrupt debtor somewhere; and the moment the petition is filed he stands an adjudged convict before the law or a ticket-of-leave man. He loses his citizenship in the sense of a loss of freedom. He stands before the door of the penitentiary in every step under the operation of the bill, from the filing of the petition until the day of his discharge. It is most extraordinary, sweeping, vicious, and wicked. I do not know whether any more vicious legislation has ever existed heretofore.

Blackstone says that the Roman law was that when a man was declared a bankrupt his body was divided amongst his creditors; that it was cut up and each creditor got his piece. He does not say just what his creditor did with the body or the piece of it which he got for his share; but he tells us if it was not enough to go round among them, satisfying the debt of each one, then they took his wife and the children and divided them amongst them and held them in slavery. The measure under consideration may not be as bad as that, but there is not a great deal of difference. When a man is disgraced and the savings of his lifetime taken away from him what is life to him? When a man goes through this mill he is a convicted man, and his family would never outlive the odium that is attached to his act. Never.

I know in my own community men who went through the bankrupt mills of 1841, and yet to his grandchildren the fact is thrown into their teeth that their grandsire was a bankrupt. If bankruptcy is not an odious thing, why do these gentlemen who send out their inquiries about the financial standing of every man in the country, insert in every one of them the question: "Was this man ever declared a bankrupt?" They all contain that inquiry.

When you put a man through this machine you destroy his credit forever. He has no more financial standing in the community, and the odium of it will abide with him as long as he lives. Why should the American Congress at this time wish to pass an act of such a drastic nature?

The English law was pretty severe. Under that law, if a man was convicted of petit larceny, he forfeited his goods and chattels; but this bill is worse than that, because when the man was tried for petit larceny he was entitled to the benefit of a reasonble doubt, which is held by the courts everywhere to be equal to one good witness; but under this bill he forfeits his whole estate, because he fails for thirty days to pay a promissory note. He forfeits the entire property of his estate. That is what it is absolutely.

Under the English law a man forfeited his lands if he was found guilty of outlawry; but here, because a man suffers an execution or attachment lien to remain against his property he forfeits both his personal goods and his real estate, although the attachment is taken out where there is not the shadow of a claim against him.

In my State, for example, the law allows you to sue out attachment in a tort, in a case of slander, *crim. con.*, or anything of that character. The plaintiff is allowed to sue out an attachment and levy upon your property. Now, you may deny in law and in fact that you are liable for a dollar in that action, but the court does not sit for three or four months. We only have court twice a year, and you have no chance to try the question. Pending that the attachment remains, and you are liable under this bill to be driven into bankruptcy. They say they will amend some of these things when they come to them. I hope they will. If they do, then it will not be this bill.

Mr. CULBERSON. They did not amend it in the committee.

Mr. LANE. They did not do it in the committee, as my colleague [Mr. CULBERSON] suggests, and I apprehend they will not do it here.

This bill ought not to be passed. I am not criticising the vote that any man may cast upon this floor. I am only speaking here for my own people. I say if this bill should be passed it will be such a blow to their interests, such a detriment to their welfare, that I could not meet them and look them in the face and say I had supported this measure.

Now, what is the condition in this country? It is different everywhere. The gentleman who addressed the committee yesterday [Mr. DENSON] told us of the condition in the South. The condition in the South is entirely different from what it is in the West. He said that in the South the farmers had mortgaged their possessions to their local merchants, who carried them through from year to year, and that at the end of the year they had a settlement and paid up.

Now, that is not the condition in my country. In the West we have mortgages, and a great many of them, I am sorry to say, but nearly all of our mortgages are held in the East. Our farmers owe our local merchants, but it is on running accounts; and here I want to show you where the injustice of this bill comes in. In one part of my State, up near Chicago, they settle their accounts about every thirty days. They sell goods there on thirty days' time, and close the accounts at the end of that period by note or otherwise. Down in my part of the State, 200 miles from there, accounts run a year. The farmer goes to the local merchant and runs an account. There is no agreement as to when payment shall be made. The merchant may at any time bring suit on that account, but that is never done in my country. It is never done until the end of the year, and when the farmers harvest their crops they come in and settle these accounts.

Now, if this bill is passed, what will happen? Laying aside altogether the question of the debtor and the creditor affected immediately by the bill, the effect would be to turn loose upon my people a hundred deputy marshals. You declare a man in my community a bankrupt, and of course if he is a bankrupt the reason is because the farmer can not pay him. You have so reduced the price of property in the last fifteen or twenty years that no farmer is able to pay. The legislation of the country has been such for the last few years and prices so low that no farmer can pay.

I want to give you some statements of my own personal knowledge in this matter. I want to tell you that in my country lands that sold readily fifteen years ago for $45 an acre will not bring $25 now. Horses that sold three years ago for $150 are a drug upon the market at $50. Sheep that sold at $5 a head two or three years ago are bringing a dollar and a half now. We used to get 80 and 90 cents and a dollar a bushel for our wheat a few years ago. Now it is selling for 40 cents, and everything else in about the same proportion.

Now, in the name of Heaven, what does a Democratic Congress mean by bringing in at this time a bill that will force these men to be sued in the Federal courts, a hundred miles from home, to pay the bankrupt merchants in their own town; and then, when that is done, what is the next step? Why, these fellows in the East will come on and foreclose their mortgages. Nay, gentlemen, I suspect that this bill is brought in for that very purpose.

These mortgages will be foreclosed ultimately, but in my State a debtor has some chance for his life. We have been

hedging for twenty years. The laws we have been passing in our State have been constantly in favor of the debtor. A few years ago a merchant in Chicago had the right to get out a summons in the city of Chicago and summon a man down in my part of the State, send the summons to any sheriff in the State, and have it served upon the debtor there, returnable in Chicago, where judgment could be taken against him. But our Legislature put a stop to that kind of thing, and under our law a man can not now be sued except in the county where he lives or where he may be found.

Mr. OATES. Will you explain how this bill could operate against the farmers and laborers, when they are not subject to its involuntary provisions, but can take the benefit of going into bankruptcy if they need it or desire it?

Mr. LANE. I have just been stating how that was. You declare that some merchant in my town is insolvent. He is put into bankruptcy, while the farmers may have accounts with him for $5,000 to $8,000, as they have around in my neighborhood, that they have contracted during the year. Now, this man is put into bankruptcy and you appoint an assignee.

Mr. OATES. A trustee.

Mr. LANE. Yes; you have changed the name. You appoint a trustee, who takes charge of his goods. It is just like the old story of the lion putting on the asses clothes; the ears still stuck up, and showed what he was. You have changed the terms in this bill so as to make it more pleasant so that it may pass them. The people are used to the names of "register" and "assignee," and know what those words mean. The courts have construed their meaning, and you have changed them here to a "referee." We understand what that is in my country. It is not a court. You have no "assignee" or "register" in this bill; but you call him a "trustee;" and when a man is adjudged a bankrupt by the law the right of action is transferred from the debtor to the trustee. The trustee has the right, and it is his duty to at once, or as soon as he can thereafter, bring an action to recover these accounts.

Mr. OATES. Your argument is that the debts the farmers owe to the merchant, and which compel him to go into bankruptcy, will go into the hands of the trustee, and that he will oppress them?

Mr. LANE. He will bring suit against them for the recovery of these accounts; and it is made his duty to do so by this bill.

Mr. OATES. But he will have no more right than the merchant had, will he?

Mr. LANE. The merchant could at any time under our system of business sue upon the account, because there is no time given. That is the rule in our country; but it is tacitly understood with all merchants that a farmer may go to their stores and trade, and he will not be called upon for one dollar until the end of the year, when he is to settle the account. The merchant may change his view and sue him at once; but if he should do so he would never do any more business in our country.

When you appoint the trustee or register, why these accounts go into his hands as accounts due and he must collect them.

Mr. OATES. Of course, his rights will be no greater than those of the man to whom the debts were due.

Mr. LANE. I concede that; but he could do what the other man dare not do; he could give the man more time.

Mr. OATES. Perhaps it is doing too much of that which made him a bankrupt and not able to pay his debts.

Mr. LANE. That may be true; and he would not be declared bankrupt unless you, by this machinery, made him so.

Mr. KYLE. He could grant indulgences and the trustee could not.

Mr. LANE. He is paid for it; it is no favor; and this bill tries to do what you could not do by any other legislation.

Mr. OATES. Has a man the right to grant indulgences to others at the expense of anybody else——

Mr. LANE. He is only doing it at the expense of those to whom he is granting the indulgence.

Mr. OATES (continuing). If he owes debts and can not pay them?

Mr. LANE. He takes that into consideration when he makes the sale.

Mr. OATES. How is it, then, that he fails to pay his debts?

Mr. LANE. Because he has made his account upon this plan, which you would wipe out. They do not want to be sued until the term of the court comes around, if sued at all.

Mr. OATES. Can not he make his contracts so as to get more time?

Mr. LANE. Yes, he could; but he can not do so under this bill.

Mr. OATES. The bill would not subject him to anything he did not contract for. If he becomes a bankrupt by giving too much credit to irresponsible people, ought that exempt him from responsibility?

Mr. LANE. Yes, sir; he could not do business with the people in our country, and they would not contract with him. You destroy the credit of the merchant there, and, as I said before, you make every farmer in the country who may be owing him liable to be sued in Springfield or Chicago, a hundred miles away from his home.

Mr. OATES. You argue that it would break down the credit system?

Mr. LANE. No, sir; not at all.

Mr. OATES. If that is it, all our Populist friends ought to favor the bill, because they denounce the credit system in their platform.

Mr. LANE. Whatever it is, I am in favor of preventing that. I am not in favor of a law that collects debts in this way. If the times do not improve, we would be forced in many of the States to pass stay laws. But if this bill becomes a law, you can not pass a stay law in any State because it ties up the State Legislatures. Now, there is no doubt that the experience of mankind teaches that the passage of stay laws now and then is a great benefit to a community. I have said that this bill attempts to do what can not be done, it attempts to equalize debts. That can not be done. It is utterly impossible. If you were able to do that, you would overthrow the legal learning of five hundred years.

Mr. BOATNER. Will the gentleman state what provision of this bill proposes to equalize debts; and will he also tell us what he means by saying that it undertakes to "equalize debts?" In what sense does he use the words?

Mr. LANE. It proposes to pay every creditor pro rata. That assumes that all a man's debts are on an equal footing. It takes away the right, which the law of my State and of other States gives a debtor, to prefer certain creditors. That is the law of my State. We have, however, an assignment law which compels a man who makes an assignment to treat everybody alike. If he makes an assignment, he must treat resident and nonresident creditors alike, and our courts are open every day in the year for the enforcement of that law, and any one of the creditors has the right to bring the debtor before the court and have an investigation as to whether he has turned over his whole estate or not; and we have laws to punish perjury in such cases.

Those cases are tried before judges learned in the law, elected by the people, and having a local responsibility, but here you propose to turn loose a horde of ignorant sappers and miners on the people, men who have no legal knowledge, and the pay you propose to allow them is such that no man who has brains can afford to accept the office. But I know the purpose of that. You can not deceive anybody about that. If this bill should pass, as I hope it will not, you will bring in a bill at the next session of Congress to pay these gentlemen a fair compensation such as every man is entitled to. Why, a mouse could not live upon the compensation fixed in this bill.

Nobody of respectable business capacity could afford to accept an office under the provisions of this bill. The former bill provided a compensation of $1,000 a year to be paid out of the Treasury to each referee; but that has been left out of this bill because the promoters of it evidently thought that in this case the best way was to cut off the dog's tail by inches; and I repeat that if this bill becomes a law now, in the next Congress somebody will come in here with a wailing cry that we have these public officers, appointed under the law, and that they ought not to be required to work without just compensation.

Mr. OATES. The bill in the Fifty-first Congress was a Republican bill with liberal salaries, but this is an economical Democratic bill. [Laughter.]

Mr. LANE. Yes, economical for the present.

Mr. RAY. Before the gentleman leaves the subject of preferences, I wish he would state whether or not he is in favor of laws which permit the debtor to give preferences to a certain few and to cheat his other creditors out of any part of his estate?

Mr. LANE. I am in favor of the common law of England, which has stood for five hundred years, which is indorsed by the wisdom of ages and has had the approval of the greatest men in the world, and that law allows a debtor to give preferences.

Mr. RAY. But I wish the gentleman would give me an explicit answer. Are you in favor of a condition of things which permits the debtor to transfer all of his property to a few of his creditors to the exclusion of the others?

Mr. LANE. I am in favor of the law as laid down by the highest courts in this country and in England, and that is to the effect that a debtor has the right to prefer his creditors, and to pay one to the exclusion of others. I think a man can administer his own estate best, and that he has the right to say under all the circumstances of his case which creditor has rendered him the greatest service.

Mr. BOATNER. A law which permits a man to transfer his estate to his brother-in-law, his father-in-law, or his sister-in-law.

Mr. LANE. Yes; they are the proper ones to take care of at certain times; if their debts are just they are the very ones to take care of and the ones that I would take care of. But, Mr. Chairman, I have said that if this bill should pass it would contradict the wisdom and the adjudications of the courts for five hundred years. Judge Story himself devotes a great part of his Commentaries on Equity to the right of and the duty of a debtor in failing circumstances to prefer certain creditors to others. Pomeroy on Equity Pleading devotes a large part of his work on equity to the same subject, and all the law books through all the ages have held that doctrine.

Mr. RAY. Would it not be much better for the law itself to point out the class of creditors and the class of debts that shall be preferred?

Mr. LANE. Oh, I believe in leaving something to the American citizen's conscience. I do not want to make him a slave to laws on every occasion, to tell him how often he shall kiss his wife, how often he shall nurse his baby, and all that kind of thing. [Laughter.] I do not want laws of that kind. Now, Mr. Chairman, what I was about to say is this: Suppose I am in business, buying goods from a New York or St. Louis merchant. I have been buying goods from him for five or ten years. He has been selling me his goods at a profit of 30 or 40 per cent on every bill. He has made that profit out of me right along because it was my contract. I get into a straitened condition and I go to some friend and say to him: "I am greatly in need of money and I wish you would lend me some money or indorse for me for a short time."

In the one case I have bought goods from the merchant at such a profit to him that on a fair accounting I would not be owing him a dollar. He has made so much out of me in the meantime that if I should fail and he should lose his whole claim, he would not in equity actually lose 1 cent. But, on the other hand, the man who, for the time being, lends me $500, or lends me his name, to bridge me over my difficulty, has parted with his own money for my accommodation, and I say that all the law books hold that it is my right and my duty to protect him in preference to the general creditor. Take another case which might arise under this bill. A man may be sued in court, as everybody knows, upon a claim which has no foundation in fact, and the case may go against him by rank perjury, yet under this bill that judgment stands and is held to be as equitable and as just before the court as the claim of a man's mother-in-law, as the gentleman from Louisiana has suggested, who has lent him money to go into business or to support his family. I know that people make a cry against this principle, but what justice has not equalized you can not equalize by law.

My State, I say, allows this to be done. If a man is in failing circumstances he may convey all his property (if he does it bona fide) to one creditor; and this he is allowed to do upon the principle of the English law which, as I said, has been in force for five hundred years, and has met the approval of the best English judges and of the great jurists of this country.

This bill does another thing in the way of legal robbery. It provides that if a man is proceeded against as a bankrupt—or possibly as soon as the papers are served on him—the bankruptcy court acquires jurisdiction of his estate; and even if the man dies the court goes on with the administration of that estate.

How would such a provision work? I say that in this provision you propose to enact a law which will rob the wife and children of the debtor of what the State law gives them and of what they have a right to expect in the event of his death. In my State we have what is called the widow's award. If the husband dies the widow is entitled under our law to a set-off of about $700 or $800. She is entitled to a set-off of one year's support for her family and to various other allowances. But under this bill, as soon as a man is sued as a bankrupt the bankruptcy court acquires entire jurisdiction of his estate, and such allowances as I have just mentioned are not claims provable in bankruptcy; so that the result is that the whole estate is taken away from the debtor's family.

Now, I want to call attention to another point in this case. This bill provides for a local court—a referee in each county of the whole Union. Thus at one sweep you make 2,300 officers, and I venture to say that it will require not less than 8,000 persons in all to put the provisions of this bill in operation. This referee is constituted a sort of court, but he has no right to punish for contempt except in certain cases; in all others he must report to the court. Under this provision the party is liable to be dragged off a hundred miles from his home. What does that amount to when a man is engaged in business? Why, sir, at one fell swoop it snatches from a man the character of a lifetime. Do gentlemen here realize what a man's character is worth to him in business transactions?

Why, sir, it is everything. The merchant who has lived in your town for twenty or thirty years and has carried on his business honestly and uprightly, has a character which stands by him as a stone wall—as a bulwark of defense—which in our courts is equal to a witness to every fact connected with his life. When he is tried in court, he has a right to be tried by his peers, his neighbors, the people of the locality where he lives—people who know him, who know that he is an upright and honorable man. Thus when he is unfortunately compelled to go into court his character carries him through, and he goes out without stain, with an untarnished reputation. But under this bill you may take a man hundreds of miles away from his home—to a new jurisdiction—to be tried before a jury who know nothing about him.

Thus you deprive him of the advantage of the character of a lifetime; for he stands before that jury subject to be regarded as the merest charlatan. They do not know him. In the first place, the juries of our Federal courts are not selected in the right way. How are they selected? The clerk of the court or somebody in authority writes down to your county or mine asking some minion to send up the names of four or five men to act as jurors. Juries made up in this way are not to be compared with our local juries selected by our supervisors, who know the men chosen, who select the very best men in the community to do jury duty.

I am opposed to this bill from beginning to end—in all its features. I am opposed to all laws for voluntary bankruptcy. Why should a man be allowed to discharge his debts by passing through a bankruptcy court? Suppose a man says to me, a creditor, "Oh, yes, I did owe you money, but here is my discharge from the bankruptcy court." It is not signed by his creditors, but it is signed by the court. Is there any man in the world who would respect that kind of a discharge? Though a man is discharged by a thousand courts or a thousand juries in that sort of a proceeding, he still owes his previous debts in justice and equity. He can not pay his debts in that way.

We had that sort of thing illustrated here in the Fiftieth Congress when the contested-election case of Small *vs.* Elliott was before the House. It had been stated that Mr. Small, the colored gentleman who was here claiming a seat, had been convicted of perjury. But rising on the other side of the House he flourished here a pardon, saying, "Gentlemen, what does it amount to if I was convicted of perjury? Here is my pardon." According to his view that wiped out the perjury, that cleared his character, that settled the whole thing. In the same way, under this bill, you propose that a debtor may come in with his certificate obtained in a proceeding of voluntary bankruptcy and may say "My debt is discharged."

I know that such a provision is urged as operating in favor of honest debtors; but I want to say to you, after thirty years' experience in the active practice of the law and as a business man, that I have never seen an honest debtor who has not been able to compromise with his creditors upon more favorable terms than you can provide by any bill which you may pass. I never saw a man who, having been unfortunate in business ventures and being obliged to appeal to his creditors, has not found them, if they recognize the fact that he intended to pay them, ready to help him out. That invariably happens if the creditors are the right sort of men; and if they are not, let the debtor remove to Kansas, where, I believe, the statute of limitations wipes out all debts at the end of two years.

My friends, and gentlemen of the House of Representatives, I say here that so far as I am individually concerned, I think it would be more commendable to go to some almshouse than through a court of bankruptcy. I am not making this statement, of course, to influence other gentlemen, or for their benefit; but I am indicating what would be done as a choice between the two evils.

I want to say, Mr. Chairman, that you can not make this bill a success. If you will examine the American Statistician you will find that in England, where a bankruptcy law has been enforced in one form or other for many years, the cost of its administration is 40 per cent of the total assets of bankrupt estates. Where you find a compact community in dealing with the administration of a law, a community where there is no dual government, necessitating such an expense as that in its administration, what could you expect of its cost in a Government like this? In the case of the English bankrupt courts the parties are upon the ground; they can have an adjudication at their own homes. With us it is a very different matter. Taking the expense of the law in England as a criterion, you will find that 75 per cent of the assets here would be required for the administration of the law.

I have been able to find only a few references as to the cost question, but I will give some of them to the House. The Attorney-General in 1878 was asked for a report on this very question, and he gave the report in a thousand cases selected from the mass of cases promiscuously. I find that in those cases the assets were $9,000 in each case on an average, and I found the amount collected was $700 each on an average; $9,000 to start with being the amount reported to the court, and $700 was all that was realized from the assets of the estate, or $13 less on every $1 than the bankrupt schedules. Now, add the cost of administration to this, and see what is left of the bankrupt estate. I find another report given in the next year, 1876 down to 1877, under the old bankrupt act, and I find here in one thousand cases, again selected at random, under the provisions of that law, that the total assets amounted to $375,700, and the costs—I ask you to think fo this for one moment—and the costs in those cases were $261,334.

Mr. HUNTER. Is that 75 per cent?

Mr. LANE. It is worse than 75 per cent.

Now, if you are going to strip the creditor and take all he has got, why not take it all at once and not fool it away under such a law as this? Remember, Mr. Chairman, that the moment you file the bankruptcy petition the debtor is in peril of the jail or penitentiary, and you make no provision for his discharge by a trial by jury, to which he is entitled under the Constitution. The very act—as shown here by the gentleman from Pennsylvania [Mr. STONE] the other day—the very act by which he is made a bankrupt makes him a guilty man, and prevents his discharge in bankruptcy, and puts him in danger of the penitentiary, and he is not entitled to a discharge; and this bill expressly provides that the records shall be conclusive—not *prima facie* evidence—but makes the records of the court conclusive evidence. Who ever heard of a record of a court being conclusive. A clerk writes up a judgment, obtained perhaps by fraud or forgery even, when there was nothing at all to justify the act; and yet, under the provisions of this bill, when that judgment is once written, no matter how obtained, it becomes conclusive proof of the facts therein stated.

[Here the hammer fell.]

Silver.

SPEECH

OF

HON. JOSEPH WHEELER,

OF ALABAMA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, November 1, 1893.

The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. WHEELER of Alabama said:

Mr. SPEAKER: From the beginning of our Government there has always been more or less division of sentiment and opinion within the ranks of each of our great parties upon economic measures. There have been high-tariff and low-tariff Republicans and high-tariff and low-tariff Democrats.

The mighty and victorious Democratic party of to-day differs within itself upon the question which for three months has occupied the time of the American Congress, and very largely the attention of the people not only of this, but all other civilized countries.

But, Mr. Speaker, we are all Democrats, pledged to the great principles upon which our party is founded, and we will stand together as Democrats, firm as the eternal hills, fighting for the principles for which our forefathers contended a century ago. [Applause.]

Diversity of opinion upon questions of policy and business must always exist within the ranks of the dominant and controlling party of so great a country as this.

Upon questions of finance the Northeast has interests very different from those of the South and West, but upon the fundamental principles of government we all stand in the solid phalanx of democratic brotherhood.

Mr. Speaker, I want to say one word to our Representatives of the rural South and West who have lent their influence and votes in the advocacy of repeal unaccompanied by legislation for the silver coinage pledged to the people by the platform of only a year ago.

TERRIBLE RESPONSIBILITY ASSUMED BY CONGRESSMEN FROM THE SOUTH AND WEST WHO VOTE FOR REPEAL WITHOUT SILVER COINAGE.

I admonish them of the terrible responsibility they have assumed. They have promised prompt action in carrying out the pledges of our party to give the people the coinage of silver promised in the platform.

They have assured the country that this is the first step and the direct pathway to bimetallism, and that this law will be promptly followed by the silver coinage for which the people voted last November. They tell us that this is only clearing the decks for action.

Mr. Speaker, my apprehension is that they either deceive us or are themselves deceived. They no doubt will vote with us for the silver coinage promised by the platform, but I fear it will be when confronted by too strong a combination of Republicans and gold-standard Democrats.

Let me tell these gentlemen that to be worthy of and enjoy the enduring regard of Mr. Cleveland, they must be true to the people whose credentials entitle them to seats in this Hall.

In the war play of "Held by the Enemy," honor, fidelity, and duty compelled a brave Federal officer to crush the heart, and almost the life, of the beautiful and devoted Southern girl he very dearly loved.

You recall the rapturous applause when, with anguish penetrating his soul, he turned to the idol of his heart, and said:

You must be true to your cause, and I must be true to mine.

Mankind respects honor, fidelity, and truth, and the applause received by our great Chieftain from all the world is more than all else due to these ennobling qualities entering into and exemplifying his life and character.

ENGLISH OPINION OF THE REPEAL BILL.

The editorials of the English press immediately following the passage of the repeal bill by the House show very clearly that the financiers of England regarded this bill as an establishment of the gold standard in this country. These editorials also show that the capitalists of England regard this action of the American Congress as a triumph on their part.

The bill passed the House August 28, 1893, and I will read paragraphs from the editorials of London papers.

I read from the editorial of the London Times upon this subject in its edition of August 29. This influential paper says:

It is the expiring effort of the silver party. Silver, deprived of the support of the Sherman act, will sink to a level too low to suit the bimetallist notions of a proper ratio or to facilitate the establishment of a double standard.

I also read the editorial from the Pall Mall Gazette of August 29. In discussing that subject that paper says:

When confidence and credit are restored by the repeal of the pernicious Sherman act, the task of fiscal reform (single gold standard) in the United States will become easier.

A dispatch from London dated August 29 says:

The Daily News to-day expresses the opinion that the repeal of the Sherman act will prove a serious blow to bimetallists throughout the world, but a great victory for common sense and the single standard.

These three great journals are the exponents of the opinions of English people, and it is clear from these editorials that they regarded this legislation as the death-blow and death-knell of silver.

THE BILL IS A REPUBLICAN MEASURE.

The very source from which the bill now before the House emanated ought to put every Democrat upon his guard. There is no man in the United States who has fathered and fostered so much obnoxious financial legislation as Hon. JOHN SHERMAN. From the time he was understood to have become interested in a New York national bank, he has been the sponsor and author and advocate of legislation in the interest of Wall-street bankers and capitalists, and we have the remarkable picture of Democrats in the House joining their voices and votes with THOMAS B. REED and his Republican minority, and Democrats in the Senate joining votes and voices with Senator JOHN SHERMAN, in efforts to enact into law one of the most obnoxious measures ever proposed by that distinguished Republican.

But, worse than that, the men who are committing this wrong were elected to repudiate and condemn the very character of legislation they are endeavoring to fasten upon our country; and what makes this still worse, this Republican law which they are about to enact is the very first piece of legislation of a party so recently intrusted with power under pledges which they do not fulfill and in the face of demands from the people which they neither heed nor obey.

I repeat, that a Democratic Administration which was elected for the very purpose of repudiating legislation of this character by its very first act proposes to enact into law one of the most obnoxious and astrocious laws ever proposed by Senator SHERMAN. It is not a Wilson bill or a Voorhees bill, it is a John Sherman bill, pure and simple, and it should be condemned and denounced as such.

The bill now before Congress was introduced in the Senate by Hon. JOHN SHERMAN on July 14, 1892. I read the bill in full. It was as follows:

Fifty-second Congress [Second session].

IN THE SENATE OF THE UNITED STATES.

July 14, 1892, Mr. SHERMAN introduced the following bill; which was read twice and referred to the Committee on Finance.

A bill (S. 3423) for the repeal of certain parts of the act directing the purchasing of silver bullion and the issue of Treasury notes thereon, and for other purposes, approved July 14, 1890.

Be it enacted, etc., That so much of the act entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes," approved July 14, 1890, as directs the Secretary of the Treasury to purchase, from time to time, silver bullion to the aggregate amount of 4,500,000 ounces, or so much thereof as may be offered in each month, at the market price thereof, and to issue in payment for such purchases of silver bullion Treasury notes of the United States, is hereby repealed, to take effect on the 1st day of January, 1893: *Provided*, That this actshall not in any way affect or impair or change the legal qualties, redemption, or use of the Treasury notes issued under said act.

SENATOR VOORHEES DENOUNCED THIS BILL.

This bill was denounced and opposed by Senator VOORHEES, and the Democrats of the last Congress were strong enough to prevent its passage.

I read from Senator VOORHEES' speech on February 17, 1893. It is on page 1734 of the RECORD:

Sir, I believe I could pass a civil-service examination as a faithful friend of silver. Standing on this floor, in the position I am now, more than fifteen years ago I helped to start the silver ball in motion, and I have never faltered since. I should vote to-day for the coinage of all the American product of silver. I would go further; I would vote, as Thomas Jefferson advised, for the free coinage of silver the same as gold. I would vote, in the language of the Democratic platform laid down at Chicago last June, that "we hold to both gold and silver as the standard money of the country and to the coinage of both gold and silver, without discrimination against either metal and without charge for mintage," only stipulating, as we did in that great platform, that the two dollars, the one of silver and the other of gold, shall be of equal intrinsic value and purchasing power.

I should have voted the other day to take up what is known as the Sherman act and for its repeal, but for the fact that its passage would absolutely demonetize silver and leave it supported by not one word of legislation. I thought the measure was audacious; I thought it an outrage to ask men, like myself and others, to absolutely sweep from under the silver currency every vestige of law. This is not what we meant at Chicago; that is not what the people mean.

I should vote for the repeal of the Sherman act simply because it is vicious in principle, but it must be in connection with something better.

I own no silver mines; I am interested in none; the people I represent have no interest in silver bullion; they are interested simply in the great dollar with which their fathers bought the country in which they live, cultivated it, and made it prosper and bloom as it is blooming to-day.

I beg to ask if the introduction and passage of this bill by the House in August, and its passage by the Senate last Monday, has not caused prosperity to cease, and blooming to be a thing of the past.

Now, the first act of a Democratic Administration is to take this repudiated bill of JOHN SHERMAN'S and introduce it as bill No. 1 of the House of Representatives.

The bill thus introduced on August 11, 1893, is as follows:

Mr. WILSON of West Virginia introduced the following bill:

"A bill (H. R. 1) to repeal a part of an act approved July 14, 1890, entitled 'An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes.'

"*Be it enacted, etc.*, That so much of the act approved July 14, 1890, entitled 'An act directing the purchase of silver bullion and issue of Treasury notes thereon, and for other purposes,' as directs the Secretary of the Treasury to purchase from time to time silver bullion to the aggregate amount of 4,500,000 ounces, or so much thereof as may be offered in each month at the market price thereof, not exceeding $1 for 375.25 grains of pure silver, and to issue in payment for such purchases Treasury notes of the United States, be, and the same is hereby, repealed; but this repeal shall not impair, or in any manner affect, the legal-tender quality of the standard silver dollars heretofore coined; and the faith and credit of the United States are hereby pledged to maintain the parity of the standard gold and silver coins of the United States at the present legal ratio or such other ratio as may be established by law."

It is true that the bill is now called the Wilson bill in the House and the Voorhees bill in the Senate, but, with the slightest change in phraseology, it is the same old Sherman bill, and its effect will be to place this country upon a gold standard with all its attendant evils.

The bill comes back from the Senate with the Voorhees caudal appendage, which means nothing, and does not in the slightest degree change the effect of the bill.

The Voorhees appendage is in these words:

And it is hereby declared to be the policy of the United States to continue the use of both gold and silver as standard money, and to coin both gold and silver into money of equal intrinsic and exchangeable value, such equality to be secured through international agreement, or by such safeguards of legislation as will insure the maintenance of the parity in value of the coins of the two metals, and the equal power of every dollar at all times in the markets and in the payment of debts. And it is hereby further declared, that the efforts of the Government should be steadily directed to the establishment of such a safe system of bimetallism as will maintain at all times the equal power of every dollar coined or issued by the United States, in the markets and in the payment of debts.

This would be a very proper declaration for a convention or Democratic caucus, but it is mere unsounding words, and it has no effect whatever so far as the law is concerned.

REASONS FOR THIS BILL HAVE CEASED.

When Congress was convened it was insisted that the immediate passage of the repeal bill was necessary to prevent the outflow of gold. This was a mistake, and we see that without this bill the outflow promptly ceased and an inflow commenced, which has continued without interruption to this moment, and, during July, August, and September we gained $51,434,691 in gold; that is to say, our imports of gold during those three months were $53,997,744 and our exports were only $2,563,053, leaving a net gold gain of $51,434,691 during a period of only three months.

Table showing imports and exports of gold coin and bullion during July, August, and September, 1893.

	Exports.	Imports.
July	$174,212	$5,950,613
August	949,502	41,340,031
September	1,439,339	6,707,100
Totals	2,563,053	53,997,744

We were also informed that gold was being hoarded and that the Government did not receive any gold coin in payment of customs dues and that the repeal bill was absolutely essential to correct this. It is true that during January, February, and March not a dollar of gold was paid for customs dues in that great entrepôt, the city of New York; but it has been clearly proven that this would correct itself without the repeal bill; and we see that although the repeal bill has not become the law, gold has been freely received in New York in payment of customs dues since early in July, the gold coin receipts being as follows: July, 12.5 per cent; August, 47.4 per cent; September, 58.1 per cent; October to date, 37.6 per cent.

We see from the above that natural causes, and not the repeal bill, have created a great inflow of gold to the Treasury for customs dues.

SILVER PURCHASES DID NOT CAUSE THE PANIC.

Before I close let me again call attention to the serious mistake of attributing the present stringency to the issuing of Treasury notes to pay for the purchase of silver. The purchase under this act during the last four months has been less than half the amount authorized to be purchased by the Sherman law. The reason why the purchase has not been greater has been that holders of silver throughout the world were unwilling to sell at the present low market prices.

I give below the exact figures showing the amount of silver purchased under the act of July 14, 1890, during July, August, September, and October.

Table showing the amount of silver purchased under the act of July 14, 1890, during the months of July, August, September, and October, 1893.

1893.	Fine ounces.	Cost.
July	2,218,982.61	$1,583,230.20
August	3,934,497.27	2,907,344.15
September	2,728,741.74	2,026,410.13
October	3,029,241.15	2,192,934.63
Total	11,911,462.77	$8,709,919.11

In other words, during four months the United States has printed Treasury notes to the amount of $8,709,919.11, and has received in exchange for these Treasury notes 11,911,462.77 ounces of silver.

During that same period the Government has collected nearly $200,000,000 from the people by taxation, and has paid out that money in current expenses, and yet we are told that this purchase of so small an amount of silver has caused a widespread panic, extending, not through this country alone, but to nearly all the civilized parts of the globe.

Again, this small purchase of silver has averaged less than 3 cents per month per capita for each person in this country, and the average expenditure of these same persons during that period for liquors, tobacco, and other articles of luxury and dissipation has been about $9 per month—more than three hundred times as much as the expenditure for silver. So far as I have heard, no one contends that this expenditure for luxuries has contributed to the panic, and, if not, I beg to ask how could the almost infinitessimal expenditure for silver have caused all the trouble?

THE ENACTMENT OF THIS LAW WILL REDUCE THE PRICE OF COTTON AND WHEAT.

The South has been flooded with assertions that the moment the repeal bill passes Congress cotton will rise to 10 cents. And the people of the West have been assured that the passage of the bill would cause wheat to rise to 90 cents or $1, and the

same extravagant statements have been made with regard to corn, oats, and other products of the farm. The Senators who have opposed the bill have been denounced as imposing a great injury upon their constituents, and the Senators of the South are charged with having cost the Southern people fifty or one hundred million dollars. These absurd statements are unworthy of the persons from whom they emanate.

It is evident to every intelligent person that the only possible effect of the passing of this bill will be to reduce the prices of all products of the farm. When we increase money, prices will rise, and, as certain as the sun shines, when we reduce the amount of money in the country prices will fall.

It is possible that the very short crop of our cotton may eventually cause a rise in the price of that article, but any increase in the price will be in spite of the repeal, and not on account of it.

DEMOCRATIC SENATORS DID NOT FILIBUSTER.

Mr. Speaker, there is another point to which I wish to refer. The statement is being reiterated throughout the press of the country that Southern Democratic Senators have filibustered against the passage of this bill. In reply I desire to say that I believe this statement is absolutely untrue. I assert that the record of the Senate, so far as I can discern, does not show a single filibustering motion made by a Southern Democratic Senator, and I think I am correct in saying that it does not show that any Democratic Senator has made any filibustering motion. This bill, which makes an entire change in the financial system of one of the greatest countries on earth, was introduced in the House on August 11, and in about two months and a half after its introduction it will become the law of the land.

That a bill of such vast importance should be properly discussed no reasonable man will deny. The opponents of the measure only made this reasonable request. When the advocates of the bill sought to lengthen the hours of the Senate sessions so as to occupy almost the entire day no objection was made by Southern Democrats, and when Senator VOORHEES and the friends of the bill commenced what they announced to be a continuous and uninterrupted session of the Senate, the opponents of the measure did not even object to that. They quietly went on occupying entire nights in discussing this measure. They did their full duty as Senators and patriots. Not so, however, with the friends of the bill; they left the Hall of the Senate, refusing to listen to any arguments in favor of the reasonable amendments which the friends of silver had announced they would propose. They had been appointed as judges in an important question, and yet they refused to listen to any arguments which were opposed to their preconceived views on this subject.

It is true that, on two or three occasions, the distinguished Senators from the Northwest who are opposed to the repeal bill urged the gold-standard Senators to do their duty, to occupy their seats in the Senate, and listen to the arguments of those who believed in the Democratic platform and American bimetallism, and this has been denominated and denounced as filibustering, by the metropolitan press.

But it is proper to call attention to the fact that this was not done by Democratic Senators, but I think in every instance the gold-standard Senators were recalled to the Senate upon the demands of Populists and Republicans from the Northwest.

SILVER COINAGE DEMANDED BY THE PLATFORM WOULD BE AS SOUND AS GOLD.

The gold standard men do great injustice to those who demand the silver coinage promised by the platform when they insinuate that such legislation would not be in the interest of sound money.

The bill No. 211, prepared by myself, and one of the earliest introduced in this Congress, and which I desire to offer as an amendment to the pending bill, did not go even so far as the platform. It was a compromise measure and only proposed to coin the silver from the United States mines, upon the precise terms which the platform pledged for silver coinage from all the mines of the world. The bill is in the following words:

A bill for the coinage of the products of the silver mines of the United States.

Whereas the actual amount of money which the Treasury Department has paid for silver bullion under the Sherman act has been at a rate which would make 510 grains of pure silver, when coined, equal in value to the gold in the standard gold dollar: Therefore,

Be it enacted, etc., That all holders of silver bullion of the value of $50 or more, and not too base for the operations of the mints, said silver being the product of the silver mines of the United States, shall be entitled to deposit the same at the mints and have the same coined into silver dollars containing 510 grains of pure silver, together with the usual alloy, making said dollar contain 567.6 grains of standard silver, on the same terms and conditions as gold bullion is now deposited and coined. That said dollars shall be a legal tender for all debts and dues, both public and private, and silver certificates shall be issued on said dollars in like manner as silver certificates are now issued on standard silver dollars.

SEC. 2. That, under such regulations as the Secretary of the Treasury may prescribe, agents of the Treasury Department shall be placed at each smelting furnace in the United States, or shall visit said smelting furnaces from time to time, in order to receive silver which the owners thereof desire to have coined, and transmit the same to the mint.

SEC. 3. That the expenses attending the reception of silver to be coined and its transmission to the mint shall be paid by the owners thereof.

Of those who have promised this redemption of the pledges of our party I beg to ask: When do they propose to commence to comply with the solemn pledges to the people and give them the silver coinage promised in our platform of 1892? When, Mr. Speaker, will they redeem the promises which were inscribed upon the banners which waved throughout our land from the beginning to the end of our last campaign, and around which patriots gathered, and behind which an army of 6,000,000 Democrats followed with exultant shouts—the banners of the Democratic party borne aloft and carried to victory in that memorable battle of less than a year ago? When shall these pledges be redeemed? Shall it be the next week or the next year? Shall it be when the rich mines are closed, which are now adding so much to the wealth and prosperity of our beloved country? Will it be when Congress has abandoned and trampled upon the wealth of that precious metal which God has given to us and now demands that we dig from the earth for the use of our people? Will it be when the silver-mining interests of our country are destroyed, and the noble pioneers who have developed the great West have been crushed?

God bless those men with brave and stout hearts who, with rifle in one hand and pick in the other, met and conquered the fierce Indian, endured hardships, overcame obstacles, made prosperous States of arid deserts, silent plains, and uninhabited forests.

Shall it be when these men are crushed and the place they made civilized and beautiful are again the homes of wild beasts and savage Indians? Will it be when silver is thoroughly debased and its function as a legal-tender money is utterly destroyed? Will it be when, with double force, the Rothschilds and the Lombard and Wall street brokers are exercising their already almost irresistible power in the interest of money and plutocracy and against the interests of liberty and the people? Will it be when the mortgaged homes in our loved South and the great West are sold by the sheriff, and the honest husbandman and his loved ones have ceased to be home-holders and have become tenants of soil once theirs, but then owned by Eastern or foreign landlords; or will it be when these tenants of the soil, these brave, honest men, crushed by unjust legislation, have become tenants of the sod? Will it be then, Mr. Speaker, that the solemn pledges and promises of last November will be redeemed? [Applause.]

Silver.

SPEECH

OF

HON. JOHN C. BELL,

OF COLORADO,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, November 1, 1893,

On the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes."

Mr. BELL of Colorado said:

Mr. SPEAKER: To the utter surprise of the people of the country, a majority, and you may say the leaders, of the Democratic Administration in this and the other end of the Capitol have joined hands with the men they have been denouncing for the past twenty years as traitors and criminals from the stump and in State and national platforms for the crime of 1873. They have not only condoned the crime, but are crystallizing the objects of the act of 1873, and they are giving silver the fatal death blow.

SUPERFICIAL VIEW OF ADMINISTRATION.

It seems to us that the Administration branch of the party is taking a very superficial view of the causes of this unprecedented industrial and financial disturbance. There must be some fundamental rather than incidental evil gnawing at the vitals of our prosperity.

If we ignore and waive the present general crisis, then has the industrial system of the country been healthy and normal since 1880?

I have before me the extra census bulletins as far as obtainable on the subject of farms, homes, and mortgages. I here give a few samples. With great unanimity they begin as follows:

The real estate mortgage movement in Pennsylvania, the second State of the Union in population and near the first in wealth and manufactures, was

a progressive one, with a single interruption, from 1880 to 1889, beginning with a debt of $92,046,674 in 1880 and ending with $186,642,124 in 1889.

This increase of 102.77 per cent during the ten years was greater than the increase of population, which was 22.77 per cent.

The real estate mortgage movement in Connecticut from 1880 to 1889 was on the whole a progressive one, beginning with a debt of $9,196,506, incurred in 1880, and ending with $17,703,325 in 1889. This increase of 92.50 per cent in the yearly incurred debt during the ten years was greater than the increase of population, which was 19.84 per cent.

The real estate mortgage movement in New Hampshire from 1880 to 1889 was on the whole a progressive one, beginning with a debt of $2,643,999 in 1880, and ending with $4,407,008 in 1889. The increase of 66.70 per cent in the incurred debt during the ten years was greater than the increase of population, which was 8.51 per cent.

The real estate mortgage movement in Arkansas from 1880 to 1889 was on the whole a progressive one, beginning with an incurred debt of $2,738,128 and ending with an incurred debt of $8,423,747 in 1889. This increase of 207.65 per cent in the incurred debt during the ten years was greater than the increase of population, which was 40.58 per cent.

The real estate mortgage movement in Indiana, one of the oldest States of the West, from 1880 to 1890, was on the whole a progressive one, beginning with a debt of $21,556,118 in 1880 and ending with $37,494,415 in 1889. This increase of 73.94 per cent in the incurred debt during the ten years was greater than the increase of population, which was 10.82 per cent.

The real estate mortgage movement in Minnesota was a strongly progressive one from 1880 to 1887. In the first year the increased debt amounted to $15,093,076, and in 1887 $70,500,337. During the ten years, 1880 to 1889, the annual incurred real estate mortgage debt increased 296.09 per cent, while at the same time the population increased 66.74 per cent.

As far as I have been able to secure the figures they run in the same general line as the above, with the single exception of Vermont.

I here submit a tabulated statement of the Government showing the per capita debt of some of the different States, which exhibits a monstrosity:

Statement showing the per capita debt of the States named.

Alabama	$26	Kansas	$170	Oregon	$73
Arkansas	13	Maine	49	Pennsylvania	117
Colorado	206	Massachusetts	144	Rhode Island	106
Connecticut	107	Minnesota	152	Tennessee	22
Illinois	100	Missouri	89	Vermont	84
Indiana	61	Nebraska	126	Wisconsin	72
Iowa	104	New Hampshire	50		

Can such a condition exist among the great army of toilers and promiscuous property owners generally without suggesting some fatal error and elementary evil?

INDUSTRIAL FEATURES.

The executive department of this Government, notwithstanding the above conditions, has been annually congratulating the country on its great and unexampled prosperity. It has made the common mistake of considering the banker and money-changer as representing the business interests of the country. The producer of wealth has been ignored. The Democratic party has been proclaiming to the world for twenty years that the price of silver controlled the price of wheat and cotton. This is true beyond question, as shown by the following table:

Year.	Wheat.	Cotton.	Silver.	Year.	Wheat.	Cotton.	Silver.
1872	1.47	29.3	1.32	1883	1.13	10.8	1.11
1873	1.31	18.8	1.29	1884	1.07	10.5	1.01
1874	1.43	15.4	1.27	1885	.85	10.6	1.06
1875	1.12	15.0	1.24	1886	.87	9.9	.99
1876	1.24	12.9	1.15	1887	.89	9.5	.97
1877	1.17	11.8	1.20	1888	.85	9.8	.93
1878	1.34	11.1	1.15	1889	.90	9.9	.93
1879	1.07	9.9	1.12	1890	.83	10.1	1.04
1880	1.25	11.5	1.14	1891	.85	10.0	.90
1881	1.11	11.4	1.13	1892	.80	8.7	.86
1882	1.19	11.4	1.13	1893	.72	7.3	.78

In 1873 we produced 281,254,700 bushels of wheat. This brought $1.312 per bushel = $366,635,166.40. In 1889 the crop was 611,780,000, at 80 cents per bushel = $489,424,000. Had the 611,780,000 bushels sold for $1.312, price in 1873, it would have brought $802,655,360.

The wheat-grower lost by this reduction $313,231,360. The same proportion of loss runs through cotton, corn, and all other products.

SHORTSIGHTED MANUFACTURERS.

It seems to me that the New England and Middle States have been cajoled by the Administration and its newspaper sponsors into a ruinous error. It is not currency, but consumers of their manufactured products they need. It is not so much a lack of currency as a want of fall orders that has closed up the shops. Will the repeal of the Sherman act and expansion of bank currency consume your products? Will this start the wheels of industry all over the land? Will manufacturers move until the consumers demand it?

WHERE ARE YOUR CONSUMERS?

Are they in the well-developed East, or are they in the rapidly developing West and South? Not as a disparagement, but as an example let us compare the New England States with six of the Western States in railroad building between 1880 and 1890.

Let us see who has kept your car works, bridge works, steel works, lubricating-oil works, your wage-earners generally at work, etc.

Miles of railroad built from 1880 to 1890.

NEW ENGLAND STATES.		WESTERN STATES.	
Rhode Island	7.43	Montana	2,689.58
Vermont	74.45	California	2,133.03
Connecticut	83.64	Minnesota	2,394.35
New Hampshire	127.25	Nebraska	3,454.47
Massachusetts	181.69	Colorado	2,731.11
Maine	372.47	Kansas	5,492.11
Total	846.93	Total	18,284.65

These six Western States in ten years built 18,284.65 miles, or 21.47 miles to each one built in the six New England States. These six Western States would consume 21.47 times as many cars, boilers, engines, iron bridges, miles of steel rails, safes, lubricating oil, and other manufactured articles pertinent to this business, as would the six New England States. Other developments run in like proportions. I append a table showing the railroad building during these ten years.

Railroad building between 1880 and 1890.

Geographical divisions.	Completed in—	
	1880.	1890.
NEW ENGLAND STATES.	*Miles.*	*Miles.*
Maine	1,005	1,377.47
New Hampshire	1,015	1,142.25
Vermont	914	988.45
Massachusetts	1,915	2,096.69
Rhode Island	210	217.43
Connecticut	923	1,006.64
MIDDLE ATLANTIC STATES, ETC.		
New York	5,991	7,745.85
New Jersey	1,684	2,059.86
Pennsylvania	6,191	8,652.36
Delaware	275	314.95
Maryland and District of Columbia	1,089	1,290.70
CENTRAL NORTHERN STATES.		
Ohio	5,792	7,980.49
Michigan	3,938	7,108.48
Indiana	4,373	6,109.19
Illinois	7,851	10,115.90
Wisconsin	3,155	5,612.62
SOUTH ATLANTIC STATES.		
Virginia	1,893	3,359.05
West Virginia	691	1,433.30
North Carolina	1,486	3,128.17
South Carolina	1,427	2,289.15
Georgia	2,459	4,600.80
Florida	518	2,489.52
GULF AND MISSISSIPPI VALLEY STATES.		
Kentucky	1,530	2,942.38
Tennessee	1,843	2,767.38
Alabama	1,843	3,423.20
Mississippi	1,127	2,470.85
Louisiana	652	1,739.85
SOUTHWESTERN STATES AND TERRITORIES.		
Missouri	3,965	6,142.02
Arkansas	859	2,203.44
Texas	3,244	8,709.85
Kansas	3,400	8,892.11
Colorado	1,570	4,291.11
New Mexico	756	1,388.77
Indian Territory and Oklahoma	289	1,260.65
NORTHWESTERN STATES.		
Iowa	5,400	8,416.13
Minnesota	3,151	5,545.35
Nebraska	1,953	5,407.47
North Dakota	1,225	2,116.49
South Dakota		2,610.41
Wyoming	512	1,002.93
Montana	106	2,195.58
PACIFIC STATES AND TERRITORIES.		
California	2,195	4,328.03
Oregon	566	1,455.53
Washington	289	2,004.65
Nevada	739	923.18
Arizona	349	1,094.81
Utah	842	1,265.49
Idaho	206	946.11

I notice the following item in the public press, headed—

DESTROYING THEIR BEST CUSTOMER.

Joseph Nimmo, jr., the statistician, says:

"The silver States are the best customers of the manufacturers, taking over $50,000,000 per annum of their products, and are worth more to the manufacturers than all of South America and Europe combined."

It is estimated that over $10,000,000 in fall orders were countermanded by the silver States after the mines were shut down. Fifty thousand men were let out of employment at the mines and twice as many more, who were transporting to and from mines,

digging coal, burning coke for smelting and refining the ores, and they have been added to the idle list.

He further says, in a letter to the Washington Post under date of September 15, 1893:

THE SILVER QUESTION—CERTAIN COMMERCIAL CONSIDERATIONS INVOLVED WHICH HAVE BEEN OVERLOOKED.

EDITOR POST: There are certain commercial considerations closely related to the present discussion of the silver question and having an important bearing upon the just and beneficent settlement of that question, but which during the present discussion appear to have been overlooked.

The silver product of the United States, with the small exception of about 1 per cent, is the product of the arid region, an area extending from the western parts of the Dakotas, Nebraska, Kansas, and Texas at the east to the Coast Range and the Sierra Nevada Range on the Pacific Slope. The dimensions of this area are about 1,200 miles from north to south and 1,300 from east to west. Its chief mineral products are gold, silver, copper, and cad. almost all of which is exported to States outside of that region.

The agriculture of the arid region, in so far as relates to the culture of the soil, is dependent entirely upon irrigation. But irrigation, although profitable, involves large expenditures. The arid region is, however, a vast and exceedingly productive pastoral region, yielding an enormous annual exportable product of horses, cattle, sheep, and wool. In consequence of the large preponderance of the mining and pastoral interests of this vast area over those of agriculture, every State and Territory of the arid region is a large importer of grain, hay, lumber, vegetables, provisions, and breadstuffs. Machinery and general merchandise are also imported in large quantities from other parts of the country. The total annual value of such imports is about $200,000,000.

The total value of the annual exports of the arid region amounts to about $240,000,000, of which silver stands at the head, amounting to amount $75,000,000.

But silver mining sustains to the commerce and productive industries of the arid region relations far transcending its arithmetical proportion of the value of the total surplus products of that region. Silver is the primary source of the commercial, agricultural, and industrial prosperity of that vast area. Strike it down and you paralyze the business interests of that whole area.

The total value of the commerce of the arid region with the other States of the country, including imports, $200,000,000, and exports, $240,000,000, amounts to the enormous sum of about $440,000,000 annually. This exceeds by $100,000,000 the total value of the combined commerce of the United States with Mexico, Central America, South America, and the West India Islands. This commerce centers at St. Paul, Milwaukee, Chicago, St. Louis, Boston, New York, Philadelphia, and many other points at the East.

Stop for a moment and consider the enormous import of these facts. For several years the country has been deeply concerned about reciprocity with the countries of Central and South America and the West Indies, and about the project of an intercontinental railroad to connect those southern countries with the United States. But here is a vast region in the very heart of our own country which sustains a much larger commercial relation to the rest, and which is bound to us by the most intimate relations of transportation facilities—six transcontinental railroads, with numerous branches extending into every part of a region peopled by fellow-countrymen, who are alive to every common impulse of our splendid civilization.

The stopping of our demand for your goods closed your shops and let out a large force in the East.

The Eastern and New England States have forced the Western States to prepare to start their own little manufactories and live among themselves as far as possible. I here cite a notice of an agreement being entered into all over the West. This is in no sense a boycot, but an absolute necessity:

[Denver Times, September 5, 1893.]

FOR HOME INDUSTRIES.

The Times prints an imposing list of names of officials, business and professional men of Denver who have pledged themselves to use as far as possible Colorado-made goods in preference to those made outside the State.

The position taken by these gentlemen, whose number will no doubt be considerably augmented, calls for no explanation beyond that conveyed by the card. This is a season of serious business depression. Many men, in all lines of manufactures, are out of employment. They are a class of citizens it is most desirable to keep in the State. The way to do it is to create an increased demand for Colorado made goods. Such a demand means employment for more men, a greater consumption of raw material, and the keeping of vast sums of money in the State that would otherwise go outside to other States and to other communities.

It is to be hoped that every one will sign the pledge that has been taken by such men as Chief-Justice Hayt, Acting Governor Nichols, Judge Hallett, Acting Mayor McMurray, ex-Mayor Rogers, President Byers of the Chamber of Commerce, President Jeffery, President Platt of the Manufacturers' Exchange, ex-Senator Hill, most of the leading business houses of the city, and many others. Every name helps.

The organized workingmen should recognize the step taken by those who have signed in the interest of the movement for home industries, sign the pledge themselves, and in every legitimate way further the commendable design that the plan betrays. They will, of course, be helping themselves in so doing. This is certainly a time when we have got to help each other, when all classes must stand together.

IMMIGRATION.

Is there not another industrial feature connected with our disturbances entirely overlooked by the Administration and its supporters? We have heretofore been building some great trunk lines of railways connecting the two oceans and also building numerous local feeders. This and other public and semipublic works caused an unprecedented immigration of laborers to this country. This Government should through its representatives abroad call attention to the overcrowded labor market—for the benefit of our own laborers as well as that of immigrants.

These lines and convenient feeders have been in a great measure stopped and this has greatly narrowed the field of railroad labor and cut down the demand for manufactured articles amazingly. In 1890 139,365 common laborers, 29,296 farm laborers, 28,625 domestic servants, 3,776 carpenters, 3,745 miners, 3,653 clerks, 3,879 tailors, 2,232 shoemakers, 1,792 blacksmiths, 44,540 skilled laborers, and 211,756 promiscuous persons immigrated and came in direct competition with our overcrowded labor markets. In 1891 and 1892, respectively, there was a large increase in immigration over 1890. Our rapid increase of laborers to the manor born and immigrated far exceed the expansion of our industrial development under normal conditions, much less during this crisis.

The Boston Herald has just analyzed a car of immigrants landing at that port, as follows: It says on the late arrival of the "Cunard steamer Scythia, that of 491 immigrant passengers 314, including women and children, were without occupations. They were ostensibly destined for twenty different States; 305 for Massachusetts, where there are now not less than 100,000 persons with nothing to do; that it is the exception rather than the rule for one to have money enough to subsist on for more than one week." Has not this immense number of poor immigrants constantly ariving greatly augmented our large idle list and injured our idle laborers?

THE BANKERS' SUCCESS.

It is clear to everyone who has kept pace with the silver fight that the banker and bondholder have controlled the press of the country, and created a public sentiment in favor of destroying a great Western industry. The destruction of this industry has also destroyed the manufacturer and laborer of the East.

During the entire session of this Congress the daily cry of the press has been for United States bonds. The weekly statements of the banks show that they are piling up great reserves beyond legal requirement. They want an investment for their idle money and a further basis of a banking capital. One of the first bills introduced in the Senate of the United States was to give them a circulation equal to their bond deposits. The determination is and has been to force the country to use bank conveniences instead of gold and silver.

The banking and money-lending portion of the people have been pampered and favored by legislation until they have consumed and are now consuming all of the profits of the productive industries.

Let us see how the national banks, for which the executive and legislative branches of this Government have such a tender solicitude, have been prospering. From 1872 to 1891 the ratio of dividends to capital, including the 3,575 banks, range from 7.70 per cent to 10.31 per cent per annum. October 31, 1892, we had 3,694 national banks.

National bank statistics of the United States.

Year ending September 1—	No. of banks.	Capital.	Ratio of dividends.
			Per cent.
1872	1,852	$465,676,023	10.19
1873	1,955	488,100,951	10.31
1874	1,971	489,938,284	9.90
1875	2,047	497,864,833	9.89
1876	2,081	500,482,271	9.42
1877	2,072	486,324,860	8.93
1878	2,047	470,231,896	7.80
1879	2,045	455,132,056	7.60
1880	2,072	454,215,062	8.02
1881	2,100	458,934,485	8.38
1882	2,137	473,947,715	8.73
1883	2,350	494,640,140	8.30
1884	2,582	518,695,725	8.00
1885	2,665	534,593,602	7.80
1886	2,784	532,459,921	7.96
1887	3,049	578,462,765	7.98
1888	3,093	583,539,145	8.02
1889	3,170	596,302,518	7.82
1890	3,353	625,089,645	8.19
1891	3,577	660,108,000	7.70

When we bear in mind that from 1872 to 1891 154 national banks failed, were closed for insolvency; that the large stockholders as officers of banks generally receive enormous salaries as managers of their own business, not counted as a part of net earnings or dividends, then we can form some appreciation of the real profits of the solvent and well-managed banks. (See table, page 18, volume 1, Report of the Comptroller for 1892.)

If the successful wheat-grower, cotton-grower, or any other real producer of wealth could receive a handsome salary for managing his business, and by including all of the failures in his line the business should pay a dividend of from 7.70 to 10.31 per cent on all capital in his line of business, we would indeed conclude that he did not need or deserve administrative or legislative concern.

In forty-eight years the banking of the world has increased about elevenfold, three times as fast as commerce and thirty times faster than population. On the 17th of September, 1881, the total receipts of the national banks in New York, other reserve cities, and the banks elsewhere in the United States aggregated $295,233,779, but of this amount only 1.38 per cent was in gold, 0.17

in silver, 4.36 in paper currency, while 94 per cent was in checks, drafts and other bank conveniences. In New York City less than 1 per cent of the payments were made in money, while 98.86 per cent of payments were in checks and drafts. Outside of the clearing cities 81.74 per cent was made in checks and drafts.

It is the object of the banks to completely control the finances, and, therefore, necessarily the business and wealth of the world. It would seem the object lesson we are now being given, wherein checks and drafts are not current even among bankers, would be sufficient to force a conviction upon the most simple-minded and obdurate that legal-tender money of final redemption issued by the Government is the only remedy for or preventive of panics. The great enlargement of the use of bank conveniences and scarcity of legal-tender money are largely causing our present troubles, and this last move is and will be an aggravation of it.

It is admitted by all that if credit was not contracted that general business would not be disturbed. A fatal defect in the use of bank conveniences as a substitute for money is that when the least financial disturbance arises credit is shut off, and there is no substitute for it. Legal-tender money is required to take the place of credit, and it does not exist, and disaster must reign supreme until the old stock of credit can be returned to circulation. We should abandon these special interests and devote our energies to fundamental errors that are undermining the very foundation of our institutions. Give the people more legal-tender money of ultimate redemption, and not more bank conveniences or redeemable money.

Whatever members may say as to being bimetallists or as to keeping the silver we now have in circulation, that they have depreciated silver and laid the foundation for its ultimate destruction there can be no question.

The provision of the Sherman act requiring the Secretary of the Treasury to maintain a parity between the two metals has been construed and is now being construed as requiring the Government to redeem silver dollars with gold, or coin notes, with gold at the option of the creditor. This is no more nor less than making silver an obligation of the Government to be redeemed in gold the same as its greenbacks and must work the ultimate destruction of silver money.

We are now making a volume of history which will be memorable in this and all coming generations. From the very logic of conditions this Congress will go down to posterity as the bankers and money-changers' assembly. This epoch will be known in history as the one wherein the liberties of the American people were consigned to the greed of a merciless moneyed aristocracy.

Amendment of Naturalization Laws.

SPEECH

OF

HON. ELIJAH A. MORSE,

OF MASSACHUSETTS,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, October 31, 1893,

On the bill (H. R. 3299) to amend the naturalization laws of the United States.

Mr. MORSE said:

Mr. SPEAKER: I desire to say that I can not find words to express my admiration for the patriotic speech delivered by the gentleman from Alabama [Mr. OATES] in support of this bill, and I am sorry that the indications point to the fact that he will be able to command the vote of but a fraction of his party on this floor.

God pity the statesman so gangrened by prejudice that he can see no measure of statesmanship except in the light of his party's advantage. Surely the learned gentleman from Alabama does not belong to that class.

Mr. Speaker, time will demonstrate the wisdom of this measure. God forbid that we should learn it too late; God forbid that we should learn it, as prophesied by Lord Macaulay forty years ago, in mob law, ending in anarchy, and that succeeded by despotism. God forbid that we should learn the wisdom of this measure in the smoking embers of a once free Government.

This bill offers no objection to honest, virtuous immigrants coming to this country seeking a home and desiring to become good citizens, so it is not necessary to discuss that aspect of the subject or that class of immigrants.

Our fathers builded this fabric upon the foundation of intelligence and education. And George Washington in his farewell address admonished his countrymen that education, virtue, and religion were the only enduring foundations of our form of Government.

Mr. Speaker, wise, thoughtful, and patriotic citizens of all parties are crying out for this legislation. I am fearful, unless I misunderstand the signs of the times, that the pilot of your ship of state may cry out that she is on a lee shore and that there are breakers ahead. And the rock upon which the ship of state may founder will be ignorant, disqualified suffrage.

So far from the representation being true—made by the gentleman from Illinois [Mr. GOLDZIER]—*i. e.*, "that naturalization and suffrage in this country is not cheap enough," I assert that it is already a good deal too cheap.

I say, patriotic men are crying out for legislation against the horde of ignorant voters who have no knowledge of our institutions and laws, or the genius of the government for the people and by the people. Let me give you an illustration of a class of men that are now being naturalized and made citizens at the rate of two a minute by the naturalization mills in New York, Boston, and other large cities. The case is this, and it is by no means solitary; it represents thousands: I interviewed a man about to be naturalized, and, calling him by name, I said, "You are going to be naturalized, sir." "Yes," said he; and I said, "What will you be when you come to be a citizen and a voter; will you be a Republican, a Democrat, a Populist, or a Prohibitionist?" and his answer was, "I don't know, Mr. MORSE, what I will be, but I will be agin' the Government."

Now here was a man, representative of thousands, who was going to swear to support the Constitution of the United States and the State in which he lived, who brought with him from Europe and transferred to this Government, of which he was to become a part, the animosities, prejudices, and hatred which he felt for the despotic government from which he had escaped.

The gentleman from Illinois [Mr. GOLDZIER] objects to the reading qualification for naturalization. Why, Mr. Speaker, all history confirms the lesson that this form of government can not exist except upon the basis of the education and intelligence of the voters. Why, what an object lesson is being enacted on the South American continent in support of this bill, at the very moment while we are considering it. Witness the bloody revolution now in progress in the Republic of Brazil and of almost yearly occurrence in all of the South and Central American republics, where attempts are being made with a degraded and ignorant populace, and with no public schools to qualify men for intelligent citizenship.

Witness the bloody revolution in Chile, where every rule of civilized warfare was disregarded, and old men, women, and children were butchered in cold blood on both sides. Witness the war between Chile and Peru, in which similar scenes were enacted.

The history of republics in France, Spain, Mexico, and South America, with an ignorant populace, is but a history of anarchy, bloodshed, and revolution, and I warn my countrymen that history repeats itself, and that we can not continue to embody into our body politic the dangerous and ignorant classes which this bill would exclude without eventually sharing the fate of the states and nations I have here recited.

In the name of the State which I represent, in the name of my glorious country, I ask, have we not ignorant voters enough now in this country to warrant us to erect this slight barrier to more ignorance. A man who does not care enough for American citizenship to learn to read the Constitution of the country is unworthy and not entitled to citizenship.

Why, Mr. Speaker, I confess with shame that there is authority for the statement that the last Presidential election in this country was carried by the votes of men in New York, Chicago, and other cities who had only declared their intention to be citizens and may never be citizens at all.

The gentleman from New York [Mr. CAMPBELL] cries out against this bill. I have very great respect for that gentleman, but I submit that an objection comes with a bad grace from the representation of an organization that under the régime of Tweed spent and stole from the city of New York and taxpayers money by the million.

Why, the city of New York paid as much for carpeting the new city hall as it would cost to carpet the Shore Line Railroad from New York to Boston. Mr. Speaker, the government of Tammany Hall at that date and since has made a republican form of government a hiss and a byword among the nations of the earth which would have been impossible had the qualifications for citizenship contemplated by this bill been in force.

The gentleman from Illinois cries out against this bill, and he is from the home of the anarchists, Chicago, at that. He announces on this floor the astounding proposition that it is safer to let the criminal and ignorant classes vote than not to let them vote.

And I overheard one good brother Democrat say to another on this floor, "Why, where would we have been in the last election if these classes had been excluded?" Yes, where would you have been? Benjamin Harrison would now be President, the complexion of the House and Senate would undoubtedly have been different, and there would have been no panic and prostration of business.

But, Mr. Speaker, this question rises above party, and I would vote for the bill even if it defeated the party to which I belong, because the party that can not stand the provisions of this bill deserves and ought to be defeated.

I say the proposition of the gentleman from Illinois is astounding when you contemplate the influence of this class or any other large class upon the elections and laws of the country. Do you suppose if the Chinamen had a vote in this country that any such act as the Geary law could have passed this House? Not much; the Chinaman would have no end of champions on this floor, who would cry out for his defense louder than the gentleman from Illinois, the gentleman from New York [Mr. CAMPBELR,, or the gentleman from Texas [Mr. CRAIN].

Mr. Speaker, the charge is openly made, the truth of which I do not know, that the present governor of Illinois, Mr. Altgeld, owes his election to a trade with the anarchists of Chicago. Whether that charge is true or not, it would appear that the goods had been delivered. Governor Altgeld has earned the execration of all right-minded people of this country and other countries by his pardoning the red-handed murderers who participated in the massacre in Chicago. And grave as is this outrage upon justice, it is not a circumstance to his justification of the act by his denunciation of the jury and court that convicted them. I submit that had this bill been in force the great empire State of Illinois would have been saved the disgrace of such a governor.

Mr. Speaker, because I believe in intelligent suffrage I am one of those who believe that the Republican party made a great mistake in conferring suffrage upon the ignorant black men of the South immediately following their emancipation. It was done as an offset to the ignorant Democratic vote in the cities of the North; but two wrongs do not make one right; and we, the Republican party, gained nothing by it, we lost by it.

The enfranchisement of the colored people largely increased the Southern representation in Congress and in the electoral college, and the colored people are not allowed to vote, and if they are their votes are not counted.

After the Senate shall have passed the Tucker bill, which wipes out all Federal supervision of elections, then, as never before, the colored people will find it healthy to hoe cotton or rice on election day and keep away from the polls. I can not in my heart blame the South for being opposed to a government of ignorance; I am opposed to such a government myself, either white or black, and that is why I am advocating this bill.

Mr. Speaker, in reconstruction times, when we had the power, had the Republican party adopted an educational or even a property qualification to entitle a man to vote in State and national elections, North and South, black and white, the country would be safer to-day, and the dire forebodings for the welfare of our country would have given place to promise and hope.

Had an educational and property qualification been required of the ex-slaves as a qualification for citizenship it would have been an incentive to thrift, education, and qualification for citizenship, and would have been more gradual, and would not have excited the opposition of the intelligent white voters of the South.

Mr. Speaker, it is no time to throw down the existing safeguards of the country, and it is high time to erect more safeguards, as contemplated by this bill. All honor to the gentleman from Alabama for this measure of statesmanship and for his wise and patriotic support of the same. I wish that he might receive the support of his side of the House. Like Abou Ben Adhem, "he loves his country and he loves his fellow-men, and may his tribe increase."

The great English historian, Lord Macaulay, wrote a letter, to which I have referred, to a man in this country who had sent him the writings of Thomas Jefferson. It is not necessary for me to indorse all this great man says with reference to the future of our country, but this letter contains certain warnings, although written a long time ago, that in the light of our recent experience sound like the voice of prophecy:

HOLLY LODGE, KENSINGTON, LONDON, *May 23, 1857.*

DEAR SIR: You are surprised to learn that I have not a high opinion of Mr. Jefferson, and I am surprised at your surprise. I am certain that I never wrote a line, and that I never in Parliament, in conversation, or even in the hustings—a place where it is the fashion to court the populace—uttered a word indicating an opinion that the supreme authority in the state ought to be intrusted to the majority of citizens told by the head; in other words, to the poorest and most ignorant part of society. I have long been convinced that institutions purely democratic must sooner or later destroy liberty or civilization, or both.

In Europe, where the population is dense, the effect of such institutions would be almost instantaneous. What happened lately in France is an example. In 1848 a pure democracy was established there. During the short time there was reason to expect a general spoliation, a national bankruptcy, a new partition of the soil, a maximum of prices, a ruinous load of taxation laid on the rich for the purpose of supporting the poor in idleness. Such a system would in twenty years have made France as poor and barbarous as France of the Charlovingians. Happily the danger was averted, and now there is a despotism, a silent tribune, an enslaved press. Liberty is gone, but civilization has been saved. I have not the smallest doubt that if we had a purely democratic government here the effect would be the same. Either the poor would plunder the rich and civilization would perish, or order and property would be saved by a strong military government and liberty would perish.

You may think that your country enjoys an exemption from these evils. I will frankly own to you that I am of a very different opinion. Your fate I believe to be certain, though it is deferred by a physical cause. As long as you have a boundless extent of fertile and unoccupied land your laboring population will be far more at ease than the laboring population of the Old World; and while that is the case, the Jeffersonian policy may continue to exist without causing any fatal calamity.

But the time will come when New England will be as thickly populated as Old England. Wages will be as low and will fluctuate as much with you as with us. You will have your Manchesters and Birminghams; hundreds of thousands of artisans will assuredly be sometimes out of work. Then your institutions will be fairly brought to the test.

Distress everywhere makes the laborer mutinous and discontented, and inclines him to listen with eagerness to agitators, who tell him that it is a monstrous iniquity that one man should have a million while another can not get a full meal. In bad years there is plenty of grumbling here, and sometimes a little rioting, but it matters little, for here the sufferers are not the rulers. The supreme power is in the hands of a class, numerous indeed, but select, of an educated class, of a class which is, and knows itself to be, deeply interested in the security of prosperity and the maintenance of order. Accordingly the malcontents are firmly, yet gently, restrained. The bad time is got over without robbing the wealthy to relieve the indigent. The springs of national prosperity soon begin to flow again, work is plentiful, wages rise, and all is tranquillity and cheerfulness.

I have seen England pass three or four times through such critical seasons as I have described. Through such seasons the United States will have to pass in the course of the next century, if not of this. How will you pass through them? I heartily wish you a good deliverance. But my reason and my wishes are at war, and I can not help foreboding the worst. It is quite plain that your Government will never be able to restrain a distressed and continued majority. For with you the majority is the government, and has the rich, who are always a minority, absolutely at its mercy. The day will come when in the State of New York a multitude of people, none of whom has had more than half a breakfast, or expects to have more than half a dinner, will choose a Legislature.

Is it possible to doubt what sort of a Legislature will be chosen? On the one side is a statesman preaching patience, respect for vested rights, strict observance of public faith. On the right is a demagogue, ranting about the tyranny of capitalists and usurpers, and asking why anybody should be permitted to drink champagne and to ride in a carriage while thousands of honest folks are in want of necessaries. Which of the two candidates are likely to be preferred by a workingman who hears his children cry for more bread? I seriously apprehend that you will in some such season of adversity as I have described do things which will prevent prosperity from returning; that you will act like people would in a year of scarcity, devour all the seed corn, and thus make the next year not of scarcity, but of absolute famine.

There will be, I fear, spoliation. The spoliation will increase the distress. The distress will produce fresh spoliation. There is nothing to stay you. Your Constitution is all sail and no anchor. As I have said before, when a society has entered on this downward progress, either civilization or liberty must perish. Either some Cæsar or Napoleon will seize the reins of government with a strong hand, or your Republic will be as fearfully plundered and laid waste by barbarians in the twentieth century as the Roman Empire was in the fifth; with this difference, that the Huns and Vandals who ravaged the Roman Empire came from without, and that your Huns and Vandals will have been engendered within your country and by your own institutions.

Thinking thus, of course I can not reckon Jefferson among the benefactors of mankind. I readily admit that his intentions were good and his abilities considerable. Odious stories have been circulated about his private life, but I do not know on what evidence those stories rest, and I think it probable that they are false or monstrously exaggerated. I have no doubt that I shall derive both pleasure and information from your account of him.

I have the honor to be, dear sir, your faithful servant,

T. B. MACAULAY.

HENRY S. RANDALL, Esq.

It will be seen that I have dealt largely and principally with the question of intelligence in persons proposing to be naturalized and become citizens. There are other aspects of this great question, and the bill contains other important provisions, excluding criminals and persons convicted of crime, etc., that will be gathered from the report of the committee.

I append to my remarks the report of the Committee on the Judiciary, as follows:

Section 1 provides that no alien who has ever been convicted of a felony or other infamous crime or misdemeanor involving moral turpitude, or who is an anarchist or polygamist, or who immigrated to the United States in violation of any of their laws, or who can not read the Constitution of the United States, shall be naturalized by any court; nor unless he has resided continuously for five years next preceding his application within the United States, and for one year in the State, District, or Territory in which the application is made. That no class are by this act made eligible to naturalization who are ineligible by existing law, except Indians who have adopted the customs and manners of civilized life and severed their tribal relations.

Section 2 prescribes a form of petition for naturalization and its verification.

Section 3 provides for the docketing and hearing of such petitions, and for the United States to be represented thereon by the district attorney or public prosecutor, who shall deny its allegations and require proof thereof to the satisfaction of the court, and prescribes, as far as practicable, the measure and credibility of the proof.

Section 4 prescribes a penalty for swearing falsely to such petition or to any material allegation thereof of the hearing.

Section 5 confers jurisdiction upon and specifies the courts to hear the petitions for naturalization. In this there is some restriction of the present law.

Section 6 provides that aliens who have filed their declaration of intention to become citizens before the approval of this act shall not be affected by its provisions.

Section 7 provides that any alien who is eligible to naturalization, except as to the requirement of five years' residence, may take a homestead on the public lands by setting forth his alien condition and intention to become a citizen in his application for the entry thereof; but that no patent shall issue to him until he is legally naturalized. Said section repeals subdivisions 1 and 2 of section 2165, Revised Statutes, and other laws in conflict with the bill. The declaration of intention, the fruitful source of the major part of the evils and frauds practiced on the law, is abolished.

Some of the reasons which influence the committee to recommend the passage of this bill are as follows: The loose manner in which aliens have been naturalized in many places of late years has been most shameful, and in utter disregard of the requirements of our laws, although they are entirely too liberal and inefficient in their provisions. Naturalization of aliens recently arrived from abroad, and knowing nothing of our institutions and Government, just before elections, for the purpose of making voters, has been resorted to in several localities. In States where only the declaration of intention to become a citizen is an essential qualification of the alien to make him a voter, have the greatest frauds and most unblushing violations of the spirit of the law been perpetrated. The bill, however, does not touch the qualification of voters, except incidentally, as that power resides in the States.

The investigations made by the Ford committee in the Forty-ninth Congress developed the fact, as shown by the testimony taken, that in Brooklyn one of the courts was used by imposition and fraud for naturalization purposes by a combination of lawless men, who would naturalize and thus make a full-fledged citizen out of any alien within three days after he landed for the consideration of $25.

Under a resolution adopted by the House of Representatives the 1st day of April, 1890, instructing the Committee on the Judiciary to investigate certain alleged illegal practices of United States courts and officials connected therewith, your committee, through a subcommittee composed of Hons. A. C. Thompson, of Ohio, H. C. McCormick, of Pennsylvania, and WILLIAM C. OATES, of Alabama, among other matters investigated, found and reported to the House the following facts in regard to the naturalization of aliens in the courts of the United States at Boston, Mass.:

The circuit court there has a clerk with two deputies and the district court also has a clerk with two deputies.

Some few years ago, to remedy the loose practice which prevailed in the State courts in the matter of naturalizing aliens, the Legislature of that State passed an act to regulate the practice in its own courts, and to require greater vigilance in the detection of fraud and stricter proof of the right to receive the great benefit of being adjudged a citizen of the United States. When this law was put into practice aliens no longer applied to the State courts, with rare exceptions, but went from all parts of the State, and even from some adjacent States, to Boston, where they found in the United States courts much more convenient methods of accomplishing their purposes.

They found, from the testimony of the clerks, their deputies, and Judge Nelson of the district court, the following practice to prevail:

An alien, wishing to be naturalized, and frequently great numbers of them together, are in the habit of applying to one of these clerks, or one of his deputies, who are provided with blanks printed at the expense of the Government, setting forth all the requirements of the law, which are filled up and sworn to by the applicant. This is deemed a sufficient declaration of intention, and for this work, if the clerk fills out the blank, he charges a fee of $2, but if the applicant comes in with the blank already filled, the clerk charges $1 for administering the oath. When aliens apply to become fully naturalized, the blanks are filled both for the applicant and the witnesses which he brings with him, and then the clerk or deputy, as the case may be, proceeds with the applicant and his witnesses, and sometimes quite a number of applicants at the same time, into the court room when the court is not in session, or to the door of the court room if it be in session, and in either case he says to the applicant and his witnesses, "Now, you are in the presence of the court," and administers the oath to him and his witnesses, retires to his office, issues the necessary certificate, and, if he fills the blank, he charges the applicant a fee of $4, but if the applicant brought in his papers already filled, the fee is but half that sum. The judge's attention, even when present and holding court, is never called to the matter at all, unless the clerk gets up a doubt as to whether the applicant is entitled to be naturalized, and then he refers the matter to the judge, which is not of very frequent occurrence.

Just before elections are to be held, when there is a great pressure of applicants for naturalization, backed up by committees from the different political parties, the judges give in such cases some personal attention to these matters, but usually the applicants are put through and adjudged to be citizens of the United States by the clerk or his deputies, in the absence of the judge and without his knowledge. Neither is it the practice in such courts to make any investigation of who the witnesses are, or whether they are worthy or unworthy of credit. Any two witnesses are generally accepted as competent and credible to prove up ten cases, but the clerks say they refuse to take the testimony of the same two witnesses for more than ten applicants at one time. What a ridiculous farce! The making of citizens out of aliens, which should be a grave judicial proceeding in the exercise of a constitutional function, is left by the courts to its mere ministerial officers who can not exercise judicial power, but run the machine merely for the fees they can make out of it.

Boston, however, is not the only place where the naturalization of aliens is treated as a merely formal or clerical matter, which requires no judicial investigation; it is the rule rather than the exception. If the making of citizens of this great country is of no greater moment why not abolish it altogether and extend the privileges of citizenship to all who come to reside among us? A thing which is worth doing at all is worth doing well. In Congress is vested the power to make laws upon the subject of naturalization. The States have no power to legislate on the subject. Congress should therefore make such laws as will amply protect the State against the citizenization of criminals, paupers, anarchists, and aliens who are unworthy of a residence and much less the citizenship of the United States or of a State. Under the very liberal immigration laws, which are administered with great laxity, over a half million of immigrants are landed on our shores. While about 50 per cent of them are desirable, and aid by their industrious and economical habits to develop our latent wealth, yet these are dearly paid for by the imposition upon the States and the great municipalities where the other 50 per cent congregate. Among them are moral and, frequently, physical lepers, whose practices and methods of life contaminate all who come in contact with them, and are horrible examples of moral turpitude to our young native Americans.

The testimony taken by the Ford committee shows that 75 per cent of all the inmates of the lunatic asylums and poorhouses are of foreign birth.

These States and communities should receive at least the protection of Congress against the making of such creatures citizens of this country. The name "American citizen" should be esteemed as was that of "a Roman" when Rome was the mistress of the world.

Such pride can never be felt by our foreign-born citizens, with but few exceptions, until the process of conferring this great boon upon an alien is attended with more solemnity and scrutinized more closely than at present, and to this end the committee recommend the passage of the bill. Its provisions are liberal and do not prohibit any person worthy to become a citizen of that great privilege. It, of course, requires more to be done by an alien to become a citizen than is required by existing law. The existing law and its administration is in many parts of the country a travesty of judicial proceedings.

The following table, recently obtained from the Census Bureau, is of interest upon this subject:

DEPARTMENT OF THE INTERIOR, CENSUS OFFICE,
Washington, D. C., March 11, 1892.

DEAR SIR: In response to your request, made some time since, I beg leave to hand you a statement which shows for foreign-born males 21 years of age and over the number that are aliens, those that are naturalized, those that have taken out naturalization papers, and those of whom it is unknown as to naturalization. Of the aliens, English or other language is specified. These details are given for the New England States, the States of New York and Delaware, Maryland, District of Columbia, Virginia, and West Virginia.

Very respectfully,

A. F. CHILDS,
Acting Superintendent of Census.

Hon. WILLIAM C. OATES,
House of Representatives, Washington, D. C.

States.	Foreign-born males 21 years and over.	Aliens.			Naturalized.	Naturalization paper.	Unknown.
		Total.	Speak English.	Other language.			
Maine	30,470	15,670	12,959	2,711	11,128	558	3,114
New Hampshire	260,047	13,037	9,431	3,606	10,131	688	2,191
Vermont	19,696	8,120	7,103	1,017	9,243	496	1,827
Massachusetts	257,094	118,508	102,650	15,858	112,504	6,541	19,541
Rhode Island	40,185	20,004	16,906	3,038	15,605	1,554	3,922
Connecticut	78,328	28,525	22,351	1,174	38,729	2,098	8,976
New York	685,462	192,814	129,645	63,169	416,382	22,739	53,547
Delaware	6,152	2,054	1,579	515	3,494	115	449
Maryland	42,589	11,083	7,341	3,742	26,322	1,394	3,790
District of Columbia	9,242	1,833	1,688	145	5,617	163	1,629
Virginia	11,313	3,056	2,177	879	6,730	175	1,343
West Virginia	9,789	1,822	1,186	636	6,326	204	1,437

Unconditional Repeal, Unjust.

SPEECH
OF
HON. GEORGE P. IKIRT,
OF OHIO.

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, November 1, 1893,

On the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes."

Mr. IKIRT said:

Mr. SPEAKER: This measure as it stands may and will be construed as against the intent and purpose of the Democratic platform, because that declaration is garbled in this bill. The question naturally arises, when the platform was to be used as a declaration of purpose and a commitment, why was a most important part stricken out?

Mark it well, the financial plank of that platform insists upon a policy that includes all its declarations, and it expressly states why it so insists. It says:

GOLD AND SILVER.

We denounce the Republican legislation known as the Sherman act of 1890 as a cowardly makeshift, fraught with possibilities of danger in the future, which should make all its supporters, as well as its author, anxious for its speedy repeal. We hold to the use of both gold and silver as the standard money of the country, and to the coinage of both gold and silver *without discriminating against either metal* or charge for mintage, but the dollar unit of coinage of both metals must be of equal intrinsic and exchangeable value, or be adjusted through international agreement, or by such safeguards of legislation as shall insure the maintenance of the parity of the two metals, and the equal power of every dollar at all times in the markets and in payment of debt; and we demand that all paper currency shall be kept at par with and redeemable in such coin. *We insist upon this policy as especially necessary for the protection of the farmers and laboring classes, the first and most defenseless victims of unstable money and a fluctuating currency.*

Why then was that important phrase, "without discriminating against either metal," left out? Was it not because it is the intent to discriminate against one of them? With this omission there will be a very serious objection on the part of those who will construe the intent of this measure to be a disregard of the interests of the toiling millions and therefore as favoring class legislation.

I for one had expected this amended bill would propose some

legislative enactment and be clear and frank as to a policy to be hereafter carried out.

I with others had a right to expect this, when its author Mr. VOORHEES declared as recently as last February against repeal without accompanying legislative enactment.

In the CONGRESSIONAL RECORD of February 17, 1893, page 1734, among other statements equally strong Mr. VOORHEES says:

> I should have voted the other day to take up what is known as the Sherman act and for its repeal, but for the fact that its passage would absolutely demonetize silver and leave it supported by not one word of legislation. I thought the measure was audacious; I thought it an outrage to ask men, like myself and others, to absolutely sweep from under the silver currency every vestige of law. That is not what we meant at Chicago; that is not what the people meant. I should vote for the repeal of the Sherman act simply because it is vicious in principle, but it must be in connection with something better.

Mr. VOORHEES has changed his views while many others he refers to have not. Neither has the platform or the people changed.

While according to others the perfect right to choose their own course, for myself, I do not feel called upon to shift position in response to every passing breeze with the agility of the weather vane on a barn roof.

I believe the first duty of a Representative is to his constituency; the second, to the best interest of the country as a whole; and in both he should be governed by his best judgment and honest convictions. The people have expected financial legislation with the most relief possible now, and revenue legislation and adjustment at the regular session.

In order to repeal a "makeshift" so-called, I for one do not propose to lay myself open to the charge of seeking to substitute a subterfuge.

> "Oh, what a tangled web we weave,
> When first we practice to deceive."

Remember, the people have denounced demonetization and double dealing for twenty years. It having been determined upon to ask the people to wait for a time at least, on part of the legislative action they had hoped for speedily, it will not be relished by the people of some of the Western States, many of whom will be forced to adjust the hand to the handful, and doubtless in many cases the mouth to the mouthful, or by the thousands of other unfortunates in the land who will be forced to eke out a scanty subsistence during the rigors of winter.

Have we any good reason to suppose the people will be satisfied with this measure as it stands? They will conclude, and rightly, too, that more could have been done. The farmer of the Eastern and Middle States with a mortgage to meet, with wheat at 45 cents and wool at 21 cents, and the planter of the South with cotton at 7 cents, can not be blamed for not being satisfied because this bill did not go farther on the line of true relief. While it may be some consolation to assure him the Democratic party is not responsible for these conditions, it lifts no part of the burden he hoped would begin to lighten materially with the passage of this act.

While I have for a little turned on the flashlight, I am not a pessimist, and I can see there will be improvement in certain directions over the present condition and I hope it may be marked after the passage of this act, but at the same time it is impossible not to see that it can not be expected to be that widespread universal improvement and prosperity for all classes that we hope to see, until the much needed financial legislation which is conspicuous in this measure by reason of its absence is enacted, and which the people had expected would be given by this bill and this extra session, instead of a further contraction and an empty promise. The people asked for neither and want neither. I believe we are here to enact laws and not to promise.

I do not defend the policy of buying and hoarding bullion. The principle is wrong as demonetization was wrong, but it will not do to tell intelligent people the Government is losing money by buying silver, when it gains about 40 ounces out of every 100 it purchases. I would be glad to favor this measure if its policy and intent was not in favor of the single gold standard. I would be glad to support it if it contained, in addition to repeal, a clause to coin a stated amount of silver each month at a ratio to be hereafter determined, for the people thought they had settled everything except the ratio. I would be glad if it contained a clause to increase the circulating medium, by allowing national banks to issue to the amount of their security deposits. I would be glad if it provided for the coinage of the seignorage and thus set free $53,000,000 to electrify business and offset the fifty millions of a deficit that stares us in the face. I would be glad if it declared the financial independence of the United States.

Why it does not at a time like this contain some such measures of relief is not mine to explain any more than it is my purpose to criticize those who may honestly differ with me on this great financial question.

With the part of the platform promise in the interest of the farmers, laboring classes, and merchants—men dependent upon their support and who prosper as they prosper—excised and discarded, with compromise and action in addition to repeal, which would have been satisfactory alike to the friends of the double standard, our party and the people, spurned; with a further contraction at least for a time evident, and no legislative action to compensate therefor, all that remains for the believers in true bimetallism, as contemplated by the Constitution, is not to give their indorsement to the crime of 1873 by supporting this bill; but standing firm in the faith, true to their convictions, the traditions of the Democratic party and its pledges, appeal to the people, as did that revered statesman and beloved patriot, Andrew Jackson, when he summoned the people to the reclamation of their sacred rights slowly filched away from them by a subtle monetary power.

I desire to call the attention of the House and the country to the fact that the vote for repeal of the purchase clause, and to substitute therefor the Bland-Allison act, is an index that shows how strong is the desire to atone for the crime of demonetization perpetrated in 1873. The majority against it in the Senate was only four votes, and if submitted to a vote of the people to-morrow would carry by an overwhelming majority. A majority of Democrats on this floor voted for it.

In union there is strength. Let me say to the friends of the double standard, north, south, east and west, who desire a dollar that is honest to the debtor and creditor alike, think not of local divisions, but stand together shoulder to shoulder within the lines, and entrenched behind the traditions of the Democratic party, contend for the use of both metals as the fathers and the Constitution designed, and sooner or later right will triumph. Then will the plaudits from a grateful people whose affection for silver and the double standard is as strong as is their belief in the Democratic principle that the people should rule, be your well-merited reward. Right will be vindicated. Justice will be enthroned, triumphant.

Silver and Repeal.

REMARKS
OF
HON. GEORGE W. RAY,
OF NEW YORK.

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, November 1, 1893,

On the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes."

Mr. RAY said:

Mr. SPEAKER: It has not been and is not my intention to speak at any great length on the proposition before the House to repeal that portion of the so-called Sherman law which provides for the monthly purchase of silver bullion at the market price.

If by the purchase of silver bullion, dug from the silver mines of the United States, and its coinage, we could add that amount to our currency or circulating medium and establish a just ratio between gold and silver, I should oppose repeal. But this is not what we are doing, and under the law we can not do this. We purchase the bullion and issue silver certificates in payment, if you please. We have coined millions of this bullion into silver dollars and then have stacked them away in the vaults of the Treasury. It has been impossible to force them into circulation.

The silver certificates are returned for payment, and as it is the established policy to pay gold when demanded, and as we can adopt no other policy without finding ourselves at once on the single silver monetary basis, in effect we pay gold for all, or nearly all, the silver purchased. As our gold receipts are limited, as our gold on hand is very limited, as our outstanding obligations are steadily maturing and gold is always demanded, it has become merely a question of time, and of a very short time at that, before our supply of gold will be exhausted. When that time comes, as come it will and must, in the near future, unless we stop the compulsory purchase of silver, we shall be unable to pay our obligations in gold, and the credit of the nation will be destroyed both at home and abroad.

In only one way can we continue the purchase of silver bullion and maintain gold payments, and that is by the continual issue and sale of Government bonds for gold in order to keep a supply of that kind of money in the Treasury. The results of such a

policy would be most disastrous. On the one hand we should continually increase the interest-bearing debt of the United States, and on the other we should pile up in the Treasury millions of silver coin or bullion where it would be useless to the people and useless to the Government. The result all can see. Disaster, national disgrace, national bankruptcy. Our wealth would be represented by a mass of unused and unusable silver bullion. If coined, foreign nations would not take it, and even our own people would scorn it because a debased coin, not good or usable except when, by law, creditors were compelled to accept it. We might just as well enact that all debts shall be payable in corn, potatoes wheat, etc., at a price per pound or bushel fixed by law, as to attempt to establish and permanently maintain such a policy. Our people are as good as the people of any nation, and our money, legal-tender money, must be as good as the money of any other people.

Again, the citizens of this great country will not approve or permit a policy that shall compel the constant issue of interest-bearing bonds in order to provide a fund for the purchase of silver. The people are opposed to increasing the national debt. If suggested that we can issue bonds payable in silver coin, let me ask where shall we find purchasers who will pay gold for bonds redeemable in silver coin. Such bonds would not sell in our home markets or in the money markets of the world for fifty cents on the dollar. Our own people would not take them except at a large discount, and in very limited amounts at that.

It must be kept in mind that we are one of the principal commercial nations of the world; that England, Germany, and France and Italy are on a gold basis. That these countries are constantly augmenting their gold. That we can not do business with them unless we pay our balances in gold. That millions of our outstanding obligations are held abroad and that these can be returned for payment in gold as rapidly as they mature. If we are to maintain our proud position in the financial and commercial world, sustain our credit and avert disaster, we must cease to expend our debt-paying money in the purchase of a commodity neither usable in payment of our debts nor convertable at will, or at all, except at a large discount, into legal-tender money recognized by and usable in Europe. I am opposed to the demonetization of silver. I am a bimetallist. But each dollar issued or authorized by the Government of the United States must be equal to every other dollar, both at home and abroad. Our policy and our laws should be such as to prevent speculation in legal-tender money. This will be impossible so long as the intrinsic value of the one is greater, to a marked degree, than that of the other.

Therefore in my judgment our future legislation on this subject must be directed to the accomplishment of this end. That the subject is full of difficulty, I concede; but the difficulties of the situation will not deter us from making all possible effort to accomplish the desired result.

We have had a financial panic; we are to have others. We are to have commercial distress, business failures, closed factories, business depression, and the passage of this act will not avert these evils, for their cause is not found in the Sherman law. These evils can be averted, however, by wise action on the part of the Democratic party now in power in the legislative and executive departments of the Government.

Cease tariff agitation and tariff tinkering. Let well enough alone. March 4, 1893, at the close of a successful and brilliant Republican Administration the country was prosperous, our finances were in good condition, money was plenty and easily obtained. Our factories and mills were all busy. The channels of trade were filled with moving merchandise. Our labor was all employed at good wages. But no sooner had the new Administration become firmly seated and its policy indicated, than trouble commenced. Money could not be borrowed; money out was drawn in and hidden; factories were closed; merchants would not sell and would not buy. All our people commenced to deal and to live on the hand-to-mouth policy. Thousands upon thousands of laborers were thrown out of employment and are now in idleness with no prospect of better days in the immediate future.

It is easy enough to discover the cause. The future is full of uncertainty. The Democratic party openly avows its determination to overthrow the industrial policy pursued by this Government with unparalleled success for the past thirty years. It avows its determination to throw open our gates to the unlimited importation of foreign-made goods. It is deaf to the cry of our wage-earners and of our mill owners. It says let us buy where we can buy cheapest, and reward and enrich foreign labor rather than our own. It says let us expend our money abroad rather than at home, lest we enrich our home manufacturers and laborers too rapidly. It appeals to laboring men to sustain them, offering the bribe of a cheap foreign article, but concealing the fact that the wage-earners will find themselves without the ability to purchase any article whatever.

What matters it that foreign goods are cheap if our mills are idle, our factories closed, our industries prostrated, our laboring classes idle and poor and unable to feed or clothe themselves? Can a man be happy in the midst of plenty if the plenty is owned by others and he has not the means to buy? Too proud to beg, too honest to steal, unable to find work, he must starve. There is no other alternative but the poorhouse.

I warn you gentlemen of the majority that unless you call a halt, cease your tariff agitation, announce your determination to sustain, foster, and protect home labor and home industries, and care for your own country and its interests rather than foreign nations and their interests, you will plunge our people into an abyss of financial and industrial ruin from which they can never emerge until you shall have been hurled from power by an indignant and outraged people. If you will do this and do it now, or promptly, confidence will be restored at once, business will regain its wonted activity, every branch of manufacture will be resumed, money will come from its hiding places and seek and find ready investment. General prosperity will take the place of general stagnation, and tens of thousands of idle workmen will march again regularly to their daily toil and return to their gladdened homes at nightfall ladened with and enriched by the fruits of honest toil.

You can no longer attribute our business depressions and financial troubles to the Sherman law. If these ills continue or recur, claim not they are a legacy bequeathed to you by the Republican party; these will be ills of your own creation, which the Republican party predict as sure to follow your present unwise and foolhardy course.

The repeal of the purchasing clause of the so-called Sherman law was proposed by Republicans a year ago. Democrats then scorned the proposition. An intelligent Democratic Executive, wiser than the party, with whip and spur has forced the measure now before us through the Senate. A fast-growing popular indignation at the long delay has aided.

But let us not deceive ourselves with the idea that the wheels of progress and of prosperity will now revolve with old-time speed and ease. With silver and gold money, which we shall continue to have and use, we must also have confidence, stability, steady and active business, employment for the millions, and that we may have this we must have wise legislation in the interest of the home and progress of all our people.

The present tariff produces large revenues. Where will revenue be procured when you shall have largely reduced them? Will you strike down our home industries and increase the cost of the necessaries of life purchased abroad at the same blow? Or is this Congress to be called on to authorize the sale of bonds to provide the means to pay the ordinary expenses of the Government?

I dare assert, here and now, that the political party that adds to the burdens of this people in this way, and to meet a necessity created by such legislation as I have indicated, will be consigned to deserved oblivion by action so pronounced that it shall not be mistaken or misconstrued.

Let us remember that we now have outstanding $346,000,000 greenbacks, $150,000,000 Treasury notes, $330,000,000 silver certificates, over $800,000,000 of Government currency, issued by the Government, every dollar of which we have pledged to parity in value.

This does not include national-bank notes. In the Treasury we have only $83,000,000 of gold pledged to redeem this vast amount of paper currency, and to-day this reserve is being invaded and depleted for the ordinary expenses of the Government; and still you propose to reduce the revenues. It is time to stop the purchase of silver and the increase of the volume of our silver certificates, but it is also full time to give our attention to an increase of the revenues.

The attention of our people is now directed to our business interests, to our material prosperity. No sentiment will control the people now; the ties of no political party are strong enough to hold an intelligent people against their own financial interests when it understands the situation. The people are coming to understand it now. They were told that a change was needed; that it would better their condition. They voted a change in governmental policy, and they find themselves without "change" in their pockets and without the ability to procure it.

It is true that the great American Congress has voted sound honest money for the people in both branches, but it will be noted with interest by all, and with profound satisfaction by all Republicans, that the Democratic party of itself was unable in the Senate to command votes enough, although a Democratic body, to pass the bill. Whatever of good comes to this people by reason of its enactment must be credited largely to the Republican party, and whatever of ill results, if any, we shall not charge to your account but gladly assume, provided only you will keep hands off our great industrial system and allow the United

States of America to take care of itself as the greatest nation of the earth when all its resources and capabilities are considered.

In my judgment the day is not far distant when an international agreement will be reached fixing a just ratio between gold and silver when used as money. Then, and not till then, will it be safe to increase to any considerable extent our silver coinage, but in the meantime it is indispensable that we so legislate that the balance of trade with foreign nations is in our favor and not against us.

Silver.

REMARKS
OF
HON. JOHN DAVIS,
OF KANSAS.

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, November 1, 1893.

On the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes."

Mr. DAVIS said:

Mr. SPEAKER: We are this day to consummate a crime against the American people. We are not only to adopt the distinctive gold standard of valuation, which means falling prices for land and labor and their products, but we are to solemnly announce to the world that we are unable to legislate for our own people without asking the advice of our European competitors and commercial enemies.

Mr. Speaker, there are crises in the affairs of men when the wave of a hand or the utterance of a single word may change the destiny of a nation. Such a time occurred in our history in 1854, when the Missouri compromise, which for a generation had held in check the territorial aggressions of chattel slavery, was repealed. It was repealed with a huzza from the slave power; but it proved to be the Rubicon of that great Cæsar which was then marching on for the destruction of American liberty. To-day, Mr. Speaker, we are in the midst of another struggle, greater and broader than the contest with chattel slavery. It is a struggle with a colossal money power which is seeking with merciless greed to dominate a world and to garner in the profits of all labor in all lands.

The silver compromise law of 1890 has for three years been a check and a stumbling block to the money power in the United States. That compromise is this day to be repealed. It means that the dragon of greed is now to be released within the United States, and that the doctrine of the great Wall street journals, uttered years ago, is now to be enforced. The edict is as follows:

> The American laborer must make up his mind henceforth not to be so much better off than the European laborer. Men must be contented to work for less wages. In this way the workingman will be nearer to the station in life to which it has pleased God to call him.

Mr. Speaker, that spirit of aggressive greed which dominates the American Government to-day with flaunting colors and derisive tyranny began its present policy in 1816, when silver was demonetized in Great Britain for all payments above 40*s*. British bonds bought with cheap money during the Napoleonic wars were then made payable in scarce and dear gold only. In 1819 a law was passed to contract the British paper money, which had "saved England from becoming a province of France." Under the influence of these two contraction laws the English people were reduced to the sorest distress. Troops were kept on foot day and night to compel men, women, and children to starve in peace, and through falling prices and the depression of industry four-fifths of the landholders of England lost their lands.

The success of the money power in England but whetted its appetite of greed, making it more rapacious. In 1862, in this country, the stock-gamblers and money-brokers of the East procured the passage of a law to depreciate the greenback, so that cheap money, bought up at half price, could be invested in United States bonds at face value. A distinguished Senator of the United States has been quoted as saying that "it was necessary to depreciate the currency in order to make a market for the bonds."

In 1869 bonds bought with cheap paper were made payable in coin. In 1873 silver was demonetized, so that bond loans of cheap paper are finally to be paid in scarce and costly gold. And, Mr. Speaker, looking back over our financial legislation for thirty years, the trail of the serpent marks every law, with only a single exception—in the case of the law of 1878, partially restoring silver as a money metal.

Mr. Speaker, let me mention to you some of the legislation that has been enacted in the interest of the great fund-holding money power through violations of solemn contracts with the people. There were many millions of United States bonds issued during the war, which by their terms were payable in "lawful money of the United States." Not one cent of coin was used in their purchase or sale. Plainly they were payable in lawful money only, and not otherwise. These bonds were issued in 1862, 1863, and 1864.

Later on the bondholders (not the people) desired a change of contract. By means fair or foul a change of contract was effected by act of Congress. At the bondholders' request (not the people's) the law of 1869 enacted that those bonds should be paid in coin. That was the new law and the new contract, as per request of the bondholders, and the people everywhere acquiesced. This change of contract added to the market value of the bonds at that time. It was a clean steal from the people by the bondholders—by that "communism of capital" which now charges that the people desire to rob them.

All United States bonds after 1869 were payable in coin. In making them so the great war governor of Indiana, Oliver P. Morton, said that four solemn statutory contracts were violated. Yet the patient and wronged people acquiesced in the new coin contract and said "Amen!"

But not so the bondholders. These arch repudiators of laws and contracts next swore by all the powers of the bottomless pit that the silver coin of the Constitution is no good, and that "coin" means gold only! All who oppose this last act of repudiation of laws and contracts are branded as "anarchists" and "repudiators." They are charged with holding "communistic doctrines" and with desiring to rob somebody. This whole charge against the people of the West is false! They desire no repudiation and no change of contracts. The present uprising of the people of the West, in a lawful and peaceful way at the ballot box, is merely a protest—a mild, lawful, and just protest—against being further robbed.

Now, Mr. Speaker, I desire to say that in addition to the public debt by law and contract thus made payable in coin (not gold) there have been forced upon the people of the United States through the Wall street policy of currency contraction many billions of private debts, payable in lawful money, which it is now claimed by the creditor classes can only be honestly paid in gold coin. In the creation of these mountains of debts the people borrowed the cheapest currency afloat. Not one cent of gold, and the contracts did not mention gold. Then why should we pay gold? There now rests on the State of Kansas in the form of private debts secured by real estate mortgages $235,000,000. On Illinois real estate, $384,000,000. On the real estate of Pennsylvania $613,000,000. Other States are also dangerously afflicted with the mortgage fiend, perforce of currency contraction.

Our creditors claim that Government money (which will buy more than the money we borrowed) is not good and should be destroyed; that the silver coin of the Constitution is base metal, and should be discarded (except the light coins for small payments to labor). Our creditors claim that these billions of mortgage debts must be paid in gold coin only or we must surrender our homes! And we are surrendering them in the West as fast as time can move and the courts can grind.

In the East the conditions are as bad. Hon. JOSEPH H. WALKER, of Worcester, Mass., stated on the floor of the House in May, 1892, that the farms of New England are worth about half the cost of improvements. This means that the lands go for nothing and half the improvements thrown in.

Sir, our farmers seem to be fast sinking into the condition said to have been recommended by a great Eastern journal some years ago. The New York Times is credited with stating editorially some years ago as follows:

> There seems to be but one remedy, and it must come—a change of ownership of the soil and a creation of a class of landowners on the one hand, and of tenant farmers on the other—something similar to what has long existed in the old countries of Europe.

Now, sir, since that policy is being carried out precisely—since the people of the United States are being disinherited through the advice of the Wall street papers and the masters they serve—since the people can only remain in their homes as tenants in competition with the incoming millions of the Old World, who are content to accept life on the hardest possible terms: or if, on the other hand, we must part from our homes, friends, and loved ones, and each take his or her chances for precarious existence as mendicants in the great and growing army of the "overpowered"—is it not a little cruel for the robbers who seek to put us beneath their heels to brand us as "wild communists" and accuse us of being ourselves repudiators? Is not this adding insult to injury? Does it not remind one of the crack of the whip of the slave-driver who dried the tears of his victims by making their sufferings too severe to be mitigated by weeping?

Mr. Speaker, I wonder how much safer our would-be masters feel than Lord North felt prior to 1775? How much safer do they feel than King Louis felt prior to 1789? How much safer than the slaveholders of this country felt prior to 1860? Do they believe that the most patient and long-suffering people on earth have lost every sentiment of patriotism since 1776? Do they believe the people of this country, who suffered and sacrificed so much in the sixties for the freedom of another race and the perpetuity of free institutions, will ultimately submit to a more cruel form of slavery for themselves and their wives and children than chattel slavery can be?

Sir, if they believe all these things, and with a big ha! ha! push on their scheme of "a change of ownership of the soil," and should they ultimately find themselves in hot water, they can not say they had not timely warning.

Prior to 1789 France contained the largest landed estates and the most heartless landlords in Europe. The people were disinherited, homeless, and starving. It is not so in France now.

Prior to 1860 every black man in the South, in this country, was a chattel slave, and every white man, North and South, was, by law, a bloodhound to catch him when he ran away. It is not so now. It must be a long lane that never ends or turns.

Mr. Speaker, the people of this country have their remedy. The ballot box is still open to them, though its sanctity is often violated in the interest of the invaders of our rights. As for the agents and attorneys of the dominant money power of the East, which has made so much progress in the subjection of the people, I suggest that they should learn something from the lessons of history. The patient people are waking up. It is said that men can not see but they can feel. They feel in their pockets; they are empty. They feel in their stomachs; they are hungry. They feel the grip of the sheriff on the shoulder; it is an eviction. Then long-closed eyes are opened for the first time. Brave men turn pale, women weep, and children cry with hunger. Millions of people are now homeless and hungry in the great cities of this country. Tens of millions of pockets are empty through lack of work, and bankruptcies and evictions are common in all parts of the land.

Mr. Speaker, by the repeal of the "Sherman compromise" of 1890, it is to-day decreed that money shall be still scarcer and dearer. That bankruptcies will be more general, and idleness, hunger, and general distress more prevalent. Mr. Speaker, I have studied the subject I discuss for forty years. I but utter the voice of history. We now consummate the greatest crime of our generation. The greatest crime since the days of 1816 and 1819, when the British Parliament demonetized silver in England, and decreed general destitution, eviction, and death for the British people. That was the crime of the London money power dominating Parliament; and this is to-day the enactment of a decree of that same money power dominating the American Congress. With voice and vote, Mr. Speaker, I join the minority of this House in solemn protest against this crime, committed by merciless greed against the happiness and prosperity of the American people.

Silver.

SPEECH
OF
HON. ALEXANDER B. MONTGOMERY,
OF KENTUCKY,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, November 1, 1893,

On the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes."

Mr. MONTGOMERY said:

Mr. SPEAKER: I take advantage of the privilege granted by unanimous consent to all members of this House only to say that this question of the repeal of what is known as the Sherman law for the purchase of silver has been under consideration by the country ever since its repeal was denounced as a "cowardly makeshift" by the Democratic convention nearly eighteen months ago. Since this extra session was called to consider its repeal it has been under consideration and debate by one House or the other continuously for nearly three months.

After a full and fair discussion in this House, we were given an opportunity to record our votes on amendments which would enable us to substitute for this law such unlimited or partial coinage of silver as might meet the approval of the House. All these amendments were voted down, and a bill substantially the same as the Senate substitute, now under consideration, was by an overwhelming majority adopted.

This bill has been considered in the Senate continuously for ten weeks and is returned to us substantially as it was when it left this House. It and all amendments of and substitutes for it have in this House and the Senate had the fullest and freest discussion and it is known not only by the House itself but by the whole country that a very large majority of the House are not only for the bill but opposed to all amendments to it. Under these circumstances it is evident—indeed confessed—that the motion to refer to a committee with instructions, the motions to adjourn, take a recess, and all other motions not necessary to a speedy vote on the bill, are made for the purpose of obstruction and delay, and as such I vote against them.

The people whom we represent rightfully demand that after three months' consideration of the question it should be promptly disposed of by the vote of this House in order that the business of the country, too long disturbed by this agitation, to the great injury of all, be restored, if possible, to its normal condition. The policy of this House—a wise policy, in my judgment—was from the beginning to deal with the question promptly. This policy met the approval of the country when the question was before the House two months ago, and my judgment is that if we vote down all motions looking to delay or obstruction, which can not change the final result, and dispose of this bill to-day, our prompt action will meet the approval of the people who without reference to their views on the subject, are tired of an agitation which they know can not affect the final result.

Silver.

The most valuable additions made to legislation have been enactments destructive of preceding legislation; and the best laws which have been passed have been those by which some former laws have been repealed.—*Buckle's History of Civilization.*

SPEECH
OF
HON. WILLIAM L. WILSON,
OF WEST VIRGINIA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, August 26, 1893.

The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. WILSON of West Virginia said:

Mr. SPEAKER: I shall endeavor to occupy the few minutes I have reserved for myself to close this debate, more from a sense of duty because of my connection with the bill than from any sense of the need of further argument. Indeed, with the speech of the gentleman from New York [Mr. COCKRAN] still echoing in this Chamber, and with the recollection of many speeches that have enlightened the protracted course of this discussion, it would seem impossible for anyone, and least of all for one on whom the detailed management has been somewhat thrown, to gather up either facts or arguments that can lend freshness or force or interest to this controversy.

It was inevitable, Mr. Speaker, as it was greatly to be desired, that this debate should range somewhat freely over the whole field of financial theory and financial experience. We have all felt, as we have listened from day to day to the earnest, intelligent, and sincere debate on this question, that the American people were getting an education they needed and that our own ideas were being cleared upon an infinitely important subject.

But I shall not attempt to follow this line of discussion; I shall attempt nothing more than a brief and plain statement of the nature and purpose of this bill, and of the imperative reasons that now call upon Congress to pass it without conditions and without amendment.

By universal admission the Sherman law has failed to accomplish the results expected by those who framed it. It was expected to raise the value of silver bullion in this country and consequently throughout the world. It was believed by men of experience and of reputed wisdom in financial matters that when the United States went into the market and purchased every month at the market price virtually the entire American product of silver, virtually one-third of the entire world's product, it must raise the price of that metal everywhere in the world, and go far toward restoring its aforetime parity with gold.

That expectation has proved to be fallacious. Almost from

the first enactment of the Sherman law, certainly from the ending of the brief burst of speculation that followed its enactment, we have seen silver plunging lower and lower, until it has reached such a cheapness and such a variableness of value that the greatest silver-using people of the world, in the agony of financial distress and impending commercial disaster, have been obliged to close their mints to its free coinage.

It was expected, Mr. Speaker, that when the United States poured into the channels of trade in this country $4,000,000 and more legal-tender Treasury notes every month, there would be a wholesome expansion of our currency and from such expansion a quickened prosperity to all the business of this country.

This expectation has been equally falsified. Instead of expanding, it has worked a harmful contraction of the currency. For every million of Treasury notes thus poured out, more than a million of gold has disappeared or gone into hiding.

And lastly, sir, I think no observant and thoughtful man can doubt, however he may speculate along the interesting lines pursued by the gentleman from Maine [Mr. REED] this morning, that a great contributing cause, if it be not the efficient primary cause, of the unspeakable distress which pervades our land today, and of the threatening gloom that still darkens our skies, is to be found in the working of the purchasing clause of the Sherman act.

From the beginning of the operation of that act we have seen those who owed the Government paying their obligations in forms of currency—Treasury notes, silver certificates, and the like—which depend for their full purchasing or debt-paying power upon laws of Congress and the faith of the Government. At the same time we have seen a steady run upon the Treasury for its gold—the only form of our currency which, independently of laws of Congress and of the faith of the Government, carries into every market and into every country its face value within itself.

Holders of securities, public or private, payable in this country and in its legal tender, whether they live in foreign lands or here, have seen the Government of the United States issuing monthly for the purchase of silver bullion to be stored away in the Treasury $4,000,000 of gold obligations—for these obligations must be paid in gold if demanded by the holder as long as the Government undertakes to preserve the parity of its coins; and at the same time they have seen the stock of gold available for the support and payment of these obligations rapidly disappearing from the Treasury and from the country also.

Can any one deny that this was the beginning of our embarrassment, or that it is in itself a substantial and sufficient cause, in the delicate relation of debtor and creditor, to set in motion the financial panic that has swept like a cyclone over the country and under whose blighting force so many of our greatest industries to-day are in distress and prostration?

Let me consider briefly the objections that have been urged in this debate to the repeal of the purchasing clause of the Sherman bill. I can do no more than summarize them.

First, it has been said, from the very first speech to the last, that by stopping the purchase of silver bullion we shall throw the country to the gold standard for the settlement of all balances, the effecting of exchanges, and the payment of debts. Mr. Speaker, the countryman in the play, who was so astonished to learn that he had been speaking prose all his life, had no less reason for his astonishment than gentlemen who have learned in this debate that we are already on the gold standard and that we have been on the gold standard throughout all the business life of every man who has taken part in the discussion. We have had the single gold standard since 1834, through the operation of those economic laws which no statutes of Congress can override or defy. We have had the single gold standard since 1873, by the express enactment of Congress which declared the gold dollar to be the unit of value in the currency of the United States. By this standard we buy and sell, borrow and loan, and make our contracts for the future payment of money. And so have we been doing for sixty years, except for that interval during and after the war when all specie payments were suspended in the country.

What then, Mr. Speaker, is our trouble to-day? Simply this. The Government is steadily increasing its issue of gold obligations and of depreciating dollars, and with the visible lessening of its stock of gold a fear and doubt—whether reasonable or unreasonable is entirely irrelevant—have arisen as to its ability and its purpose to meet those obligations and to keep those depreciating dollars up to the legal standard it has established for the money of account in our country. As the silver bullion in the Treasury, or in the coined dollar, sinks in value as compared with this legal standard, a greater stress is laid upon the Government, a greater test is made of its ability and of its purpose to maintain these and all its other forms of credit currency at a parity with the gold standard.

Again, Mr. Speaker, it has been almost angrily contended from the beginning of this debate, that if we stop now the purchase of silver bullion, as required by the Sherman act, we shall demonetize our silver, or, as the gentleman from Missouri [Mr. BLAND] has just expressed it, destroy the silver currency of the country entirely.

Why, sir, the bill proposed does not demonetize a single silver dollar anywhere, circulating or stored away, in this country to-day. It has not come to destroy, but to save. It has not come to strike down or destroy any part of our silver currency, but to place it, once and forever, on an impregnable basis of parity with the gold currency of the country. [Applause.]

Mr. MARTIN of Indiana. Will the gentleman permit an inquiry?

Mr. WILSON of West Virginia. I have very little time to yield, but will submit to a question if it is brief.

Mr. MARTIN of Indiana. Will the passage of the so-called Wilson bill for the repeal of the purchasing clause of the Sherman silver act necessitate the sale of United States bonds to secure gold for any purpose?

Mr. WILSON of West Virginia. That is a question to be answered only in the light of experience. When it comes to prophesying, the guess of one man is almost as good as that of another.

But I say to my friend from Indiana that in the light of the experience of other countries, especially of France and the Scandinavian nations, of Canada and of Holland, the mere passage of a law limiting the purchase of bullion and the coinage and issue of silver dollars would, as I have already declared, at once and forever put and keep our silver currency on a parity with our gold, and there would be no necessity to issue a bond for that purpose. [Applause.] This repeal bill is not only the pledge and promise of such parity; it is in itself the performance of that pledge. [Renewed applause.]

Why, Mr. Speaker, when gentlemen declaim that the intention and effect of the bill are to strike down our silver currency and limit us not only to a gold standard but to a gold currency they not only ignore our own experience and our own laws, as I have already shown, but they shut their eyes to the experience and action of that people from whose dealing with silver we can just now learn most salutary lessons. I mean the people of India. The government of India has expressly declared that in shutting its mints to the free coinage of silver it has done so with a view to the introduction of the gold standard, but with no present intention of introducing a gold currency. Sir David Barbour, the financial minister, on whose advice the Herschel committee acted, and the final legislative decree of the Indian Government was made, directed especial attention to the fact that France and other nations have found it perfectly safe and feasible to maintain a large circulation of full, legal-tender silver, with a gold standard; some of these nations indeed with a comparatively small supply of gold.

Mr. MCMILLIN. Will the gentleman permit me to ask him a question right there?

Mr. WILSON of West Virginia. One more? Yes.

Mr. MCMILLIN. One is all I want to ask. Do you propose, then, to follow up this bill with any measure looking to the extension of silver coinage, and, if so, when?

Mr. WILSON of West Virginia. I fully agree with the remark of the gentleman himself in the speech he has just made, that it is the desire of the American people to maintain a large volume of silver money. And I will add that while I have no authority to speak for anyone except myself, I am satisfied that it is the earnest desire of this Democratic Administration not only to support the existing issue of silver in this country, but to increase the volume of silver currency to the utmost extent that it is safe to do so, and still preserve its parity with gold, without taxing the people, through bonds, to accomplish that result. [Applause.]

I ask now to have my remaining ten minutes to myself.

Mr. MCMILLIN. I beg the gentleman's pardon. A gentleman in charge of a great measure generally does not decline to be interrupted at all.

Mr. WILSON of West Virginia. I am very glad the gentleman asked the question he did. Having given away most of my time, I am simply begging that I may occupy the brief remainder without interruption.

Again, sir, it has been generally argued by those who oppose this repeal bill that to preserve the gold standard as we have had it for sixty years, or, as they mistakenly contend, to adopt that standard, is to work injustice to the debtor class, because gold, they assert, is appreciating in value and the burden of debts is steadily increasing in consequence. The decline in the market prices of many products, and especially of most of our staple farm products, seems to give color to this argument, and the facts that seem to sustain it have been put forward with great plausibility by several gentleman in this debate.

But, Mr. Speaker, a very slight examination of those facts

will show that they can not be made to prove any such argument. The true test, already stated by the gentleman from New York, is the wages of labor. If gold has appreciated in value in recent years that appreciation ought to show itself in a decline in the wages of labor and in the price of articles still made by hand labor.

But there has been no such decline; on the contrary a visible and progressive rise. Wages are twice as high in the United States as they were fifty years ago; twice as high in England as they were fifty years ago; much higher than they were in the past in every one of the enlightened countries of the world. I venture to affirm, sir, that it will be very hard to find any great article that has fallen in price where the decline may not easily and unmistakably be traced to one of two great causes, and often to the joint operation of both of these causes; either an immense increase in the source of supply or immensely cheapened production through those great inventions and discoveries of our day that have so mightily economized and multiplied labor in the production and transportation of manufactured articles and even of agricultural products.

Take cotton, around which our Southern friends have naturally grouped their argument. The gentleman from South Carolina [Mr. BRAWLEY], in his admirable remarks on yesterday, incidently mentioned that the cotton crop of the United States now reaches 9,000,000 bales. Why, in 1873 the cotton crop of all the world was little more than 6,000,000 bales. Take wheat, the chief crop of many of my own constituents. Before me sits the gentleman from South Dakota. He knows that twelve years ago scarcely a bushel of wheat was raised in the two Dakotas. To-day the millions of acres of North and South Dakota alone supply almost enough surplus wheat to meet the demand of our chief customer, the United Kingdom of Great Britain and Ireland. Could any man expect that such rapid and phenomenal increase in the supply of these two staple products, without a like increase in the demand for them, could take place without a temporary unsettlement and depression of their prices in the world's markets, especially with the new and greater obstacles in the way of their profitable exchange which recent legislation of Congress has brought about?

Mr. Speaker, will gentlemen complain of cheapened production and lessening cost of the necessaries of life if the wages of those who toil to produce them have meanwhile and everywhere gone up? Will they oppose the opening and development of new regions of our land because thereby cheaper food and cheaper clothing may come to all the people? Must we bemoan the triumphal march of invention and rail at the bounties of science because they open to the masses of mankind a way of escape from ignorance and poverty and beget the hope that all men may rise to a richer and nobler life?

What, sir, is all this but the emancipation of man from the servitude of constant drudgery? If by a less expenditure of labor he can free himself from incessant and grinding toil, enter upon a higher plane of life, and gather around him more of life's comforts, refinements, and luxuries, surely gentlemen ought not to declaim against this as a wrong to mankind and a hurt to those who labor.

And now, Mr. Speaker, I will consider, with equal brevity, the benefits that are expected to flow from the passage of this bill and from the immediate and unconditional repeal of the purchasing clause of the Sherman law. The first benefit will be the restoration of confidence of the people of this country in their own money and in every dollar of it. If the experience of France and of the other nations I have mentioned is worth anything, it justifies us in the confident belief that as soon as we draw the line where it now is, and say that for the present at least we will purchase no more silver bullion and add no more depreciated dollars to the currency of the country, from that very day every dollar in existence will be recognized as the equal of every other dollar in purchasing and debt-paying power, and no man will be troubled as to whether his debts or his contracts are to be settled in paper, in gold or silver, or in representatives of gold or silver.

Again, Mr. Speaker, gentlemen demand an expansion of the currency as the vital need of the country, and inquire if this bill is to be followed immediately by some legislation to increase the volume of our circulating medium. Sir, there is no expansion of the currency within the compass of their imagination that would work as quickly, work as safely and as effectually to restore the country to commercial health as to let loose at once from its hiding places the $1,700,000,000 of money already in this country.

It has already been shown—and I am embarrassed in going over ground so much more fully and carefully gone over by others—that it is not so much the quantity of money as its unquestionable quality, that creates confidence and supports that wonderful superstructure of credit through which a large and increasing part of the business of every State in this Union is done to-day. In the growth of modern trade, in the natural development of our marvelous industrial system, economy in the use of actual money, increased efficiency of every dollar as a debt-paying instrument or measure of exchange, have kept pace with all the other improvements and progress of this age.

Money, to-day, speeds on the lightning express, flies on the wings of the telegraph, is transferred in the twinkling of an eye from one end of the country to another, from continent to continent, and it does this through the perfection and windening use of its convenient representatives which have become the tools of exchange of almost all our modern business.

To-day, sir, gold and silver, and United States paper money—in a word, what we generally understand by the term money, especially when we speak of currency expansion—perform but a small part of the actual transactions of the country. I have examined, in the past few days, the report of the transactions of the New York clearing-house. For the year 1892 the average currency exchanges per day were nearly $120,000,000, while the average currency balances per day—the money actually required to settle those exchanges—were but little more than $6,000,000.

That which is done upon a large scale in New York is done upon a smaller scale in every other city, and even in the towns and villages of our country to-day. Not money itself, but representatives of money, pay debts, transact business, effect exchanges. Sir, this mighty fabric of $120,000,000 can rise and rest securely upon a basis of $6,000,000 of money, upon one condition only. There must be no doubt of the permanence and stability of that basis. If doubt and distrust arise as to the safety of that foundation the fabric of credit shrinks, as we have seen it shrink recently from one hundred and twenty millions per day to sixty millions, a contraction of the currency in a single city of $60,000,000 in a single day.

Restore confidence in the actual money of the country, remove all ground for doubt that any dollar bearing the Government stamp is to be worth less than its face value, and you will bring forth, as if by magic, every hiding dollar in the land. You will renew and increase public confidence in the foundations of our great and expanding credit system. Vigor and enterprise will once again appear in our markets, and we shall have in a greater measure than we have had in recent years the blessings and encouragement that come from a stable currency in the development of the country, the increase of its production and commerce, and in the employment of its labor. [Loud applause.]

Uniform System of Bankruptcy.

REMARKS

OF

HON. JOHN DAVIS,

OF KANSAS,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, October 26, 1893,

On the bill (H. R. 139) to establish a uniform system of bankruptcy throughout the United States.

Mr. DAVIS said:

Mr. CHAIRMAN: If evidence were needed to prove that the people and business of this country had drifted on to the financial breakers and that something ought to be done to redress the situation, we have that evidence in the fact that leading men of both of the old parties during the Fifty-second and Fifty-third Congresses have introduced bills "to establish a uniform system of bankruptcy." The Constitution of the United States authorizes the use of such a system; but the occasions for such a law are so rare that during a century and more of our existence only three such laws have been found necessary, and each of those laws were of short duration, being repealed as soon as the exigency which called it into existence had passed away. The fact is, Mr. Chairman, the bankrupt law, as that term has usually been used, is only another name for a repudiation law. It means to wipe out the present status of debts and credits and begin anew.

It means, Mr. Chairman, more than that. It means that the debtor shall begin at the very bottom of the financial ladder

with money all gone and reputation little better. And, sir, it means still more than that. It means in many cases that the losses of the creditors who get but a moiety of their dues through the bankrupt courts, too often are reduced to the necessity of beginning also at the bottom of the ladder, alongside of the debtor, both in the bankrupt condition together. Too often, sir, it will be found that the attorneys and the court officials are the only parties who make a profit through the operation of the bankrupt courts.

I shall not dwell, however, Mr. Chairman, on this feature of the case. I desire, first, from the very fact that bankrupt laws seem to be necessary to prove that something in the financial world has been going wrong. The leaders, writers, and speakers of the party which I in part represent on this floor have long pointed out the approach of the conditions which now exist in this country. We have not only pointed out the coming conditions, but we have pointed out the causes that have been bringing them about. And, sir, I deem it a sign of progress that the leaders of the old parties are now acknowledging the existence of the conditions, but they are not the men to speak of the facts which we have mentioned to prove their existence.

One of the advocates of the bill before the House tells us that former laws of this kind have been "emergency laws," and, of course, takes the ground that this one is; and he proceeds at once to argue that there is at present a demand for such a law. I quote from the gentleman from Pennsylvania [Mr. WOLVERTON], who, speaking of former laws and the present necessities, argued as follows:

All these acts were emergency laws passed hastily, and some of them did not and could not be expected to contain the safeguards necessary to prevent abuses. It has been freely stated that there is no demand for the passage of an act at this time, nor any necessity for such law. We have been without a bankrupt act for fifteen years. For the last eight or ten years there has been a continuous and persistent demand for this legislation from the merchants, the manufacturers, and honest insolvents of every State. Petitions have been sent to Congress from boards of trade, mercantile and industrial associations, and men of miscellaneous occupations all over the country. For the last ten years legislation of this character looking to the passage of a permanent bankrupt law has been under consideration by the House of Representatives and in its Judiciary Committee and in the Senate.

The ablest men throughout the country have given it their attention, and have rendered valuable aid by making suggestions covering almost every provision of the bill. The great volume of the business of this country is transacted upon credit. Although the amount of money per capita to-day is twice as much as it was in 1860, it is not a tithe of what would be necessary to carry on the commercial transactions of the country if all business were conducted on a cash basis. No financier could accurately calculate the amount that would be required. Mr. Albert C. Stephens, editor of Bradstreet's, in a recent article in the Forum, says that 95 to 98 per cent of the wholesale business of the country is carried on by credit.

In a great manufacturing and commercial country the credit system is absolutely necessary. Every time an article of trade or commerce is sold by one and purchased by another, and not paid for in cash, a debtor and creditor are created, and sometimes more. All credit is based on confidence. The loss of confidence in any community is the destruction of all credit. The passage at this time of a judicious bankrupt law will go far toward restoring confidence and strengthening credit. The creditor would not be obliged to watch both debtor and his associate creditors. He would feel assured that he stood on the same footing of every other creditor, and in case of misfortune would receive his share with the rest.

The true basis of credit is the certainty that all contracts will be honestly performed. How can this be exacted except through wise laws to compel the payment of debts promptly, equally, and justly to the extent of the debtor's means?

The business stagnation that now pervades this country has its foundation in a want of confidence. This want of confidence has resulted largely from the failure of debtors to meet their obligations. The insufficiency of the laws to protect all creditors alike in such times ends all credit.

From a table carefully compiled from the Bureau of Statistics I find that for the years 1879 to 1891, inclusive, there were 118,711 failures in the United States, with liabilities to the amount of $1,804,537,732. If the years 1892 and ten months of 1893 could be ascertained these figures would be enormously increased. I find for the same years there were 10,767 failures in Pennsylvania, with liabilities $176,212,624. In New York 14,987 failures, with liabilities $460,102,688; and in other States correspondingly.

Table of failures for each of the States and Territories.

The number of commercial failures and the aggregate liabilities in dollars of those who have failed from 1879 to 1891, inclusive, for each of the States and Territories, together with the totals for all of the States and Territories, are shown as follows:

States and Territories.	Number of failures.	Liabilities.
Alabama	1,378	$19,512,207
Arkansas	1,486	13,314,580
California	6,799	75,595,160
Colorado	1,682	13,621,017
Connecticut	1,910	21,671,161
Dakota (North and South)	901	8,351,775
Delaware	255	3,222,585
Florida	679	5,514,424
Georgia	2,289	29,485,287
Illinois	6,652	96,759,808
Indiana	2,629	29,502,706
Iowa	3,425	23,681,143
Kansas	2,972	23,439,208
Kentucky	2,802	33,550,259
Louisiana	2,127	$41,643,469
Maine	1,911	16,708,747
Maryland	1,560	27,823,013
Massachusetts	7,730	155,559,656
Michigan	2,875	38,785,395
Minnesota	2,602	34,672,184
Mississippi	1,968	20,311,032
Missouri	3,242	50,951,295
Montana	338	3,987,276
Nebraska	2,399	12,821,581
Nevada	275	2,761,709
New Hampshire	742	4,992,451
New Jersey	1,635	25,605,686
New York	14,987	460,102,688
North Carolina	1,706	13,494,101
Ohio	6,320	88,108,608
Oregon	1,373	8,725,397
Pennsylvania	10,767	176,212,624
Rhode Island	1,403	36,313,076
South Carolina	1,109	12,360,287
Tennessee	2,808	29,397,982
Texas	4,768	51,881,153
Vermont	539	9,804,708
Virginia	2,049	24,934,521
Washington	1,285	9,061,173
West Virginia	763	5,032,991
Wisconsin	1,994	28,817,883
Alaska, Arizona, District of Columbia, Idaho, Indian Territory, New Mexico, Oklahoma, Utah, Wyoming	1,576	17,344,698
Totals	118,711	1,804,537,732

Table of failures in Pennsylvania.

Years.	Number of failures.	Number engaged in business.	Per cent of failures.	Liabilities.
1879	711	81,633	.87	$11,328,765
1880	422	82,552	.51	6,785,724
1881	384	83,362	.46	6,196,309
1882	540	86,801	.62	9,661,702
1883	705	92,409	.76	13,571,420
1884	878	99,884	.88	19,232,165
1885	952	78,959	1.20	12,856,106
1886	822	106,526	.77	8,392,081
1887	934	83,565	1.12	15,308,192
1888	904	109,699	.82	10,499,768
1889	1,071	87,167	1.23	19,064,340
1890	1,161	114,804	1.01	17,869,465
1891	1,283	117,633	1.09	25,447,587
Totals	10,767			176,212,624

Table of failures in New York.

Years.	Number of failures.	Number engaged in business.	Per cent of failures.	Liabilities.
1879	1,304	109,459	1.19	$21,693,347
1880	878	114,096	.76	25,077,510
1881	817	116,441	.70	19,525,388
1882	899	118,980	.76	28,356,525
1883	1,130	124,354	.91	39,004,333
1884	1,424	130,180	1.09	88,825,615
1885	1,183	132,902	.89	27,874,337
1886	1,149	136,558	.84	22,265,755
1887	1,069	141,177	.75	49,114,730
1888	1,289	145,481	.88	25,004,849
1889	1,174	147,766	.79	26,846,613
1890	1,324	149,168	.88	52,521,126
1891	1,349	148,948	.91	33,991,960
Totals	14,987			460,102,688

Do not these figures show the necessity of some legislation on this subject? In my opinion, a wise and judicious bankrupt act passed at this time would do more to restore confidence, to start the wheels of our factories, and give an impetus to commerce and traffic and to rekindle the fires of ambition in the breasts of honest insolvents than any other act Congress could pass. I regard it as the most important legislation before this Congress. I believe it should claim our earnest and careful consideration, and that any law we pass should avoid the defects in previous acts, and should be intended to remain permanent on the statute books.

Mr. Chairman, in my opinion, the gentleman has made out his case. He has not only proven that there is an emergency which demands attention, but he has stated the true cause, viz., too

little money and the much credit. In the same line of thought and for the same purpose, I quote from the report of the committee in charge of the bill we are considering, pages 2 and 3:

The very general demand which has been for some years and is now being made upon Congress to pass a uniform bankruptcy law, calls attention to the following singular condition of affairs. At the time of the framing of the Constitution for the establishment of the Government the need of a bankruptcy law was foreseen. Accordingly a provision was inserted in that instrument reserving to Congress the power to pass one. A provision was also inserted by which the States were forbidden to impair the obligation of contracts. The result was that such a law could only be passed by Congress.

And yet there has not been a bankruptcy law on the statute books for some fourteen years.

In 1800 a bankruptcy law was passed, which was repealed in 1803. During 1841 Congress again acted. That law became the subject of political contention and was repealed, to take effect March 3, 1843. At the close of the late war the agitation was renewed and a measure was passed in 1867, as a relief act to those who had been financially wrecked. It was a crude, one-sided law in the beginning, and partook of the imperfections of the legislation of those days. It was subsequently amended, so that it became burdensome to the people whom it was intended to benefit, and as a result it was repealed eleven years afterward, in 1878.

It is contended by many very conservative people, and possibly by the opponents of bankruptcy legislation, that because the former laws were in turn repealed a good one can not now be drafted. To admit this proposition would be to deny the possibility of intellectual progress; to ignore the spirit of the age in which we live, and to forget that the errors of the past in matters of legislation upon this subject constitute the greatest safeguards that we have in drafting a new law. The first Congress which legislated upon this subject was without precedent or experience, but from our present standpoint there is a beacon light upon every error in legislation upon this subject, both by Congress and the States.

The latter part of this statement would seem to indicate that under the old theory of repudiation of debts it had been found very difficult to frame a satisfactory bankrupt law. England has been working at the experiment about three hundred and fifty years, and it is said that some of her laws in this line have been amended about two hundred times, with results not yet satisfactory. In my opinion, Mr. Chairman, the bankruptcy ship should be put on a different tack, in the line of payment of debts, instead of repudiation.

Before I am through with the subject I hope to show that most of the business failures of this country are caused directly by unwise class legislation by the General Government; and, since the Government is the cause of the bankruptcy to a very large extent, the relief should come in the form of help by the Government for the unfortunate, and that help should act as a partial prevention of bankruptcy in the future. The Government should act for the welfare of the people, and not for their injury. In my opinion, nine-tenths of the business failures in this country, as well as in other commercial countries, come through the contraction of the currency, and my purpose on the present occasion is to establish that point and to present a simple remedy and prevention for the evils which now afflict the country.

Mr. Chairman, I now desire to call attention to the following statement and table of clearings, to show the proportion of money necessary to make commercial credits sound and safe. In view of the fact that a very large share of the business of the country is done with private paper, many superficial thinkers tell us that the volume of money is an immaterial factor. But when the case is fully understood it will be seen that the smaller the amount the more important that moiety becomes. Thus in the clearings of the New York banks, the average amount of money needed to pay balances is less than 5 per cent. Over 95 per cent of the business in the New York clearing house is done with checks, drafts, and various forms of private paper. Though there is but a moiety of money used, yet that small amount is absolutely necessary to prevent bankruptcy. On the average, for every dollar of money withdrawn or suppressed $20 worth of business must stop, or continue at great hazard. The withdrawal of $1,000,000 of money from circulation compels the contraction of business to the amount of twenty millions. I quote the following from the report of the Comptroller of the Currency for 1892, volume 1, page 78:

The total clearing-house transactions in the fifty-seven clearing-house associations in the United States for the past year aggregate the enormous sum of $61,017,839,067, and this great volume of business was transacted by the use of only about 8 per cent in currency or money. These clearing-house transactions have such a direct and important bearing upon the currency of the country that a report upon the currency would be incomplete that did not include the history of the clearing-house transactions for a year. For that reason the following tables, giving full information upon the subject, are submitted.

It will be seen by this statement that the average amount of money used in the fifty-seven clearing houses of the United States is 8 per cent. That is nearly double the amount needed in the New York clearing house, as I have stated, and as will be seen in the following table taken from the same report, page 79:

The following is a comparative statement of transactions of the New York clearing-house for thirty-nine years, and shows for each year the number of banks, aggregate capital, clearings and balances, average of the daily clearings and balances, and the percentage of balances to clearings:

Year.	Number of banks.	Capital.*	Clearings.	Balances paid in money.	Average daily clearings.	Average daily balances paid in money.	Balances to clearings.
							P.ct.
1854	50	$47,044,900	$5,750,455,937	$297,411,494	$19,104,505	$988,078	5.2
1855	48	48,894,180	5,362,912,008	289,694,137	17,412,052	940,565	5.4
1856	50	52,883,700	6,906,213,328	334,714,489	22,278,108	1,079,724	4.8
1857	50	64,420,200	8,333,226,718	365,313,902	26,908,371	1,182,246	4.4
1858	46	67,146,018	4,756,664,389	314,238,911	15,393,736	1,016,954	6.6
1859	47	67,921,714	6,448,005,956	363,984,683	20,867,333	1,177,944	5.6
1860	50	69,907,435	7,231,143,057	380,693,438	23,401,757	1,232,018	5.3
1861	50	68,900,605	5,915,742,758	353,383,944	19,269,520	1,151,088	6.0
1862	50	68,375,820	6,871,443,591	415,530,331	22,237,682	1,344,758	6.0
1863	50	68,972,508	14,867,597,849	677,625,483	48,428,657	2,207,252	4.6
1864	49	68,586,763	24,097,196,656	885,719,205	77,984,455	2,866,405	3.7
1865	55	80,363,013	26,032,384,342	1,035,765,108	84,796,040	3,373,828	4.0
1866	58	82,370,200	28,717,146,914	1,066,135,106	93,541,195	3,472,753	3.7
1867	58	81,770,200	28,675,159,472	1,144,963,451	93,101,167	3,717,414	4.0
1868	59	82,270,200	28,484,288,637	1,195,455,237	92,182,164	3,642,250	4.0
1869	59	82,720,200	37,407,028,987	1,120,318,308	121,451,393	3,637,397	3.0
1870	61	83,620,200	27,804,530,406	1,036,484,822	90,274,479	3,365,210	3.7
1871	62	84,420,200	29,300,986,682	1,209,721,029	95,133,074	3,927,666	4.1
1872	61	84,420,200	33,844,369,568	1,428,582,707	109,884,317	4,636,632	4.2
1873	59	83,370,200	35,461,052,826	1,474,508,025	115,885,794	4,818,654	4.1
1874	59	81,635,200	22,855,927,036	1,286,753,176	74,692,574	4,205,076	5.7
1875	59	80,435,200	25,061,237,902	1,408,608,777	81,899,470	4,603,297	5.6
1876	59	81,731,200	21,597,274,247	1,295,042,029	70,349,428	4,218,378	5.9
1877	58	71,065,200	23,289,243,701	1,373,996,302	76,358,176	4,504,906	5.9
1878	57	63,611,500	22,508,438,442	1,307,843,857	73,555,988	4,274,000	5.8
1879	59	60,800,200	25,178,770,091	1,400,111,063	82,615,540	4,560,022	5.6
1880	57	60,475,200	37,182,128,621	1,516,536,631	121,510,224	4,956,009	4.1
1881	60	61,162,700	48,565,818,212	1,776,018,162	159,232,191	5,823,010	3.5
1882	61	60,962,700	46,552,846,161	1,595,000,245	151,037,935	5,195,440	3.4
1883	63	61,162,700	40,293,165,258	1,568,983,190	132,543,307	5,161,129	3.9
1884	61	60,412,700	34,092,037,338	1,524,930,994	111,048,982	4,967,302	4.5
1885	64	58,612,700	25,250,791,440	1,295,355,252	82,789,480	4,247,009	5.1
1886	63	59,312,700	33,374,682,216	1,519,505,385	109,067,589	4,965,900	4.5
1887	64	60,862,700	34,872,848,786	1,569,626,325	114,337,209	5,148,316	4.5
1888	63	60,762,700	30,863,686,609	1,570,198,528	101,192,415	5,148,192	5.1
1889	63	60,762,700	34,796,455,529	1,757,637,473	114,839,820	5,800,784	5.0
1890	64	60,812,700	37,660,686,572	1,753,040,145	123,074,139	5,728,889	4.7
1891	63	60,772,700	34,053,698,770	1,584,635,500	111,651,471	5,195,526	4.6
1892	64	68,233,500	36,279,905,236	1,861,500,575	118,561,782	6,083,335	5.1
Total	....	†68,515,265	‡966,597,212,585	‡244,285,630,425	†82,470,719	†3,701,883	4.4

*The capital is for various dates, the amounts at a uniform date in each year not being obtainable.
†Yearly average for 39 years.
‡Totals for 39 years.

As about two-thirds of the clearing-house business of the entire country is done through the New York clearing house, its business is a fairly good test as to the average commercial and industrial prosperity of the country. In looking down the column of "clearings," the footprints of every panic, and every era of prosperity can be traced. From the time of organization, the clearings gradually grew with one slight exception, till we struck the panic of 1857. The clearings then dropped nearly one-half, then gradually recovered almost to their former amount, but dropped again in 1861, when so many banks went out of existence.

Under the influence of the greenback expansion, the clearings began to grow in 1862. In 1863 they exceeded any previous year. The clearings after that continually increased, in keeping with the growth of population and business, until 1869. That year the amount of clearings in New York reached over thirty-seven billions of dollars. Up to that date the contraction screws of 1866 had exerted little influence on business; but, as their merciless grip began to tighten, the clearing-house transactions reported the story in 1870, by a falling off of nearly ten billions. In 1871-'72 there was a slight recuperation, but not equal to 1869. Then came the demonetization of silver and the panic of 1873. The clearing-house business reported the fact by a drop in 1874, lower than had been seen in ten years. The country gradually but very slowly recovered from the panic of 1873, but did not reach the figures of 1869 until after the remedial laws of 1878.

One of these laws added to the circulation two millions per month of silver. The other prevented the further retirement of greenbacks. Under this slight increase of money the clearings began to grow steadily, so that in 1880 the amount of 1869 was almost reached. In 1881 the clearings in New York reached the highest figures ever known up to that time or since. They reached the healthy and prosperous figures of forty-eight and a half billions ($48,565,818,212).

This national prosperity was not pleasing to the money power. So about that time commenced the hoarding of money by the United States Treasury and the retiring of their currency by the banks. Under the influence of that policy of contraction by the Government and the banks the New York clearings at once began to shrink. And, although the population of the country was increasing at the rate of more than a million of people per

annum, and as a matter of course should annually have done an increasing business, yet the clearing-house reports show that business did not increase. In 1885 we did but little over half as much clearing-house business as in 1881. In 1892 we did less business than in 1869. In 1870 the population of the United States was about 39,000,000 and in 1892 not far from 65,000,000. Here we have an increase of 26,000,000 people, with civilized methods and facilities for commerce, industry, and general business all in greatest abundance, except money. Because money is locked up at the behest of the usurers 65,000,000 people do less clearing-house business in 1892 than 39,000,000 did in 1869—twelve billions less than 51,000,000 people did in 1881.

Under the remedial measures of 1878, which partially remonetized silver and prevented the further retirement of greenbacks, the country breathed easier. The monetary stringency being relieved business at once revived. The New York clearing-house figures began to grow, showing the return of prosperity. Clearings steadily rose from twenty-two and a half billions in 1878 to forty-eight and a half billions in 1881.

In the meantime a new method of destruction was devised by the banks. The Treasury of the United States coöperated with the banks in the usurers' scheme for contracting the currency. The New York clearing house promptly reported the decline of business, and the figures of 1881 have not since been reached. They have sometimes noted but little over half the aggregate business of 1881.

Standing in his place in the United States Senate on two occasions, the late Senator Plumb, himself the president of a national bank, explained the question under discussion very fully. I will quote the Senator's statements before I close my remarks.

Mr. Chairman, I have now shown not only that the business of this country is dying, but I have pointed out the cause and the manner of the approaching dissolution.

Mr. Chairman, notwithstanding this array of circumstantial testimony, all the leaders of the two old parties, and even members of Congress and high officers of the Government still stoutly deny that there has been any contraction of the currency since 1866. To place this matter beyond dispute I will now offer some correspondence which I had on this subject with the Secretary of the Treasury under the late Republican Administration. In April, 1892, I addressed an open letter to the Secretary as to the misleading nature of his official reports. In August of the same year the Secretary replied to my letter in pamphlet form. The following is my second open letter, written in reply to that pamphlet:

JUNCTION CITY, KANS., *October 27, 1892.*

To the Secretary of the Treasury
of the United States, Washington, D. C.:

SIR: I have before me a "letter" from you, dated "Washington, D. C., August 26, 1892," in reply to questions asked you by Hon. JOHN B. ALLEN, United States Senator, and Hon. W. H. CRAIN, respecting my discussions of your official report of 1891, in my former open letter to you.

In your report for 1891, page 28, you say:

> The stringency of the money market during the summer and autumn of 1890 was relieved by the prompt and effective measures of my predecessor, and happily disappeared without producing the grave consequences which were feared by the public; but its existence and the widespread apprehension which it caused induced a revival of the erroneous idea that the volume of money in circulation was not only inadequate to the needs of the country, but was very much less per capita than during the so-called flush times which followed the civil war.

Farther down on the same page you call attention to "the mistaken opinion that there has been a severe contraction of the money volume," etc.

This statement brings up the entire subject of the contraction of the currency and its baleful results. But the first and main question is as to the status of the 7.30 Treasury notes which played so important a part as currency and as reserves of banks, setting free other currency, until they were retired by funding into gold-bearing registered bonds. You deny that they circulated as currency, and do not mention them as such in your tables. Yet you admit that $44,000,000 of them, in the denomination of $50, may have circulated as currency. Should you not, in fairness to yourself, have made some statement of this admission in your official report?

Secretary Fessenden says that he caused $20,000,000 of the 7-30 notes to be paid out to the soldiers in the field at one time. You think this cuts no figure, as the soldiers "desired to receive them, and received them with alacrity." It may fairly be supposed that the soldiers' families at home also "desired to receive them." And that the merchants at home and others "received them with alacrity" for family supplies and in the general course of business. The fact is, Mr. Secretary, your doctrine that the 7-30 notes did not circulate as currency because, as you claim, they were not a legal tender, will not hold good. The same doctrine would be as good against all the bank currency of the country, both State and national, because none of it is or has been a legal tender to private individuals. To imitate your own statement, "paymasters can not in any true sense 'pay out' these notes to creditors." Hence, according to that logic, bank notes have never circulated in this country as currency. You count in your tables "State-bank notes" and "national-bank notes" as active circulating currency.

Neither of them are legal tender on private debts, yet you reject the 7-30 notes for the alleged reason that they were not a legal tender; and, apparently, you claim that they did not circulate, though they were "readily taken in payments!" What an idea to come from a great public officer! Currency cannot circulate, even if men accept it readily in payments! Your position is, that no one can in any true sense "pay out" such notes. "Tell it not in Gath, publish it not in the streets of Ascalon!" It would be far truer to say that such notes can not be prevented from entering into circulation.

As to Secretary McCulloch's reports, I followed Gen. Logan's statements and tables, taken from McCulloch's reports and from other official documents. I preferred this to assuming the responsibilities of tabulation myself.

But I am charged with "disarranging" Gen. Logan's tables, and that he separated the 7-30's in his tables from the rest of the notes. I shortened his tables a single line, to save repetition, but did not change his statements or results. I followed his general formula exactly, cutting off one single redundancy.

I consider Gen. Logan a very high authority on the Republican side, and will now reproduce his tables of 1865 and 1866, with his arguments before and after them, and his table of 1873, constructed by him from the official reports cited by him.

On page 131, Appendix to the CONGRESSIONAL RECORD of 1874, Gen. Logan says:

> But there is one very material fact in this connection which Senators appear to have entirely overlooked. They seem to forget that, while our issues were largest in amount, they had no circulation worth mentioning in the South, but were confined to the North and West; but since that day 11,000,000 people have been added to the number to be supplied, and an area equal to an empire in extent. In comparing our condition and wants before the war with our condition and wants now, they forget that 4,000,000 slaves have been made free and are now learning the lessons of self-support and business life. These, sir, are no small items in the account. And those who talk so flippantly in regard to Senators who are guided by facts, would do well to consider them. And when they denounce our currency in such unmeasured terms, they would do well to remember that it has stood successfully a test that no other paper currency has ever undergone, with the whole amount, nearly double what it is at present, confined almost exclusively to the Northern States; and while an unprecedented internal war was raging, the gold brokers of New York were plying all their arts against it. When the war closed and the wall of separation was withdrawn, and the wants of a nation, increased in numbers nearly one-third, and an area nearly one-half, doubled in activity and operators, all to be supplied with a medium of exchange, just then we commence a reduction in the volume of our currency; and when we take into consideration the amount in circulation in 1865 and 1866 and the amount in circulation now, it is no wonder that the people look upon this attempt at still further contraction as something alarming. And in order to show the condition the country must be reduced to if the currency be not increased but contracted, I will give the following tables, showing the amount of currency in circulation in the years 1865 and 1866.

1865.

National-bank notes outstanding	$171,321,903
Legal-tender and other notes	608,918,800
State-bank notes (estimated)	58,000,000
Total	928,240,703
Seven-thirties of 1864 and 1865	830,000,000
Total	1,758,240,703

1866.

National-bank notes	280,253,819
State-bank notes	9,848,023
Legal-tender and other notes	608,870,825
Total	898,872,668
Seven-thirties	830,000,000
Total	1,728,872,668

Since which time contraction has gone on until the whole amount of currency of every kind now outstanding is only $742,000,000. Add the $25,000,000 of reserves since issued, making $767,000,000, as shown in the following table:

1872.

National-bank notes	$339,081,739
State-bank notes	1,888,853
Legal-tender and other notes	401,527,267
Total	741,797,919
Seven-thirties outstanding	274,100
Total	742,072,019
Add reserve issued	25,000,000
Total	767,072,019
Amount of currency in 1865	928,240,703
Amount of currency in 1873	767,072,919
Total	181,778,784
Add the seven-thirties	829,725,000
Total contraction	1,018,167,784

If we estimate the population of the portion of the United States using this currency in 1865 at 30,000,000, it gives a per capita of nearly $31, including the 7.30 bonds.

Senators will admit this was a contraction if we include the 7-30 bonds in the circulation. But let us exclude them, and we still find the contraction has been $180,448,000 since that time. Yet some on this Senate floor tell me that we have had no such thing, and they try to make me believe it. Perhaps some Senators will dispute these figures. If anyone disputes them, I refer him to a book written by a Secretary of the Treasury on the currency, and put forth by him as such Secretary (pages 94 and 96). I also refer him to the report of the Comptroller of the Currency, commencing at page 2, where the amount of currency for the various years is given. I have taken the report of the Comptroller of the Currency and the Finance Report of the Secretary of the Treasury and made this statement from them, and know that it shows correctly the amount of contraction which has taken place in the currency of the country since 1866. And by whom was the larger amount used? It was in circulation in the Northern States alone, exclusive of the people of the South, for but little of this money went into circulation in that section until after 1866, and after this contraction began.

On the same page (131) of the Appendix to the CONGRESSIONAL RECORD, 1874, Gen. Logan says:

There is another great fact connected with this question which appears to be forgotten in this debate: that near the close of the war, and for a year or two after it, when our currency was much more abundant in proportion to those using it and before the South was fully open to its use, the system of cash payments became almost universal in the interior of the country, and in fact, in most business transactions everywhere. But the increased demand to supply the wants of the South, and in consequence of the system of contraction adopted by the then Secretary of the Treasury, forced the people to expand the credit policy in a corresponding ratio or to curtail all the works of improvement and manufacturing which had been undertaken during this period. It was therefore the contraction and increased want of currency and not a superabundance which produced the necessity for running in debt of which there is so much said on this floor. Why, sir, the people were never freer from debt in proportion to the business done than in 1865, at the close of the war when Mr. McCulloch began his system of contraction and at the very time 11,000,000 more people were to be supplied.

Was it to be supposed that the activity and energy which the adequate supply of money had put into operation, and which was giving prosperity and happiness to the country, would suddenly dwarf itself to suit financial notions without a severe struggle? The inevitable result was an expedient to meet the consequent want, and credit was expanded. At the very moment, above all others, when adequate supply was needed, the opposite course was adopted; and right here lies the true cause of the late panic, which resulted from a money famine, and not from an excessive supply.

On page 133 of the same document Gen. Logan says:

Sir, turn this matter as we will, and look at it from any side whatever, and it does present the appearance of being a stupendous scheme of the money-holders to seize this opportunity of placing under their control the vast industries of the nation. Therefore I warn Senators against pushing too far the great conflict now going on between capital and labor. It is not our duty to legislate exclusively for either, but, as far as possible, to try and harmonize the interests of the two. Capital rests upon labor; but when it attempts to press too heavily upon that which supports it in a free Republic, the slumbering volcano, whose mutterings are beginning already to be heard, will burst forth with a fury that no legislation will quell. Both should be equally fostered and both equally protected.

Mr. Secretary, you say you are unable to account for the strange statement attributed to Gen. Spinner, that "the 7-30 notes were intended, prepared, issued, and used as money."

With all due deference, Mr. Secretary, I would suggest that you read the laws authorizing their issue. Let us take as an example the law of June 30, 1864. Section 2 reads as follows:

SEC. 2. *And be it further enacted*, That the Secretary of the Treasury may issue on the credit of the United States, and in lieu of an equal amount of bonds authorized by the preceding section, and as part of said loan, not exceeding $200,000,000, in Treasury notes of any denomination not less than $10, payable at any time not exceeding three years from date, or, if thought more expedient, redeemable at any time after three years from date, and bearing interest not exceeding the rate of 7.3 per cent, payable in lawful money at maturity, or at the discretion of the Secretary semiannually. And the said Treasury notes may be disposed of by the Secretary of the Treasury, on the best terms that can be obtained, for lawful money; and such of them as shall be made payable, principal and interest, at maturity shall be a legal tender to the same extent as United States notes for their face value, excluding interest, and may be paid to any creditor of the United States at their face value, excluding interest, or to any creditor willing to receive them at par, including interest; and any Treasury notes issued under the authority of this act may be made convertible at the discretion of the Secretary of the Treasury into any bonds issued under the authority of this act. And the Secretary of the Treasury may redeem and cause to be canceled and destroyed any Treasury notes or United States notes heretofore issued under authority of previous acts of Congress, and substitute in lieu thereof an equal amount of Treasury notes such as are authorized by this act, or of other United States notes: *Provided*, That the total amount of bonds and Treasury notes authorized by the first and second sections of this act shall not exceed $400,000,000, in addition to the amounts heretofore issued; nor shall the total amounts of United States notes issued or to be issued ever exceed $400,000,000, and such additional sum, not exceeding $50,000,000, as may be temporarily required for the redemption of temporary loans; nor shall any Treasury note bearing interest, issued under this act, be a legal tender in payment or redemption of any notes issued by any bank, banking association, or banker, calculated or intended to circulate as money.

In "Treasury Department Document No. 949, Loans and Currency," 1886, page 201, I find the following:

SEC. 3590. Treasury notes issued under the authority of the acts of March 3, 1863, chapter 73, and June 30, 1864, chapter 172, shall be legal tender to the same extent as United States notes, for their face value, excluding interest.

Then follows the usual provision that the said notes shall not be used to redeem bank circulation.

This fixes the status of $200,000,000 of the seven-thirties, as stated by Gen. Spinner, that they were "intended, prepared, issued, and used as money."

The act of March 3, 1865, authorized $600,000,000 additional seven-thirties, precisely like the above, except as to the legal-tender quality, and on these two acts were issued $829,992,500. (See Messages and Documents, Abridgment 1873-1874, page 96.)

There is no use quibbling, Mr. Secretary, as to what parts of the public debt have been used as currency. All forms of paper obligations issued by the Government are set down by the Treasury officers as "public debt." Part of them are susceptible of transfer from hand to hand, and are, hence, used as currency or money. That which can not be so passed from hand to hand in the common transactions of business can not be fairly classed as currency or money. By this true test the subject is rendered exceedingly simple. All forms of certificates, with or without interest, all United States notes, and all forms of Treasury notes, with or without interest, are and were uniformly used as money. The coupon bonds, usually known as Treasury notes, like the old seven-thirties were a very valuable currency. They circulated as money, and they took the place of legal tenders in the bank reserves, as described by President Grant in his message of December 1, 1873, thus setting free the legal tenders.

I remember well, Mr. Secretary, that 7-30 notes were used as currency among the merchants and farmers of Central Illinois, and men of other States told me that they were so used in their sections. I now meet men here in Kansas almost daily who distinctly remember and state the facts as I do.

In order to refresh your own memory on this subject, I respectfully call your attention to the following letter, handed me by Mr. Dunning, of Washington, D. C., to whom it is addressed. The writer, Mr. H. F. Barnes, is a gentleman of undoubted veracity, standing high in the community where he resides:

TIFFIN, OHIO, *August 31, 1892.*

DEAR SIR: Yours of 29th at hand and inquiry noted. We had no affidavit regarding the sale of land by Charles Foster, but, no doubt, could procure one. The facts, as we printed them are that G. L. Donnells, of Gibsonburg, Sandusky County, Ohio, a veteran soldier, on his return from the Army, had in his possession, as the pay he received for his services in the Army, 7.30 notes; that, with these notes, he purchased from the Hon. Charles Foster the farm on which he now resides, making the first payment in the 7.30 notes in his possession; that Mr. Foster received these notes and gave him a deed for the land.

A sworn statement of this fact can now be furnished, if necessary. Mr. Donnells is a respectable, well-to-do farmer, whose word is as good as his bond, and Mr. Foster can not deny the statement here made.

Yours, respectfully,

H. F. BARNES.

Mr. N. A. DUNNING, *Washington, D. C.*

I now call your attention, Mr. Secretary, to the testimony of the leading Republican daily of the State of Kansas, a journal which has bravely espoused your cause, and is just now giving me "Hail Columbia" in this present discussion. If I can prove my case by one of your most obtrusive and uproarious witnesses, it seems to me that I have established my point. The Topeka Capital recently discussed, classified, and arranged the circulating currency of the country very minutely and carefully.

April 4, 1890, replying to a correspondent, the Capital said:

There is still another very interesting feature about our circulation, beginning in 1866, when the actual "currency" circulation was upward of $50 per capita. But as our correspondent does not inquire anything beyond the "last ten years," we begin at 1878, just when the Secretary of the Treasury begins in his message concerning the circulation. There has been an actual decrease per capita since 1872, and a large relative decrease in comparison with the business development of the country.

April 17, 1890, replying to another correspondent, the Capital resumed the subject as follows:

Bonds due in 1868	$8,908,340
Bonds due in 1867	9,415,250
Compound-interest notes	150,012,140
Seven-thirty Treasury notes	806,281,550
Temporary loan, ten days' notice	120,176,196
Certificates of indebtedness	26,391,000
United States notes	400,891,368
Fractional currency	27,070,876
Gold certificates of deposit	10,713,180
Total	1,550,506,210

* * * * * * * *

All these different kinds of notes, certificates, etc., amounting to $1,550,506,210, were used as currency. National-bank circulation June 30, 1886, $281,419,906. Add this to the other and we have a total active "currency" circulation at that time of $1,850,239,709, which, estimating the population at 35,000,000, gives a per capita circulation of $52.

By turning to page 168 of the same report—Finance Report, 1886—we find a brief statement of "outstanding United States notes," which are classified as "not used in circulation." These are:

Demand notes redeemable in coin	$288,121
One-year 5 per cent notes	2,151,297
Two-year 5 per cent notes	5,209,335
Two-year 5 per cent compound notes	1,078,550
Three-year compound-interest notes	172,369,511
Total	181,096,804

On page 164 of the same report appears this statement:

Currency has been retired, counted, and destroyed during the fiscal year as follows:

Old issue demand notes	$200,440.75
New issue legal-tender notes	6,764,370.65
One-year 5 per cent notes	6,316,104.50
Two-year 5 per cent notes	2,506,427.50
Two-year 5 per cent coupon notes	33,363,097.50
Six per cent compound-interest notes	81,246,829.00
Gold certificates	64,913,800.00
First issue fractional currency	3,897,307.83
Second issue fractional currency	7,598,479.78
Third issue fractional currency	5,414,844.49
Discounted on above for mutilation	17,813.36
Total	211,239,515.41

If $211,239,515.41 of "currency" were destroyed during the fiscal year, and if $181,096,804 of "currency" were on hand and "not in circulation," there must have been the amount of these two items ($392,336,319.41) in circulation at the beginning of the year. If this be added to the total given above as the actual circulation at the end of the fiscal year (June 30, 1866), we have a grand aggregate for the beginning of that year—$1,850,239,709 plus $392,336,319.41 equals $2,242,576,028.41—a per capita circulation of $64 at the close of the war, July 1, 1865.

Mark you, this is not my statement. It is the testimony of one of your Republican witnesses, who, on August 30, 1892, speaking of your "letter," says:

The people of the Fifth district in this State will be particularly interested in this exposure of Congressman Davis's attempt to falsify the speech of Gen. Logan.

I congratulate you, Mr. Secretary, on this leading Republican witness. I am much pleased that he is on your side. Your cause needs him, and he will swear to anything!

In passing, Mr. Secretary, I desire to ask: If there has been no contraction of the currency since 1865, why did Gen. Logan make his able and earnest speeches of January and March, 1874? Why have so many able and earnest men of both political parties, in both Houses of Congress and in the Treasury Department, declared or admitted the fact? Are you not now, Mr. Secretary, testing the intelligence of the American people too severely when you ask them to accept your official statements in opposition to the testimony of so many statesmen and financiers who have taught or admitted the opposite? In short, Mr. Secretary, how do you account for the general fall of prices of labor and its products since 1865 if there has been no decrease of money as compared with population and business?

In 1888, Senator Plumb, discussing this currency question, said:

But this contraction of the currency by means of the retirement of national-bank circulation has been going on for more than ten years, and all the committee has to say now is that it has considered some bill, but it is not completed. If the committee will not complete some measure the Senate must. If the Senate will not, and the other House will not, then the country is going upon the breakers of financial disturbance. As a Senator says in my hearing, "It is there now." I think it is there now. We are dealing with a question which has more to do with the welfare of the people of the United States, which is of more concern to them than any other thing that is pending in either House of Congress, or which can be pending—the volume of the circulating medium of the country, the value of its property, the difference between debt and bankruptcy, on the one hand, and freedom from debt with prosperity on the other.

It is estimated that there are in circulation, including that which is locked up in the Treasury and held in the banks as a reserve fund, about $1,600,000,000 of all kinds of currency of the United States, gold and silver, the overplus of gold and silver certificates, greenback notes and national-bank notes, all told, and there are more than $60,000,000,000 of property which must finally be measured by this volume of currency. It has been contracted during the last year more than 5 per cent in addition to all that has occurred by reason of abrasion and loss. No man can tell the volume of greenbacks outstanding. Nominally it is $346,000,000 and a fraction, but that volume has been subject to all the accidents which have occurred during the past twenty-five years, whereby money has been consumed, worn out, lost, and it is doubtful if the amount is really over $300,000,000 to-day.

But saying nothing about that, the retirement of the national banking circulation during the past twelve months has been 5 per cent of the total amount of the currency outstanding. There has been during that period a phenomenal depreciation of the prices of property. There has been the greatest depreciation of the price of agricultural products the country has ever known.

* * * * * * * * *

The contraction of the currency by 5 per cent of its volume means the depreciation of the property of the country $3,000,000,000. Debts have not only increased, but the means to pay them have diminished in proportion as the currency has been contracted. Events based upon nonlegislation have proved of advantage to lenders, but disastrous to borrowers.

* * * * * * * *

The Senator from Delaware [Mr. Saulsbury] the other day spoke with great feeling about the mortgaging of farms in this country. So far as that complaint relates to a general condition, to the lack and to the shortcomings of legislation, it is more nearly related to the diminished volume of currency than to any other one thing.

In June, 1890, Senator Plumb continued the discussion of this subject, as follows:

Let us see, therefore, how much money is available for actual use among the people. From the total of $1,560,000,000, arrived at as above, must be deducted an average of $260,000,000, which the Treasury always keeps on hand, and about which something has heretofore been said in the debate on this bill, and that leaves as the maximum which can by any possibility be used $1,300,000,000. There ought, in fairness, to be deducted from this $150,000,000, error in estimate of gold in the country, which would reduce the money outside the Treasury to $1,150,000,000. From this is to be subtracted the $600,000,000 kept as reserve, as before computed, leaving a balance of $550,000,000 which is available for delivery or use in the transaction of the business of all the people, or a trifle over $8 per capita. But the force of my argument is not materially weakened by conceding the gold coin to be as estimated by the Treasury Department, which would leave in actual circulation $1,00,000,000. In order to make up this amount all doubt must be resolved in favor of the Treasury and against the people, both the doubt as to the amount of lost and destroyed notes and that as to the gold supply.

If I were deciding this case upon what I consider the best evidence, I would be bound to say that I believed the money in actual circulation did not much, if at all, exceed $500,000,000. Upon this narrow foundation has been built the enormous structure of credit of which I have spoken. It is the greatest of the kind that was ever built, because it was built by the best people that ever built anything. Over twenty thousand millions of debts, the enormous and widely extended business of 65,000,000 people, all rest upon and must be served by a volume of currency which must seem to the most veteran financier as absolutely and dangerously small.

Senator Plumb was an able Republican statesman. He was a national bank president and financier. He made the subject of the finances a special study for many years from a practical standpoint. He was no dreamer or wild theorist. He uttered his sentiments in the Senate Chamber in 1888. They were printed in the RECORD. They were then revised by him and placed in pamphlet form for general distribution. I have a copy of that pamphlet on the table before me. After two years of further consideration, practice, and observation, the Senator again uttered his sentiments in the same able manner, warning the nation against the same financial dangers as before. His sentiments were again printed in the RECORD. They were again revised by him and placed in pamphlet form for general distribution. I have a copy of that second pamphlet before be. Is it possible that our present Secretary or any sensible man can believe that those able and earnest Senators, Logan and Plumb, were wrong, and that there has really been no contraction of the currency, as compared with the population, since 1865?

Is it possible that the general fall of prices, the increase of bankruptcies in business, the prostration of agriculture, the depression of labor, the losses of the people's homes through mortgaged foreclosures, and all those evils which uniformly result from currency contraction must now be attributed to other causes? Mr. Secretary, in my opinion, you are testing too severely the patience and credulity of a trusting and long-suffering people! King George and the slave power committed a similar blunder. King George and the slave power disappeared like frost in the bright sunshine. They tried to save themselves by repressive laws and physical violence. Both failed. Then, if the events of history prove anything, why should the money power of to-day hope to save itself by repressive laws, Pinkerton bullets, and the hanging of American citizens by the thumbs, while the screws of contraction are still tightening on the volume of the people's money!

King George made his history. The slave power made its history. The money power in this country is making its history. In each struggle there were friends and foes of the people. Mr. Secretary, I beg of you, take sides in this contest, so that your posterity will read your history with pride and pleasure! Do not, I beg of you, help to throttle the prosperity and liberties of a great and glorious people, in this greatest struggle of all ages!

On page 4 of your "letter" you say that you are unable to find the seven-thirties among the items of circulation in Secretary McCulloch's tables of 1865 and 1866. But on page 8 of your "letter" you give a table from Secretary McCulloch's report of 1866, in which I find eighteen varieties of "public debt." This table includes interest-bearing bonds, registered and nonregistered; seven-thirties, United States notes, fractional currency, etc. On the same page I find another table of the public debt for August 31, 1865. In that table, also, are seven-thirties, United States notes, fractional currency, etc.

It appears from those tables that the people are using a part of the public debt for currency or money. The question arises, then, what part? What portions of the public debt can and do the people use as currency? Evidently that portion or those parts which can be passed from hand to hand without the trouble of transfer on the register's books. In other words, all United States notes, all fractional currency, all Treasury notes, and all coupon or nonregistered bonds can be and will be used as currency. Registered bonds can not pass from hand to hand except by transfer on the books. Hence registered bonds are not used as the currency of the people. Now, Mr. Secretary, who is to draw the line between the currency and the noncurrency? And shall it be drawn above or below the seven-thirties? Gen. Logan draws it above. Many able men agree with him. And many thousands of business men and ex-soldiers, now above 60 years of age, agree with him. The people drew the currency line as Gen. Logan did, above the seven-thirties, including the seven-thirties as money. No historic fact is truer than this. Although they may have been and were treated by the Treasury Department as bonds, yet, when disposed of by the Department, there was no power able to prevent their circulation as money. The fact that they

drew interest did not prevent it; it is not unusual for interest-bearing obligations to circulate as money.

The circumstance that some of them were not legal tender did not prevent it, as the same lack of tender would stand against all bank notes which circulate as money. There is but one practicable and effective way of preventing nonregistered Government obligations from circulating as money. It is to fund them into registered bonds. They then become a fixed investment, beneficial to the bondholders and a burden to the people. Hence the unseemly haste of the agents of the money power to fund all the obligations of the Government into long-time registered bonds. They carried the scheme fully against the 7-30 Treasury notes and other forms of temporary obligations, and even had some success against the greenbacks.

Mr. Secretary, on page 9 of your "letter," you quote from Secretary McCulloch in 1867, as follows:

Thus the condition of the country and the Treasury determined the policy of the Secretary, which has been to convert the interest-bearing notes, temporary loans, etc., into gold-bearing bonds, and to contract the paper circulation by the redemption of United States notes.

After that quotation, Mr. Secretary, you say:

That the conversion of interest-bearing notes into gold-bearing bonds was not a contraction of the currency is made plain by this brief quotation.

Here we have the "brief quotation" from Secretary McCulloch, in 1867, to prove that there had been no contraction of the currency. On the other hand, we have the experience of the American people showing that contraction and its baleful results had proceeded to such a cruel and alarming extent that, in 1868, the people demanded and obtained a repeal of the contraction law of 1866. It appears, you say, that the various classes of securities paid off or converted into long-time bonds prior to December 1, 1868, amounted to $1,265,815,081.

Now I desire to add that such portions of that sum as were funded into registered bonds were taken from the monetary circulation of the country, and were to that extent a contraction of the currency. The recorded experience of mankind at large, and of the American people, is better authority than the written words of even a Secretary of the United States Treasury. You admit, Mr. Secretary, that there was a contraction of United States notes to the extent of $58,000,000 between April 12, 1866, and February 4, 1868. In all conscience, sir, when we consider the rapid expansion of the country and population by natural growth and enterprise, and the additions of States and peoples from the South, all requiring money, as described by Senator Logan and President Grant, it does seem that Secretary McCulloch's diabolical scheme was a marked success, and he should not have spoken of it as an "unavailing effort." The Secretary was entirely too modest. And when we consider the retirement of other forms of currency, it would appear to almost anyone that the serpent in Paradise was scarcely more successful than our modest Secretary in 1866, 1867, 1868.

You say that no reductions are made for lost and destroyed currency because "the Department has no authority to deduct from its liabilities any estimated amount of such losses."

Yet, when the Secretary assumes to "estimate" the population of the country, and to "estimate" from month to month the amount of currency in the hands of the people, either with or without law, then those "estimates" and the resultant per capita should be approximately correct. If $46,000,000 of greenbacks are missing, and if $150,000,000 of gold has gone to Europe, as claimed by Senator Plumb four years ago, then those items and numerous others should be duly "estimated" and allowed proper weight.

If the Government requires of the Secretary a truthful report, then the Secretary should make it truthful. If that is impossible, then he should state the case so that people can make their own "estimates." It is certainly not the part of a public officer to mislead the people, and then ask to be excused on the ground of "no authority" to do otherwise!

Mr. Secretary, we are in the midst of a serious crisis. A leading Republican Senator has recently said that we are in the midst of troublous times; that a million of men are hunting work: that capital is arrayed against labor; that our glorious land of liberty is fast becoming "the home of the rich and the land of the slave!"

Here in my beloved State men are losing their homes through sheriffs' sales and foreclosures with frightful rapidity. In four States of this Union troops were recently called out to quiet the unrest of the people. In places men and women are dying from starvation and Pinkerton bullets. Let us seek the cause of these distresses. In ten years' struggle like this in England (from 1816 to 1826), brought on by the contraction of the currency, four-fifths of the landholders of England lost their lands, and the sufferings of the common people were so great that large additions to the troops were necessary to preserve the peace, while men, women, and children died of starvation. Similar causes under similar circumstances uniformly produce the same results. The unrest of the great American people proves the fallacy of the statement that there has been no contraction of the currency. All the symptoms of contraction are present.

Mr. Secretary, I am opposed to the death of popular liberty in America, and the erection upon its tomb of a nation of serfs and tenants! This is my excuse for earnest words.

Respectfully, yours,

JOHN DAVIS, M. C.

After the bankruptcy of the same gentleman, who had then passed out of office, I felt deeply grieved that he should have been so unfortunate as to suffer through the operation of his own policy and that of his party. And I also felt still greater grief for the tens of thousands of men and people who were suffering from the same policy and conditions, having been misled by the reports of the Secretary, and thus induced to venture abroad in the sea of business when they should have kept near shore. While in this sympathetic mood of mind, Mr. Chairman, I addressed to the ex-Secretary of the Treasury my third open letter, as follows:

JUNCTION CITY, KANS., *June 20, 1893.*

Hon. CHARLES FOSTER,

Ex-Secretary of the United States Treasury, Fostoria, Ohio:

DEAR SIR: I write you for several reasons:

1. Having once enjoyed a very satisfactory discussion with you on the money question, I now desire to express my very earnest personal regrets on account of your present financial misfortune.

2. I desire to assure you that you are very likely in error when you ascribe your troubles to local causes or to personal mismanagement.

3. I desire, by means of this further discussion, to put other men on their guard, so that they may not incur distresses like those which have overtaken you. And especially do I desire that those thousands of people whom you have misled to their ruin by your official reports may be benefited.

Many thousands of bankruptcies have occurred in this country during the last twenty years, mostly from one and the same general cause, still in operation, and many thousands more will occur, just as surely as night follows day. Having been, as you think, the cause of distressing others when you yourself fell, it may be that you can now be induced to open your eyes to the facts of history and human experience, and to the financial conditions which environ all of us in this country, and thus be the means of saving many thousands of people from financial wreck and disaster. If you choose to do this, you can atone a thousand times for the local evils you regret. You must consider that great and dangerous reef on which so many are being stranded, and then point it out to all, that it may be avoided, until all of us together may be able to remove it.

You ascribe your misfortunes at Fostoria to neglect of business and personal mismanagement. You are probably mistaken. If that was the true cause, then what was the matter with those persons and companies for whom you indorsed? Are they all dolts or rascals? Surely your absence in Washington and attention to politics did not bankrupt them. If their respective enterprises had succeeded they would have paid their debts, and the very reasonable business indorsements with which you favored them would have been no damage to you. But it seems that their enterprises did not pay. They bankrupted. Their liabilities fell upon you, and you all went down together. If this was the case, then the cause may have been general to the community and not personal to yourself. But are such disasters peculiar to that particular community? Is Fostoria a particularly unfortunate place in which to do business? Not necessarily so. The same disasters and distresses have continually visited very excellent business localities during the last twenty years; and these financial cyclones are growing worse and more frequent in all parts of this great and prosperous (?) country.

To convince you, my dear sir, that neither you nor your business partner nor your town of Fostoria were necessarily to blame, I beg you to raise your eyes and look about you. Look into that great living, throbbing, delicately pulsating business index of this country—the New York clearing-house. Run your eyes up and down the column of its reports denoted as "clearings." You will find that in spite of the fact that our population is continually increasing, the clearing-house business is not. You will see that the New York clearing-house did less business in 1892 than in 1890, and less than in 1881, 1882, or 1883. Although there was an increase in 1892 over 1891, yet by consulting the column you will see that the temporary increase does not denote a permanent growth. There was a greater increase in 1890 over 1888 and 1889, but the figures fell back in 1891 and have not recovered to the figures of either 1889 or 1890. All this is in the time of a continued growth in population, amounting to nearly 3,000,000 in two years.

Now, sir, the New York clearing-house and the millions of people whose transactions affect it are not personal to yourself and your partners, nor are they local to the town of Fostoria. Hence let me conjure you to cease your personal and local ascriptions of blame. The cause is general and long-continued. I pointed it out to you in our former discussions of the finances. But you refused to see it then. You even denied its existence. I had patience with you. I knew that the time might come when you, like so many others, would be compelled to open your eyes. Men are not so very different from the lower animals after all. Mr. Jeffrson said:

Men never right their wrongs as long as their wrongs are sufferable.

Another eminent writer has said:

The people can not see, but they can feel.

I once saw a most beautiful pair of pointers—charming young puppies—thoroughbred and full of promise. But the unfortunate creatures failed to open their eyes when the proper time for that species of enlightenment arrived. Day after day passed and days passed into weeks, yet the eyes failed to unglue. The owner, in a fit of anger, beat out their brains with his cane. Next morning the beautiful creatures lay stiff and dead, brains out and eyes wide open. "Ah," said the unhappy owner, "I had to knock out your brains before you would open your eyes." I have seen great men, even high officials of this great Government, who reminded me of the pup story. When the day of adversity comes, men are more disposed to open their eyes and to do some seeing and thinking.

Sir, if you wish to corroborate the teachings of the New York clearing house, then turn to the reports of the clearing houses of other cities, more than fifty in number. You will find that, on the average, they teach the same general lesson that the business of this country does not grow and increase as the population increases. They indicate that for lack of money—the legal means of payment—business men everywhere are being driven to the wall and into bankruptcy. These things are not all personal to yourself, sir, nor are they local to your town. But there is a general cause driving us all down the rapids into the mælstrom of bankruptcy, and woe unto him who has floated from the shore so far that he can not catch hold of the willows. You have been descending the declivity with the rest of us. Under the false impression that there was water enough in the stream to float you above the rocks, you left the shore, got on to the reef, could not reach the willows, and went under, pulling down with you all who, trusting to your wisdom, had united their fortunes with yours. That is all there is in the case. It was merely a case of the "blind leading the blind."

The case can not be too strongly emphasized that our troubles come from a general cause and, as a rule, not from local or personal causes; and while I freely exculpate you from blame for submitting to the inevitable in your fall at Fostoria, as other business men are daily and hourly doing in all parts of the country, yet candor compels me to state that, in a wider and more general sense, you are to blame. You were one of the people's sentinels on the watchtowers of state to guard our interests, and you should have known and reported the true situation. It was your duty to know and report the facts. But you refused to know. You refused to open your eyes when the facts were pointed out to you. You were asleep on your post and refused to listen. My warning to you was treated as a "calamity howl," and you snored on until you and yours went down together. You even misled us. You certified monthly in your official reports that there was more water in the stream—more money afloat per capita—than ever before.

Efforts to prove to you that you were wrong but excited derision. You steered for the center of the stream in your business affairs, and went down as the penalty of ignorance. And while you mourn for those about Fostoria who went down with you, they are scarce a tithe of the men, women, and children you have destroyed or damaged. Your example as a business man and your official reports and teachings have misled many thousands, encouraging them to venture. Your Fostoria is but one in a thousand towns which your blind leadership has ruined. Your ignorance in matters of finance was most culpable. I myself pointed out to you more than a year ago the testimony of leading statesmen in this country and in Europe, including eminent men of your own party and State, which should have put you on your guard. If you had read and heeded the testimony of such men as Senators SHERMAN and Wade, of your own party and State, you would have known better. If you had read and heeded the testimony of Senator Logan in 1884 and Senator Plumb in 1888 and 1890, or of Congressmen Kelley, Ewing, Weaver, and hosts of others, with that of practical business men and bankers without number in this country, you would have known better. But you would have nothing to do with them.

If you had read the financial history of England after the wars of Napoleon, you would have seen that the United States was following England's fatal example and nearing the same disastrous results. At the end of the Napoleonic wars England stood forth at the very front of the nations of Europe in a blaze of glory. She was mistress of the ocean, she dictated the policies of the continent, and she had acquired an empire which encircled the earth. The British people were jubilant and happy. This was in 1815. In 1816 the British Parliament passed a law restricting the use of silver. Then came the first note of distress. In 1819 a law was enacted to contract and retire that currency which had conquered Napoleon and had saved "England from becoming a province of France." Under the operation of these two laws the English people were reduced to the sorest distresses. Bankruptcies prevailed everywhere; factories and shops were closed and men were thrown out of employment. By the year 1826 four-fifths of the landholders of England had lost their lands, and the public distresses were so great that troops were necessary to compel men, women, and children to starve in peace.

Now, my dear sir, these facts have all been stated over and over again by both British and American writers. Had you but read them as stated by Sir Archibald Alison, Thomas Doubleday, Mr. Godard, the Atwoods and other historians and members of Parliament, you might have learned some valuable lessons and could have been able to instruct your party, and possibly, would have steered clear of the reefs on which the industrial and financial prosperity of England was stranded, causing untold disasters and sufferings among her people. But, sir, you seemed like the beautiful little canines in the story. You were sleek (slick) and nice and full of promise (yes, of promises), but refused to open your eyes. Instead of profiting by the lessons of history, you and your predecessors in office seemed determined to consult the Shylocks and bankers of Wall street only. Of course they led you into the same ruts and into the same policies and distresses into which their fathers of London had led England in a former generation.

We have not only copied the policy of England as to restriction of silver and the contraction of paper, leading to the same general public and private disasters, but our finance ministers have been led to make the same erroneous statements and have been impelled to tell the same lies in order to deceive and mislead the people. You doubtless remember, sir, that in our public discussion in 1892 you denied that there had been any contraction of the money of the country since the war. You claimed that there was more money per capita afloat in this country in 1892 than in 1866. In order to prove this you constructed tables for your official reports. You included in the tables of 1892 much moneys not then in circulation, much that was not then in existence, and much that had long before been sent from the country. You also denied that the 7-30 Treasury notes and some other forms of war currency were ever in general circulation. I pointed out to you these errors, and proved them to be errors by Secretary Fessenden, Senators Logan and Plumb, and other eminent authorities, but you refused to open your eyes to the facts. Now, let me say to you that in doing this you but copied the example of the British finance minister in 1829. That I may be fully understood in this matter, I present a short statement from Doubleday's History of Sir Robert Peel:

A perfect knowledge of all the phenomena of circulating money is attainable by ordinary intellects, though seldom attained; and, had the Duke of Wellington been aware of the truth, he would, by a little inquiry, have avoided the ridiculous assertion with which he met the complaints of Lords Stanhope and Carnarvon. In reply to the asservation that Peel's act was causing the pressure complained of, the Duke actually went so far as to assert that the money in circulation at that moment was, notwithstanding the low and declining markets, equal to the highest amount when the paper money was in its most depreciated state! He might as well have asserted that, when the thermometer stood 32 degrees, the temperature was the same as when it rose to 64 degrees. The assertion, however, was made; and to prove it, the noble Duke produced the following extraordinate statement:

[Here follows two tables designed to show the circulation was greater in 1829 than at any time prior to 1819. The table prior to 1819 shows circulation of £64,000,000. The table of 1829 shows a circulation of £65,000,000.]

The historian then proceeds:

Making every allowance for the increase of commercial transactions and of the population up to 1830, it is utterly impossible that, with such a circulation, the fall in prices now in progress could have occurred to so great an extent, supposing the estimate to be in itself creditable. But it is a preposterous statement on the face of it. To obtain £28,000,000 in gold (as the Duke claimed) the Duke must have taken the whole coinage since 1819 and assumed it to be current, without deduction for exportation and the sums locked up in the tills of bankers, discounters, and merchants.

After getting through with the false and absurd claim as to the gold in circulation, the historian says:

The statement as to silver coin is equally fallacious—the probability being that not more than half that amount (£8,000,000) was ever current at one and the same period. This unfortunate attempt at economical calculation on the part of the minister, of course became a source of some amusement to those who had any knowledge of such matters. Elsewhere it had no effect of any kind; nor did the assertion of overproduction as an excuse for the continuous fall of prices universally over the kingdom fare much better.

Now, my dear sir, can not you see yourself in that mirror? Did you not refuse to include $820,000,000 of 7.30 notes in the circulation of the sixties in order to reduce the tables of that date? And, in your tables of 1892, did you not include many millions of gold not in the country, $50,000,000 of greenbacks not in existence, and many other millions known to be locked up from circulation, in order to swell the tables and to prove your point? And have you not been a subject of "amusement," among the Alliance schoolboys for the past two or three years on account of your parrot-like mendacity?

You merely repeated the words put into your mouth by the Shylocks as the "Noble Duke" of England did before you. From this lesson, at your expense, we may learn that like causes under similar conditions, uniformly produce like results, and that history repeats itself in general and sometimes in the minutest particulars.

Contraction of currency in every commercial country is always followed by the same disastrous results. The authors of it have the same rapacious designs, and their agents and attorneys make the same false reports, tell the same lies. History is an exacting critic, the public men who can not escape history should be very particular as to the records they make, lest their annals may prove a grief to their posterity.

By the way, Brother Foster, suppose you had now suddenly dumped into your coffers about half a million of those "buzzard" silver dollars which you have so often officially stated, "will not circulate." Could you not persuade some of the holders of your "paper assets" to take them? Would you or would you not enjoy being the "dumping ground" for European silver for a brief period? Or, to change the subject, what would you think of a loan on easy terms (say 1 per cent per annum, twenty years' time, as bankers get money), of those 7.30 Treasury notes which you received and paid out in the sixties, which the soldiers, merchants, and business men generally of that time paid out daily, but which you afterwards officially reported did not circulate nor form a part of the currency of the country? Do you think a half-million loan of seven-thirties would help you any?

Do you think you could "circulate" them into the hands of your creditors, with a little persuasion on your part? When men are in power and are designedly or thoughtlessly wronging their fellows, how forgetful they become of the revenges of history! And how little they know how soon "their chickens may come home to roost."

Let me close, my brother, by urging that this affliction of yours is merely a discipline for your good and the good of others. "Whom the Lord loveth He chasteneth, and scourgeth," etc. Let me pray you now that you harden not your heart unto destruction! It is best to yield early that the discipline may cease. With your knowledge of the wily ways of the Shylocks you may yet do a world of good for humanity, mitigating the wrongs which your misleading official reports have caused.

Do not make it necessary for the vengeance of history to imitate the owner of the lamented canines before you yield to the chastening rod. It would be a loss to the world and humanity. Our country is now on the road which leads to the grave of liberty. From the tomb can only arise the specter of despotism or the red cloud of murderous anarchy, and a dark chaos of uncertainty. In the days of your prosperity you led us along this road toward certain death. In your adversity, will you not see your error and join the band of patriots who desire to call a halt—who wish to induce a "right about face"?

I assure you, my dear sir, that in your distress you have my earnest personal sympathy. And hoping that this discipline, so richly earned, may prove a blessing to yourself and humanity, I am, with great respect, your well-wisher,

JOHN DAVIS, M. C.

Mr. Chairman, I think I have now shown that there are general causes which may be set in motion by acts of legislation that may affect every man, woman and child in the country. In my opinion the contraction of the money of the country is one of the most damaging policies that was ever enacted or adopted by a commercial people. The fact is, Mr. Chairman, we are at this moment in this country trying to solve the great and complicated problem of civilization. Other civilized nations are working with greater or less success at the same problem. It is well that we think of the matter carefully, that we may commit as few blunders, and cause as little human suffering as possible. The lawmakers of a great nation like ours occupy a very responsible position, and we should not risk the commission of blunders when it can be helped.

Mr. Chairman, the problem of savagery is plain and simple. It comprehends physical force and personal prowess only. It means "to the victors belong the spoils" and death or slavery to the vanquished. The problem of civilization is more complex, yet the statement of it is short. The great Victor Hugo, of France, has stated the problem of civilization in these words:

> The creation of wealth and the distribution of wealth.

The people of the United States, England, and other civilized nations create wealth magnificently; they distribute it badly. So perfect and so rapid is the creation of wealth in recent times that the first half of the problem of civilization may be considered solved. The last half of the problem is still before us, as much unsolved as in the crudest condition of savagery. Among the more civilized nations, including the people of the United States, we find whole classes of the creators of wealth suffering in a state of the most abject poverty and want, while other classes that are not creators of wealth at all have accumulated such enormous amounts of the earnings of labor that their presence in society has become absolutely dangerous to the liberties of the people.

What, then, are the intricacies and difficulties connected with the distribution of created wealth in civilized society? Let us analyze the subject.

The distribution of created wealth consists of two parts; the change of place of commodities, and the change of title to commodities.

What are the agents and implements in the performance of these functions and transactions? For the change of place of commodities we use wagons, boats, and cars; for simplicity, let us say we use wheels. For the change of title we use dollars.

Now, suppose that in the transportation of commodities from producer to consumer there are wheels enough in existence and in motion; the transportation goes on smoothly and normally. In the midst of this felicitous and prosperous condition of things, let some unseen power withdraw or suppress one-half or one-fourth of the wheels. The result is disastrous in the extreme. Producers can not deliver their commodities, and suffer in consequence; consumers can not receive the commodities that they desire, nor the necessities that must sustain their lives. Society is afflicted with congestion and paralysis in all its parts; and, if the unseen interference continues, confusion and suffering must continue.

What is the remedy? Plainly this: Restore the wheels, and, for the future, add as many wheels as the exigencies of transportation shall require.

On the matter of the change of title to commodities: Suppose that a requisite number of dollars are in existence and floating, and that the buying and selling of commodities is proceeding normally and smoothly—that the requisite change of title to commodities is practicable, in accordance with the necessities of society. Now suppose that some unseen power shall withdraw one-half or one-fourth of the dollars, what is the result? The same as that seen when part of the wheels were withdrawn. There can be no general change of title to commodities except on the most disadvantageous terms. There must be a general overloading of the remaining dollars which is recognized as a general reduction or fall of prices. Falling prices means general depression of trade and industry; and loss and distress among all classes engaged in changing title to commodities are the inevitable results. As titles to articles can not be safely exchanged, change of title must cease, or proceed under very adverse circumstances, and so imperfectly that society must suffer the most severe distress.

So insidious and so deceptive are the processes and results of the withdrawal of the money of society that I beg leave, Mr. Chairman, to introduce authorities on this important part of the subject. First, I refer to the language of the United States monetary report of 1877, respecting the depression of industry then existing, as follows:

> The true and only cause of the stagnation in industry and commerce now everywhere felt is the fact now everywhere existing of falling prices caused by a shrinking volume of money. This is the great cause. All others are collateral, cumulative, or really the effect of that cause.

Speaking of the progressive contraction of the currency then going on, Senator JOHN SHERMAN, in 1869, said:

> The contraction of the currency is a far more distressing thing than Senators suppose. Our own and other nations have gone through that process before. It is not possible to take that voyage without the sorest distress; to every person except a capitalist out of debt, a salaried officer, or an annuitant it is a period of loss, danger, lassitude of trade, fall of wages, suspension of enterprise, bankruptcy, and disaster. To attempt this is to impose upon our people by arresting them in the midst of their lawful business, and applying a new standard of value to their property without any reduction of their debt or giving them any opportunity to compound with their creditors, or to distribute their losses, and would be an act of folly without an example of evil in modern times.

Speaking of the long-continued and disastrous depression existing in 1874, Senator John A. Logan said:

> It is a money famine and nothing else.

In his great speech of March 17, 1874, Senator Logan quoted approvingly from Hon. Isaac Buchanan, of Ontario, Canada, as follows:

It is seen that the question of money and the question of labor are one and the same question, the solution of one being the solution of the other; plentiful and therefore cheap money being a convertible term for plentiful and well-paid employment.

William H. Crawford, Secretary of the United States Treasury, in 1820, said:

All intelligent writers on currency agree that when it is decreasing in amount, poverty and misery must prevail.

John Stuart Mill, a great English economist, states:

If the whole money in circulation was doubled, prices would double. If it was increased one-fourth, prices would increase one-fourth.

Ricardo, of England, says:

That commodities would rise and fall in price in proportion to the diminution of money, I assume as a fact that is incontrovertible; that such would be the case, the most celebrated writers are agreed.

Mr. Chairman, one is utterly overwhelmed by the volume of testimony accessible, showing that, as tersely stated by President Grant, "prices keep pace with the volume of money;" and, with this mass of available material, I have selected only the best known American and English authors.

I call special attention to the following additional testimony from the report of the United States Monetary Commission, 1877:

Primarily, then, prices must have been entirely controlled by the volume of money unaffected by credit. There can never occur a universal fall in prices and a general withdrawal of credits without a preceding decrease in the volume of money. As the volume of money shrinks prices fall. When money is decreasing in volume prices have no bottom except a receding one and they are inexorably ruled by the volume of money. In the whole history of the world every great and general fall in prices has been preceded by a decrease in the volume of money. At the Christian era the metallic money of the Roman empire amounted to $1,800,000,000. At the end of the fifteenth century it had shrunk to $200,000,000. During this period a most extraordinary and baleful change took place in the condition of the world. Population dwindled and commerce, arts, wealth, and freedom all disappeared. The people were reduced by poverty and misery to the most degraded condition of serfdom and misery. The disintegration of society was almost complete. The conditions of life were so hard that individual selfishness was the ous instinct consistent with self-preservation. All public spirit, all generonly emotions, all noble aspirations of man shriveled and disappeared as the volume of money shrunk and prices fell. That the Dark Ages were caused by decreasing money and falling prices, and that the recovery therefrom, and the comparative prosperity which followed the discovery of America were due to the increasing supply of the precious metals, and rising prices will not seem surprising or unreasonable when the noble functions of money are considered. Money is the great instrument of association, the very fiber of social organism, the vitalizing force of industry, and as essential to its existence as oxygen is to animal life. Without money civilization could not have had a beginning; with a diminishing supply it must languish and, unless relieved, finally perish.

Sir Archibald Alison, the great English historian, corroborates the foregoing testimony to the fullest extent, and says:

The two great events in the history of mankind have been brought about by a successive contraction and expansion of the circulating medium of society. The fall of the Roman empire, so long ascribed in ignorance to slavery, to heathenism, and to moral corruption, was, in reality, brought about by a decline in the silver and gold mines of Spain and Greece. And as if Providence intended to reveal in the clearest manner possible the influence of this mighty agent in human affairs, the restoration of mankind from the ruin this cause had produced was owing to the direct opposite set of agencies being put in operation. Columbus led the way in the career of renovation; when he spread his sails to cross the Atlantic he bore mankind and its fortunes in his bark. The annual supply of the precious metals—of money—for the use of the globe was trebled, before a century had passed the price of every species of produce was quadrupled. The weight of debt and taxation insensibly wore off under the influence of that prodigious increase; in the renovation of industry society was changed, the weight of feudalism cast off, and the rights of man established.

In view of the enormous power of money, by the change of its quantity, James A. Garfield, in 1880, declared that—

Whoever controls the volume of currency is absolute master of the industry and commerce of the country.

No earthly force can withstand the enginery of the financial autocrats. Thomas H. Benton said:

All property is at their mercy.

In view of the transcendent importance of the quantity of money afloat, we now proceed to inquire as to the usual manner and processes of reducing its volume. Prior to 1861 the usual and very successful plan for suppressing the currency of the country was by a run on the banks. This plan not only destroyed the money in the pockets of the people, but, by the sudden and complete contraction of the currency, it almost entirely destroyed the prices of all property.

After 1865 the old plan of contraction was not practicable; but in 1865 a law of Congress was passed for the reduction of the volume of currency, and Secretary McCulloch advised that—

The process of contracting the Government notes should go on as rapidly as possible without producing a panic.

The same Secretary reported in December, 1866, that he had during the year "counted and retired $211,000,000."

In 1872 Secretary Boutwell reported that he had canceled, "by burning," $100,000,000.

The continued contraction of the currency produced the disastrous depression of 1873, which continued until the remedial measures of 1878 were passed. One of these remedial measures forbade the further retirement of United States notes; the other provided for the coinage of silver and the issuing of silver certificates. They added to the money facilities of the country and gradually and partially relieved the financial and industrial depression.

Mr. Chairman, the contraction of the currency by locking up afflicts the country with falling prices, compelling all business men and investors to hoard in self-defense. Thus we see piled up in the great money centers unusual amounts of money belonging to individuals waiting a change from the continually receding prices of the products of labor and the commodities of commerce. And, as in all cases of the suppression of the money and consequent falling prices, we hear on all hands the moans and cries of distress, and the earthquake rumblings of threatening revolution and anarchy. Such scenes and dangers were witnessed under similar circumstances during the years 1873 to 1877.

The great Peter Cooper stated that during his long business life he had witnessed ten disastrous industrial depressions, always from the same cause, always and uniformly from a destruction or suppression of the money of the country. And British history informs us that a law for the suppression of the currency of that country was passed in 1820. At that time the country was prosperous and the British people were employed and contented. Under the influence of the Peel contraction bill four-fifths of the landholders of England, through bankruptcy and forced sales, lost their lands. The people were without employment and were suffering everywhere for the commonest necessaries of life. The suffering country was relieved by five money bills introduced in a single night by Lord Castlereagh, and passed under a suspension of the rules as matters of urgent necessity. Every bill was designed to increase money facilities. The relief was sudden and effective.

I now submit that the primal and general cause of financial and industrial depression is a suppression of the means of changing titles to the products of labor, and that this blocking of the means of distribution should be remedied by a restoration of the currency of the country.

I claim, Mr. Chairman, that the General Government should resume its exclusive sovereign right to coin and issue the money of the country, and that all money so issued, whether metal or paper, should be receivable by the Government for all dues and a legal tender for all debts and taxes. That the money so issued shall be gradually increased to the volume per capita that existed in 1865, before the law for its suppression was passed: that it be floated from the Treasury in payment of the interest-bearing debt and other liabilities of the Government, giving bondholders their option of coin or paper in such payments. And I will say further, that such volume per capita should be substantially maintained forever hereafter by the issue of new coin or Treasury notes in accordance with the increase of population, said money to be circulated through the usual disbursements of the Government. And, in order to shield from the evils of falling prices through the hoarding of money or other causes, I would suggest the creation of a bureau of prices. Said bureau should have a central head at the seat of the General Government, with branch offices in the principal commercial cities of the country.

It should be the business of the branch offices to observe and note the daily prices in their respective cities of all the important products of labor that are the commodities of commerce. Each branch office should make a full monthly report to the head office in Washington, where the average price of each commodity and of the aggregate commodities must be arranged and published monthly. Then if these monthly reports show an average monthly fall in the sea level of general prices, the per capita additions to the currency of the country must be increased. But if three consecutive monthly reports show a rise in the general sea level of prices, then the per capita additions to the currency should be smaller.

It is my opinion that the volume of the money should be maintained as nearly as possible unfluctuating, and that the general average or sea level of prices should be maintained as nearly as possible the same.

In discussing the general and bottom cause of financial and industrial depression I do not forget that there are many collateral and cumulative causes. I recognize the grievances that continually arise between the money earners and their employers, but we know that the interests of both parties are best served by steady prices and an unfluctuating money market. I know that strikes and lockouts occur oftenest, and are most difficult of management, when the volume of currency is shrinking and prices are falling. I know that individuals and syndicates may lock up money and bring down prices as well as the United States Treasurer; but our bureau of prices will correct that. I

know that there are still left for discussion the land, labor, and transportation questions, in a hundred varying forms; yet the asperities and afflictions on the body of civilized society may be smoothed down and healed with greater ease and certainty if the circulating medium of society is normal. I believe that our bureau of prices, in its monthly reports, will reveal the fact and locality of corners in the products of industry, and may lead to the discovery, exposure, and punishment of the criminals. The gold corner of Black Friday, 1873, became a possible and accomplished fact after a period of seven years of suppression of money and falling prices.

I do not believe that an unfluctuating system of finance will cure all the evils of land monopoly, but it is a historic fact that every money panic has caused thousands of the homes of the people to pass into the hands of the money lords at merely nominal prices, through sheriff's sales and foreclosures of mortgages. I do not believe that the adjustment of the money question will heal all the differences between capital and labor, but it may be safely stated that 90 per cent of the strikes and troubles in this line have occurred during a period of falling prices. At such times the capitalist has the advantage in these fights, while on a steady or rising market the employés usually gain easy victories.

Mr. Chairman, I do not claim that all the ills of society can be cured through the manipulations of finance; though one of our great leaders, Henry George, has truthfully declared that the evils of land monopoly may be remedied by "a mere fiscal change." And I believe that all reforms and all adjustment of troubles may be more easily accomplished if we have at all times steady, unfluctuating financial ground to stand upon. In my opinion, he would be a very foolish man who, designing to build an enduring edifice of masonry, should select a volcanic region where the earthquakes beneath his feet would continually change the level of his foundations. He would be a very unwise man who, when navigating the broad ocean, should choose as his guiding star a a fluctuating and moving planet, instead of the polar star of fixed certainty. So, in the construction of an enduring civilized society that is expected to live through the ages, dispensing justice and protecting the liberties of all its citizens, the system should be erected on a steady and unfluctuating foundation, and its founders should be guided by the fixed and unchanging principles of justice. Such a system can not be established on the shifting and treacherous sands of a fluctuating medium of exchange, but must stand on solid ground, where all citizens may meet on equal terms for the adjustment of their grievances and the enjoyment of citizenship.

Mr. Chairman, I now call the attention of the committee to the condition of the country brought about through the devices, lawful or otherwise, so well known and so assiduously practiced by the men and corporations whose business it is to speculate in scarce and dear money, and to grow rich through the misfortunes which their practices bring about.

Discussing the condition of the American people, Mr. Flower, in the January (1893) number of the Arena, said:

At my request, Mr. W. P. McLoughlin recently investigated the subject of evictions in New York City. He had access to the court records, and was enabled to present facts as incontrovertible as they were appalling. First, it was shown that while the number of evictions in Ireland during the year 1890 was a little over 5,000, the eviction warrants in New York City during the same period reached the total of 23,800; while the number of eviction warrants for one judicial district in the tenement region of New York, last year, reached the enormous figure of 6,100, or about a thousand in excess of the entire number of evictions in Ireland in 1890. Second, that in the city of New York for the year ending September 1, 1892, the eviction warrants issued reached the appalling aggregate of 29,720. Third, as Mr. McLoughlin indicated, if we allow five persons to the family, which is the usual ratio in computing population, we have a grand total of 148,600 human beings, who were outcasts, to all intents and purposes, in one of the most wealthy cities of the world.

Mr. Flower makes very liberal deductions for families which may have been evicted more than once during the year, and for other exceptional cases, and finally rests his estimate at the low and conservative sum of 100,000 evicted and suffering men, women, and children. He then says:

Let us imagine the spectacle of this army of haggard, half-starved men, women, and children—the army of the overpowered—uniformed in rags and tatters in midwinter, divided into one hundred battalions of one thousand each, with sable colors and muffled drums, with eyes made dull by hopelessness or baleful by despair—a section of the human family in full defeat—marching with mournful tread past the lordly palaces of Fifth avenue and gazing wistfully through the windows at the dazzling splendors of homes whose owners represent hundreds of millions of acquired wealth.

Mr. Flower, further along, says:

Beyond the 100,000 people evicted last year, there were probably three or four times that number who lived in constant fear of eviction. A spell of sickness, the loss of work for a week, a death—indeed, anything involving a few dollars' expense would result in inability to pay rent and consequently eviction. Hence this specter haunted many hundreds of thousands of lives in gay, careless, cathedral jeweled New York during the past year.

In confirmation of the wide-spread misery and biting poverty indicated by the above facts, it is well to remember the significant data bearing on this subject brought out in the carefully prepared statistical tables published by Jacob Ries in the appendix to "How the Other Half Live." In these tables it is shown that, in 1889, over 7,000 persons in New York died in the work, houses, insane asylums, and hospitals. That is to say, more than 1 person to every 5 who died in the city during that year died in one of the above-named institutions; while 3,815, or almost 1 in every 10 who died, was buried in the potter's field. These facts are as suggestive as they are appalling; and while it is unquestionably a fact that New York, being our largest city and the chief gateway from Europe, makes a more deplorable showing than other great cities, what is true of New York is true to a certain extent of Chicago, Boston, and indeed, all our leading centers of life.

Mr. Flower next gives a vivid account of a typical actual case representing a faithful daughter, Mamie Jennings, who literally worked and starved herself to death, in the vain effort to support herself and invalid mother. It is but a single case in this dark world of never-ending heartache for the poverty crushed, but it represents hundreds of thousands, in this boasted land of plenty and prosperity who die of want and despair, through no fault of theirs.

Leaving the cities, Mr. Flower turns to the country and says:

Before noticing the facts involved, let us remind the reader that the poverty of our agrarian population is not due to drunkenness, crime, or idleness; for it is well known that the farmers are among our most sober and law-abiding citizens. They are also the most incessant workers, toiling from the gray dawn till the blanket of night has completely enveloped the land. If any people in the Republic deserve to be prosperous, it is our farmers. If there is any class of people in the land who should be absolutely free from the mortgage curse, it is the farmer—for here we find sobriety married to industry—yet here again we find conditions which bear in an important way upon the query, "Are we a prosperous people?"

Mr. Flower first refers to the published official tables of the mortgage indebtedness of the State of Nebraska. He finds it very large, and that as late as May, 1892, it was increasing at the rate of $18,000,000 per annum.

He next refers to the census reports of 1890, and finds that five great agricultural States in the very center of the nation are mortgaged as follows:

States.	Number of mortgages.	Amount.
Illinois	297,247	$384,299,150
Iowa	252,539	199,774,171
Missouri	192,038	214,609,772
Kansas	228,880	243,141,826
Nebraska	155,377	132,903,322
Total	1,196,071	1,174,732,241

Mr. Flower also discusses the chattel-mortgage question, founded on the State official figures of Nebraska, and comes to the very reasonable and conservative conclusion that on the lands and chattels of the people of the five States mentioned in the table there rests an aggregate mortgage indebtedness of $1,762,098,361; in round numbers nearly two thousand millions of dollars!

After giving the figures and facts, as shown by the official returns, Mr. Flower says:

Another fact we must bear in mind is that this mortgage indebtedness we have been considering means far more than dollars and cents. True, it is appalling when considered merely as an economic problem; but when we remember the cost involved, which money can not measure, it becomes a supreme tragedy.

Then follows a picture, truthful and cruel, of this merciless tragedy, now being enacted among the farmers of this entire nation. He describes but too truly:

The muffled sobbing which speaks of vanished hope from millions of once buoyant lives; the laughter of childhood frozen by an atmosphere of dread if not despair. Youth and maidenhood unschooled in books; bowed with incessant toil, and wearied in soul and body, while the sun of life is far below the meridian. Age, pitiful beyond words, broken beneath the wheel of fruitless toil: health gone, hope vanished, and home lost that the "usurer may be satisfied." * * * The story of the five States given affords a vivid picture of the deplorable conditions among our agrarian population no less than the figures of evictions in New York reveal the presence of abject poverty in urban life which takes within its border hundreds of thousands of lives.

Mr. Flower further quotes from the census report of 1890, showing that in a nation of 12,000,000 families, 9,000,000 of them have been afflicted with the mortgage fiend, and if a part of that number are now free that freedom has been fully neutralized by the chattel mortgages, which are not mentioned in the United States census reports.

These facts, beyond the power of pen to properly portray—

Says Mr. Flower—

demonstrate that honesty, thrift, and sobriety are no longer talismen against starvation in this opulent nation, and that conditions to-day are the result of glaring social and economic evils largely due to the vicious class and special legislation of recent years.

Mr. Flower does not dwell on remedial measures, but briefly says:

I do not believe conditions will improve until (1) our financial policy is changed. The volume of currency must be greatly increased and be based on the nation's wealth and honor, instead of a commodity: * * * and until the volume of currency be increased the usurer will continue to grow more autocratic and powerful, and the toiler more completely his slave. (2) We must have * * * the telegraph and railroad owned and controlled by the nation instead of operated by a combination of individuals who levy

enormous tariffs on producers at one end and consumers at the other, that they may pay princely dividends on watered stock, and that their sons and daughters may idle in luxury while thousands toil and starve. By bringing about these changes the nation would make splendid strides toward securing "an equality of opportunity" for her children: and if these measures be augmented by legislation which would abolish all indirect taxation and absolutely destroy all speculative privilege in land, I believe the toiling millions of the Republic would experience a degree of prosperity never before realized by any populous nation; and I believe that with these measures (which look toward the happiness and well-being of all the people rather than special classes) would come higher and diviner ideals of conduct, insuring for the oncoming generation the royal heritage of justice and freedom for man, woman, and child.

Mr. Chairman, contraction of the currency and falling prices means danger and bankruptcy for business men and farmers. The latter, whose condition we are now discussing, unable to carry their burdens through the sale of their products, were compelled to borrow as a means of protection against the sheriff. The loan, temporary at first, could not be paid, except by further loans. Short loans were met by long-time loans, secured by real-estate mortgages. The country became one vast pawn shop, with loan agencies on every corner. Men borrowed to pay outstanding debts, and supply a little surplus money to repair farm buildings and fences, and to live on, till the storm should be over, as everyone fondly hoped would soon be the case But it has not yet blown over; nor is it likely to do so soon, if Wall street can prevent it. In the creation of 90 per cent of the mortgages mentioned in the discussion there were no free contracts. They were cases of compulsion. By mortgaging his home a man secured temporary relief. He gave the sheriff a few years' stand off. But, ultimately, the evil day must come. That, which was inevitable, is now here! The laws of finance—the power of money—stronger than the statutes of States and Congresses—more powerful than the edicts of autocrats—compelled the mortgages, and now prevents their payment! Even the surrender of the estates frequently fails to satify the debts, though they were formerly worth two or three times as much.

Have I here given an isolated bit of history? I have not. American and European writers agree that it was the contraction and wasting away of the Roman money which enabled the nobility to obtain their vast estates, which finally destroyed the empire, dissolved Roman society, and brought on the "dark ages." During those turbulent and sorrowful times the population of Europe fell off one-half. This means that people were killed faster than they were born. Europe emerged from that blight of the human race and the decadence of civilization, through the discovery of the American mines, bringing increase of money and rising prices. Mr. Alison says that under the influence of this prodigious force—

The burden of debt and taxation wore away and human rights were established.

In 1816, at the close of the Napoleonic wars, the British Parliament passed a law restricting the use of silver. In 1819 another law was passed to contract the currency. This gave to that country falling prices, general bankruptcy and universal distress. By 1826, four-fifths of the landholders of England had lost their lands, and the working people were so distressed that troops were used to compel men, women, and children to starve in peace.

In 1819, when Mr. Peel's bill for specie resumption was passed, Mr. Cobbett, predicting that it would never be fully enforced, said that before this measure could be carried into complete execution a million of persons, at least, must die of hunger; that it never would be completely carried out; and that if it were so he would suffer Castlereagh to broil him alive while Sidmouth stirred the coals and Canning stood by to make a jest of his groans.

Even as late as 1830 the time for broiling Cobbett had not yet arrived. Expedients were still being devised to enable the bank to resume. It was arranged ultimately that a portion of the currency, amounting to about £15,000,000, should rest on its legal-tender quality, and the remainder should be redeemed in coin. So the broiling time of Cobbett never came, but the "million people" and more were duly starved in the attempt to reach specie payment; and four-fifths of the landholders of England had surrendered their lands into the hands of the money lords.

We are now, in America, pursuing that same English policy. Our farmers are surrendering their homes into the hands of the money lords, as the English farmers did theirs under the same coercive conditions. Our working people in the cities, mines, and factories and on the farms and railroads are suffering as theirs did. Merchants bankrupt by the thousand annually. Farmers are unhoused and tenants evicted daily and hourly in the country and city by an unseen force which none can resist. Strikes of labor are rife on every hand—men, women, and children are crying for bread and struggling for life against a merciless force that is resistless. Troops have recently been called out in four States at one time to compel starving labor to die in peace.

Mr. Chairman, Senator Ingalls, of Kansas, on January 14, 1891, described our situation in this country as follows:

So it happens, Mr. President, that our society is becoming rapidly stratified, almost hopelessly stratified, into a condition of superfluously rich and helplessly poor. We are accustomed to speak of this "as the land of the free and the home of the brave." It will soon be the home of the rich and the land of the slave.

* * * * * * *

A financial system under which more than one-half of the enormous wealth of the country, derived from the bounty of nature and the labor of all, is owned by a little more than thirty thousand people, while one million American citizens, able and willing to toil, are homeless tramps starving for bread, requires readjustment.

A social system which offers to tender, virtuous, and dependent women the alternative between prostitution and suicide, as an escape from beggary, is organized crime, for which, some day, unrelenting justice will demand atonement and expiation.

Evidently Mr. Ingalls has an opinion as to the "prosperity" of our people. Judging from the success of our most flourishing industry—creating millionaires and paupers—surely we are "a prosperous (?) people!" Prosperous as Rome and France were when the rich had monopolized the lands, and had obtained control of all wealth, and the people were driven into "the frenzy of revolution," as their only means of relief.

Since it has been shown in this discussion that debts and mortgages come through the contraction of the currency, and since all history shows that the contraction of money and falling prices uniformly bring debt, bankruptcy, and great distress on all except persons receiving salaries, annuities, or fixed incomes, or capitalists out of debt, may it not be fairly presumed that an increase of money will bring relief? It is the uniform experience and testimony of all the best writers in Europe and America that more money is the first and best remedy in cases like the one under discussion.

I have already quoted the statement of the late Senator Plumb, showing that the contraction of the currency 5 per cent of its volume in twelve months reduced the debt-paying power of the people $3,000,000,000. That statement being true (and it certainly is), it follows that an expansion of the currency will increase the debt-paying power of the people. A doubling of the money would lighten all taxes and debt burdens at least 50 per cent. The country would have rising prices. Bankruptcies would cease. Industrial enterprise would revive. Labor would be employed, and times would improve. The clearing-house figures would bound upward as they did under the greenback expansion during the war. Employed labor, being well fed, well housed, and well clad, would double its demands for the products of the farm, the mines, and the factory. The workers of each prosperous industry would become the customers of every other. Every man aids in the prosperity of others when each is prosperous.

Thomas Carlyle has pictured a period of monetary stringency in England but too truly in the following language:

British industrial existence seems fast becoming one vast prison-swamp of reeking pestilence, physical and moral, a hideous living Golgotha of souls and bodies buried alive. Thirty thousand outcast needlewomen working themselves swiftly to death, and three million paupers rotting in forced idleness, helping the needlewomen to die.

Another picture is by Bob Ingersoll, describing the good times during the greenback expansion in this country, before the grip of contraction had performed its deadly work. Mr. Ingersoll said:

On every hand fortunes were being made; a wave of wealth swept over the United States; huts became houses, tatters became garments, and rags became robes; walls were covered with pictures, floors with carpets, and for the first time in the history of the world the poor tasted all the luxuries of wealth. We began to wonder how our fathers endured life.

That picture represents good times.

Mr. Ingersoll has also drawn a picture of society during contraction, as follows:

No man can imagine, all the languages of the world can not express what the people of the United States suffered from 1873 to 1879. Men who considered themselves millionaires found that they were beggars: men living in palaces, supposing they had enough to give sunshine to the winter of their age, supposing they had enough to leave all they loved in affluence and comfort, suddenly found that they were mendicants, with bonds, stocks, mortgages, all turned to ashes in their hands. The chimneys grew cold, the fires in furnaces went out, the poor families were turned adrift, and the highways of the United States were crowded with tramps.

In 1867 Senator Ben Wade, of Ohio, said:

To talk of specie payment, or a return to specie under present circumstances, is to talk like a fool. It would destroy the country as effectually as a fire, and any contraction of the currency at this time is about as bad.

In 1874, after the fangs of contraction were bleeding the country at every pore, Senator John A. Logan pleaded the cause of the people most ably and fearlessly. In one of his speeches, March, 1874, he quoted approvingly from the Berrien County (Mich.) Record as follows:

The people have and do realize that their most prosperous times were when currency was the most plentiful. It is true it was not so good for the money-lender and the capitalist, but for the laborer, the manufacturer, the producer, three-fourths of the entire country, it was far better than it is to-day.

He then goes on to say:

Why is it that Representatives forget the interests of their own section and stand up here as the advocates of the gold brokers and money lenders and sharks, the same class of men whose tables Christ turned over and whom he lashed out of the Temple of Jerusalem. * * * Carry out the theory of the contractionists and what must be the inevitable result? Every enterprise and industry must be dwarfed in like proportion. The busy hum of the spindle will cease its sound in many a mill which now gives employment to hundreds of active hands and supplies the comforts of life to many a happy home.

The bright blaze of many an iron foundry, which gives life and cheerfulness to the grand scenery along the streams of Pennsylvania, will cease to gild the night with its rays. And the same industry in my own State, and that of the Senator from Missouri, which has been so rapidly increasing of late, will be crippled, and hundreds who now find employment there will be compelled to seek a home elsewhere for want of work. The undeveloped resources of the South and West, which we have just begun to appreciate, will rest in abeyance till a wiser policy shall bring them into use.

British writers dwell long and ably on the subject of currency contraction and expansion. The uniform testimony is to the effect that contraction is a blight and a curse. Sir Archibald Alison says it was the contraction and wasting away of the Roman money which brought on the Dark Ages, the history of which is so painful to read; and he claims that it was the increase of money through the discovery of the American mines which enabled Europe to recover from that dismal condition, and again to start on the road of progress.

Mr. Thomas Doubleday, in his history of Sir Robert Peel, discusses very fully the evils of contraction, and its uniform and distressing results. He, however, gives one case in which contraction was justly and equitably effected without evil results. It was in the case of Portugal. The government of that country, desiring to reduce the volume of the currency 20 per cent, also enacted that all debts and monetary obligations should be scaled down 20 per cent. That was fair toward all classes, and no evils or discontents resulted from this wise and equitable policy.

There is a power in money, merely through changes in its quantity, which no human agency can resist. There is no engagement, national or individual, which is unaffected by it. The enterprises of commerce, the profits of trade, the arrangements in all the domestic concerns of life, the wages of labor, the transactions of the highest and lowest amounts, the payment of debts and taxes, are all affected by the quantity of money in circulation. There resides in money the most enormous power known to man. It is the tide in human affairs upon which all things must rise or fall. It is as irresistible as the wings and wheels of commerce on the high seas and the broad continents. More powerful than the thunder blasts of armadas that throb upon the ocean, or the tread of continental armies; and this mighty force is self-acting in all the large and small transactions of men. This is the concurrent testimony of the ablest writers.

Mr. Chairman, I think I have proven that this country has been in bad legislative hands, and that our people need help. But, sir, I can not conceive how the bill for the repudiation of debts can help us. There is no great number of people in this country who wish to shirk the payment of a single just debt, according to the law and the contract, in money as valuable as that they borrowed when their debts were incurred. Give them a fair chance and they will pay all their debts. Let the Government treat our common working and producing people as it has treated the bankers during the past quarter of a century, and there will be no need of repudiation laws. Give our farmers money on as easy terms as bankers get it and there will be no need of laws "impairing the obligations of contracts."

Mr. Chairman, I am opposed to the bill now under consideration for several reasons. It is too long and too complicated. The lawyers can not understand it without a dictionary, and in the kindness of the fathers of the bill they have made one. And even with this they do not agree as to what the bill means. It seems, also, that this bill is intended to benefit the least worthy class of the community; namely, the speculators. I am willing to admit that most laws are made, and perhaps must be made, so as to primarily benefit some one class of persons more than others, but that feature should be avoided as far as possible. And it should ultimately be of general benefit to all men, and an absolute injury to none of the worthy members of society.

Mr. Chairman, I will not now discuss the details of this bill, and will content myself with a few quotations from the speech of the gentleman from Texas [Mr. KILGORE], who has handled the matter so fully:

Mr. Kilgore, in his speech of October 25, said:

The writers for these papers never studied the provisions of the bill; they did not know what was in it, nor did they care. They did not know that it was originated by and devised in the interest of the wealthy wholesale dealer to the end that he might harrass, oppress, and blackmail and destroy, at his own sweet will, the host of small traders throughout the length and breadth of the land. They did not know that it was full of conspicuous and flagrant incongruities which left its interpretation to officials whose very position made them unfriendly to the small debtor in a contest with his wealthy creditors.

They did not know that it carried in its body the elements and the spirit of a most vicious paternalism, that it bristled with harsh and inhuman remedies in the interest of the creditor, and cruel and unusual penalties against a debtor who may have been guilty of no greater crime than mere misfortune.

They did not know that it transcended the limits of free government, and would precipitate widespread and unmeasured harm upon the most numerous class of the plain people of the country.

If these great papers had known all these things about this measure it would not have wrought any change in their course. Their servile and mercenary devotion to the aristocracy of aggregated wealth control their convictions and their opinions and their judgment on all questions which are supposed to imperil the pecuniary interest of this gilded aristocracy. Patriotism—a regard for the principles of free government and constitutional liberty and for the interest of the great mass of people—exercises no influence with the metropolitan press when they conflict with the private interest and private fortune of the favored few.

Notwithstanding the abuse and criticism which the "big dailies" of the cities have chosen to mete out to the opponents of this measure, I have not changed my mind in the least on the subject and I have not abated a single jot or tittle of my opposition to the bill. The more I have investigated its provisions, the more I have comprehended its meaning and purpose, the stronger has become my conviction that it is entirely vile and bad. It can be safely asserted in this Hall and outside of it that any measure which has the constant, watchful care and attention of the lobby has behind it some improper motive and is generally loaded with some scheme, the purpose of which is to subserve the interest of only a limited class of selfish people.

One of the strongest objections to this bill is that it has been pushed from the time it went on the Calendar in the Fifty-first Congress by a shrewd, able, insidious, and assiduous and persistent lobby.

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It is not the purpose of this measure to prevent preferences, fraudulent nor any other kind. Its projectors and advocates know that can not be done. Its only object is to lodge with the wholesale people the power to coerce and to crush at their will the retail dealer.

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It is the history of nearly every estate that was administered in the bankrupt court in the district in which I live that the creditor got nothing or very little. If a creditor got 5 per cent of his debt he was a fortunate man. Nine times out of ten the estate did not yield more than enough to pay the lawyers and the costs of court; sometimes not so much. Yet it is proposed here now to precipitate that same condition of things upon the country, and all this merely to prevent the chance that some one man in five hundred who fail may fraudulently prefer some member of his family or other creditor, or to prevent the resident creditor getting his attachment in ahead of the nonresident creditor.

That is about all that it is claimed can be accomplished by this proposed law. I say it is unnecessary to have any involuntary system of bankruptcy in this country, but if this House is to agree upon a voluntary system, it can not be framed upon this bill. The whole matter will have to be referred to the Committee on the Judiciary, and they will have to frame a bill based upon the idea of a system of voluntary bankruptcy.

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The debtor can be dragged into the Federal court at the suggestion of one of his creditors. If he has a dozen creditors or a hundred, under the provisions of this bill any one of them controlling $500 of his indebtedness can carry him and his property and business into the United States court and try the question of his solvency, and this same creditor can put him into that court and have an inquiry as to whether or not he has been guilty of any wrong or fraud in the conduct of his business or suffered any misfortune which his vigilant and exacting creditors could use against him. If he has less than twelve creditors, any one of them owning as much as $500 worth of claims against him can put him into the bankrupt court and have him tried for an act of bankruptcy. If he has more than twelve creditors, any one of them can prefer the charge against him that he is guilty of some act of bankruptcy and carry him into court, but can not compel an adjudication unless other creditors join in the petition. If he is acquitted of the charge, and it is found his property is sufficient to pay his debts, and he is discharged, he is nevertheless ruined; he is a ruined man, and you know it.

You know how sensitive and delicate the credit of a merchant is. When he has been taken by one creditor or three creditors into the Federal court or into any other court to determine the question of his solvency, and whether he has perpetrated a fraud on his creditors or not or done anything declared to be an act of bankruptcy by this bill and he is subjected to the provisions of the bill and discharged with the verdict that he is not guilty, still his ruin has been accomplished. And any man, an enemy, who could acquire possession of $500 of his indebtedness can at any time put the debtor in the Federal court and that means, as I have shown, his utter ruin. It is scarcely then a question of solvency, because ruin follows anyhow, the ruin of the debtor, and he is absolutely without any remedy for the malicious wrong which he may suffer at the hands of his enemy.

Mr. CULBERSON. And, if my colleague will permit me, there is no method prescribed in this bill by which you shall ascertain the fair market value of the property; whether it is to be a cash sale, or whether it is to be a sale on credit, or whether it is to be sold at the tax valuation, or what not.

Mr. KILGORE. I thank my colleague for the suggestion; and the fact that no reasonable rule can be prescribed under the definition given in the bill will constitute the greatest difficulty in such trials. There is no provision and there can be none by which to determine the matter, for if a man sets up that the property real and personal is worth $10,000, and they go to the tax roll and see that at a certain time it was rendered for taxation $7,000, a difficulty arises at once as to a "fair valuation."

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Now, Mr. Chairman, I want to talk a little about the details of this bill. There are some rather funny things in it. It has in it a dictionary full of definitions no man ever heard of before, and Congress is, mind you, called on to enact this dictionary and make it a part of the law of the land.

Among other things it says:

"Words importing the masculine gender may be applied to and include corporations, partnerships, and women."

Now, Mr. Chairman, as little as you may think of it, by this legislation our women may be converted into corporations. The bill absolutely abolishes all distinctions between men and women, and all distinctions between women and corporations; and when a man has gone out and courted some good-looking girl, spent days, and weeks, and months, and all his spare shekels wheedling her into matrimony, and after he has at last succeeded, it turns out he has married a blasted and soulless corporation. What are we coming to? [Laughter.]

That is not all. Not half. The bill goes on to say that—

"(28). Words importing the plural number may be applied to and mean only a single person or thing; (29) words importing the singular number may be applied to and mean several persons or things."

Now, after a man has succeeded in fooling some good woman into matri-

mony, and then finds he has made no blunder, he would be liable to a prosecution for having a plurality of wives if this bill goes on the statute books in its present shape, for it says "words importing the singular number may be supplied to and mean several persons."

This bill, in providing a dictionary, proposes other innovations at the same time. Here is what it says:

"Words which are given a meaning or made to include other words herein, when used in one tense, shall have a corresponding meaning when used in any other tense."

The pending measure not only enacts a dictionary, but it actually repeals the grammar. I am rather glad that such is the case, for I have ever cherished a malicious repugnance to all grammars. [Laughter.] They have been a stumbling-block in my way all my life. Let them be abolished. [Laughter.]

Now, when, as Mr. Dickens says, "a man has conjugated himself into the imperative mood," he will at the same time find that he is also in the indicative mood. Moods and tenses and cases no longer preserve their distinguishing characteristics. They are homologued, so to speak—made one and the same by this bill. It is an offense punishable by imprisonment two years for a bankrupt to conceal any property belonging to his estate—so the declaration that he would conceal some of his property would, according to the grammar of this bill, be an admission that he had done so, and he would stand a fair chance to go the penitentiary on his admissions, whether he was guilty or not. And when a candidate for some office has been skirmishing for months and finally achieves the nominative case, he is dumfounded when he learns that by an act of Congress he is placed in the vacative.

While the authors of this bill were at work on the scheme to abolish the grammar, they might at the same time have done something for a weary world by repealing the spelling book. [Laughter.] In doing so they would in some degree have atoned for the mischief they did in other respects, and earned the gratitude of the bulk of mankind.

Now, Mr. Chairman, if this measure should become the law it will open wide the door to all sorts of opportunities for the perpetration of fraud by adventurers in the mercantile profession.

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Another act of bankruptcy is where a person "makes a transfer of his property with intent to defeat his creditors." Now, I would like to ask how it is possible to establish the intent except by the proof of the transfer, and if the intent is proven by the transfer you tie the hands of business men effectually. "Transfer" is defined to mean "sale" and every other method of parting with property or its possession. How is a man to know when to sell or buy under this law, if it should pass?

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If they had gone on and provided that a man should be adjudged a bankrupt, if he being insolvent owned horses and carriages, there would have been just as much reason in it; or if they had made it an act of bankruptcy for an insolvent to buy more than one silk dress for his wife in a year, or made it an act of bankruptcy for a man who is insolvent to kiss his wife more than once or twice a month [laughter], or get drunk, or bet on a horse race, then there would have been a beautiful harmony in the measure. But here is a bill properly named a bankrupt bill, for it will bankrupt the agricultural masses if it is ever passed, framed by the great wholesale dealers of this country, with their lawyers shrewd and adroit and able at their elbows; and yet they put that sort of foolishness in a measure and ask Congress to pass it.

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The purpose of this law is to blackmail, to break down and ruin the debtor who does not do exactly as the creditor wants him to do, and all its harsh provisions will be interpreted most strongly against him by his big creditors; and after they have stripped him of all his property and wasted it in expensive litigation in the United States court, then they will begin to consider the propriety of putting him in the penitentiary a couple of years for something he has done or omitted in the course of the proceedings.

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Now, sir, if a man has a transaction with a debtor who within four months goes into bankruptcy, and buys a piece of property from him, and pays for it or advances money and takes a lien upon it, and the debt is paid by the transfer of the property, the entire transaction could be declared void and the party would lose his property or have to pay it again.

Now, after all this trouble is over; after the debtor has gotten through a court in bankruptcy; after he is broken up and his property wasted, and all his transactions had within the six months next preceding the filing of the petition have been avoided, and after he has missed the penitentiary by the skin of his teeth and has commenced business again, this bill provides that at any time within two years after he has been discharged and started in business again, he can be put back into bankruptcy on the application of a single individual, a stranger to the proceedings and without any interest in the estate of the debtor.

Mr. Chairman, I think I have said and quoted enough to put members on their guard when they come to vote on this bill. I will now give the outline of a bill, which, in my opinion, will benefit all the people of this country. It will give to the people more money, and it will be circulated from the Treasury through the hands of the men who need it most, in order to save their homes from confiscation. It is a bill which aids men to pay their debts, and not a bill to confiscate debts. The very first thing under this bill is to pay the debt, and it leaves the debtor in good condition, in possession of his home, and able to pay out by refunding the sums advanced to him by the Government. In doing this it merely puts the man with a soul in his body and family on his hands in as fair a position before the laws as is a banking institution or corporation, with neither soul to save nor body to punish.

Outline of a bill for the relief of certain mortgage debtors, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in all cases where any mortgage debtor to whom this act shall apply has failed or shall fail to pay his or her mortgage debt or the interest thereon, according to contract, the said debtor shall be deemed and held to be a bankrupt, and it shall not be lawful to collect such mortgage debt by the usual method of foreclosure under the laws of the several States, but the method of procedure and collection shall be as follows:

SEC. 2. That the creditor holding the mortgage shall proceed in person, or by his agent or lawful representative, to the office of the register of deeds where the mortgage is recorded and there procure a correct abstract of title of the estate held by his mortgage and a statement of the incumbrance created by his claim or debt. The register of deeds shall certify to the correctness of the said abstract and statement and attach his seal and signature: *Provided*, That after examination the estate is found to be worth the full amount of the mortgage; and for the purposes of the said examination the register of deeds, the county clerk, and the county treasurer of each county, respectively, are hereby constituted an appraisement board.

SEC. 3. That it shall then be the duty of the creditor to proceed to the county treasurer's office, where the said abstract shall be placed permanently on file for future inspection.

SEC. 4. That on presentation of the said certified abstract in the county treasurer's office it shall be the duty of the said county treasurer to issue in due form, on blanks prepared for the purpose, a draft for the amount of the mortgage debt, including interest and official fees to date, on the Treasurer of the United States. Said draft shall be examined by the county clerk and certified as correct by his official seal and signature. Said draft will then be due and payable by the Treasurer of the United States on demand of any lawful holder of the same. It must contain an accurate description and location of the estate designated in the abstract, and the amount of the draft, when paid by the Treasurer of the United States, shall be charged up on his books against the real estate, creating a lawful lien on the same. The debtor shall then be allowed twenty years' time on the debt by paying interest promptly on the same semiannually at the rate of 1 per centum per annum. The county record of the mortgage shall be marked, "Settled by the United States Government."

SEC. 5. That this procedure, herein set forth, shall be the only lawful way of collecting mortgage debts on real estate until the aggregate circulation of lawful money in the United States shall amount to $50 per capita of the population, not counting the lawful reserves in banks and other fixed and noncirculating deposits required by law.

SEC. 6. That after said aggregate of $50 per capita of the population shall have been reached the usual modes of legal procedure in the several States shall again become lawful, except at such times as the increase of population shall require further floating of new money to preserve the even, unfluctuating aggregate of $50 per capita, or as nearly as it is practicable to approximate to said amount by a careful calculation based on all the facts and circumstances involved.

SEC. 7. That this said means of relieving mortgage debtors and floating money shall not prevent other legitimate means of coining and issuing money in order to facilitate or aid in reaching and maintaining the aggregate and unfluctuating circulation herein mentioned; nor shall it be considered a bar or hindrance to private parties who desire to settle their own debts in their own way by mutual consent.

SEC. 8. That to enable the Treasurer of the United States to meet the demands under this law he is hereby authorized and directed to create and pay out on demand a sufficient amount, from time to time, of United States Treasury notes, of the usual denominations, receivable by the United States Government for all dues and legal tender for all debts and taxes. And, in order to show the amount of money afloat and its relation to the number of population, it shall become the duty of the United States Treasurer to embody in his monthly reports a careful calculation of the whole population at the end of each month, computed on the basis of known percentages of increase, and a statement of the money per capita afloat at the end of each month. These reports, sent out monthly to the registers of deeds in the several counties of the United States, shall be the authority indicating the mode of procedure in the collection of mortgage debts for the ensuing month.

SEC. 9. That when any mortgage debt becomes due and payable it shall be the duty of the holder of the mortgage to proceed to collection within thirty days. If procedure is not commenced within the said thirty days, interest shall cease on the said mortgage on the day on which, by its terms, the debt became due and payable.

SEC. 10. That this law shall be applicable to real estate occupied as individual or family homes, and to lands and lots occupied and used for personal and family support only. It shall not be applicable to unoccupied or unused lands.

SEC. 11. That this act shall not apply to mortgage debts bearing date after its passage.

SEC. 12. That the county officers designated in this act and assigned to certain duties as United States officers shall be al-

lowed reasonable compensation for their services, the amount to be fixed by the United States Treasurer and to be paid by the creditor at the time of service, the said amount to be included in the draft on the United States Treasurer, and charged up to the real estate as part of the deferred incumbrance: *Provided*, That in case the said county officers, or any one of them, shall fail or decline to act as herein directed, then, in that case, the Treasurer of the United States shall designate and appoint one or more persons of the vicinage to take the place of the delinquent or delinquents in performing the duties herein set forth for the fees or charges designated by the United States Treasurer.

SEC. 13. That before acting on behalf of the Unites States under the provisions of this act, the appraisers of estates shall qualify as United States officers by the usual oath of office.

SEC. 14. That this act shall take effect and be in force on and after its passage.

Mr. Chairman, that bill is thrown out as a suggestion. There should yet be added a section for the foreclosure and sale of property of delinquent debtors; or, that part of the work may be referred for the laws and the courts of the States. My own opinion is that it should be so referred. Other points will be readily suggested in order to perfect the bill. The object is to protect the home owners of this country, and to maintain the integrity and perpetuity of that worthy class of our people whom Mr. Jefferson called "the most precious part of the State." While doing this it fills the veins and arteries of commerce and business with the life blood of their existence and prosperity. It gives to the people more money with which to meet their monetary obligations, rendering the old-fashioned bankrupt laws for the repudiation of debts and the confiscation of estates no longer necessary.

Mr. Chairman, let it not be considered an absurd or unnecessary thing that I plead for the hearthstones of the poor, and ask that the man with a family to care for and a home to save shall have an equal chance with others before the laws of the country. Why should our lawmakers be deaf and blind to the voice and examples of history? Why should we allow money to oppress manhood by turning humanity out of doors, idle and starving, while estates are added to estates in the most reckless manner? Let us not permit our people to be driven from the soil as they are now being driven, as in former times in Rome; as in France, and as in England, rendering migration or revolution the only remedy in reach of the people. The suppression and abrasion of money is the forerunner of landlordism and of every tyranny. Let the people have money on the same terms to save their homes as it is loaned to corporations to invade and confiscate them, and the worthy workers will take care to prove in the sight of all men that the favor is well bestowed. Let us search well the horizon of the past, that we may find useful lessons to guide our feet in the untrodden future.

When Thomas Jefferson, in 1785, traveling in France, saw the large landed estates devoted to forestry and the raising of game, while the people were starving, he offered as a remedy, that, in every country where they could not find work at fair wages, the people should be allowed to "labor the land." Was not that plain common sense? It was so then. It is so yet. It is but simple justice that all men should have access, in some reasonable way, to the soil, in order to drive hunger from their doors.

The following extract from a letter written by Mr. Jefferson while in France, four years before the Revolution, may be read with interest and profit:

FONTAINEBLEAU, FRANCE, *October 28, 1785.*

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I set out yesterday morning to take a view of this place (Fontainebleau). For this purpose I shaped my course toward the highest of the mountains in sight, to the top of which was about a league. As soon as I had got clear of the town, I fell in with a poor woman walking at the same rate with myself and going the same course. Wishing to know the condition of the laboring poor I entered into conversation with her, which I began by inquiries for the path which would lead me into the mountain, and hence proceeded to inquiries into her vocation, condition, and circumstances. She told me she was a day-laborer, at 8 sous, or four pence sterling, the day; that she had two children to maintain and to pay a rent of 30 livres for her house (which would consume the hire of seventy-five days); that often she could get no employment, and, of course, was without bread. As we had walked together nearly a mile and she had so far served me as a guide, I gave her on parting 24 sous. She burst into tears of gratitude, which I could perceive was unfeigned because she was unable to utter a word. She had probably never before received so great an aid. This little attendrissement with the solitude of my walk led me into a train of reflections on that unequal division of property which occasions the numberless instances of wretchedness which I had observed in this country, and is to be observed all over Europe. The property of this country is absolutely concentrated in a very few hands, having revenues of from half a million of guineas a year downward.

These employ the flower of the country as servants. They employ also a great number of manufacturers and tradesmen, and, lastly, the class of laboring husbandmen; but after all these comes the most numerous of all classes, that is, the poor who can not find work. I asked myself what would be the reason that so many should be permitted to beg, who are willing to work, in a country where there is a very considerable portion of uncultivated lands. These lands are kept idle mostly for the sake of game. It should seem, then, that it must be because of the enormous wealth of the proprietors, which places them above attention to the increase of their revenues by permitting these lands to be labored. I am conscious that an equal division of property is impracticable; but the consequence of this enormous inequality producing so much misery to the bulk of mankind, legislators can not invent too many devices for subdividing property, only taking care to let their subdivisions go hand in hand with the natural affections of the human mind. The descent of property of every kind, therefore, to all the children, or to all the brothers and sisters or other relations, in equal degree, is a politic measure and a practicable one.

Another means of silently lessening the inequality of property is to except all from taxation below a certain point, and to tax the higher portions of property in geometrical progression as they rise. Wherever there are in any country uncultivated lands and unemployed poor, it is clear that the laws of property have been so far extended as to violate natural right. The earth is given as a common stock for man to labor on; if, for the encouragement of industry, we allow it to be appropriated, we must take care that other employment be furnished to those excluded from the appropriation. If we do not, the fundamental right to labor on the earth returns to the unemployed. It is too soon yet in our country to say that every man who can not find employment, but who can find uncultivated land, shall be at liberty to cultivate it, paying a moderate rent; but it is not too soon to provide by every possible means that as few as possible shall be without a little portion of land. The small landholders are the most precious part of a state.—*Bancroft's History of the Constitution*, pages 463, 464, 465.

Mr. Chairman, let us maintain the homes and hearthstones of the humble working people of this great country. They alone can save the country in time of peril. Return to them the currency which saved the life of the nation in the sixties. Let them have it on the same terms that the bankers get money. That is all we ask. That is all I ask on my plan for a bankrupt bill. We want and ask no undue inflation of worthless money, but a just amount of the full legal-tender sort, which everybody prefers to coin. That sort which saved England from becoming a province of France. That sort which was issued in 1861, with no sting or knife of Shylock in its back. That sort which the Government will receive in the revenues, and which in all the history of this country has never been below par as compared with coin.

Give to the people of this country, Mr. Chairman, a fair and reasonable amount of good, legal-tender money, in the form of gold, silver, and Treasury notes, all alike receivable in the revenues of the Government; and let it be floated into circulation through the hands that need it most, as proposed in my bill, and an appreciative and prosperous people will bless the patriot statesmen who thus relieve their distresses, and save to them their homes.

Give the people of this country, Mr. Chairman, simple justice—give to them equality before the laws in financial affairs—and there will be no need for "emergency," or repudiation laws, called by the euphonious name of "a uniform system of bankruptcy."

Uniform System of Bankruptcy.

SPEECH

OF

HON. JOHN C. TARSNEY,

OF MISSOURI,

IN THE HOUSE OF REPRESENTATIVES,

Friday, November 3, 1893,

On the bill (H. R. 139) to establish a uniform system of bankruptcy throughout the United States.

Mr. TARSNEY said:

Mr. CHAIRMAN: It has been suggested in the course of the debate on this bankruptcy bill that the newspapers of the country which have very generally indorsed it, the labor and business bodies which have approved it, and individuals who have petitioned for its passage, have done so carelessly. I do not concur in any such insinuations. All of the expressions from newspapers, proceedings of bodies, and interviews with men which I have seen have indicated a knowledge not only of the bill, but of the whole subject of bankruptcy legislation.

I am very glad to say that this measure has been discussed at length by our newspapers; that our lawyers and judges have examined it with great care, and that my constituents at large have very generally considered the bill and the subject in their dual capacities as debtors and creditors, and that there is an almost universal demand for its passage by all classes. In the beginning of the discussion of the bill by my constituents there was some diversity of opinion as to its merits and the desirability of its enactment, but the provisions of the bill have become generally known, and as the reasons for its passage have become apparent the sentiments of those who have opposed it have gradually changed until I think I may say that there is now but very little, if any, opposition to its becoming a law.

Mr. J. D. Davison, of my district, has written an article in

which he so ably and fully states the reasons why we should pass the bill, that I submit it, as follows:

THE TORREY BANKRUPT BILL.

[By J. D. Davison, of Kansas City, Mo.]

A PERMANENT BANKRUPT LAW IS NEEDED.

The Constitution of this country reserves to Congress the power to pass a bankrupt law; it also forbids the States to impair the obligations of contracts. As a result Congress alone can pass a complete bankruptcy law.

The three bankrupt laws heretofore enacted by Congress were each passed subsequent to a public calamity. They were, strictly speaking, emergency laws, and were therefore repealed after the emergency occasioning their enactment had passed.

The suggestion that the condition of the country is such as not to need a law of this kind discloses, if sincerely made, a lack of information as to the chief purposes of the law. Those advancing such a suggestion evidently think of a bankruptcy law as a "wreckage measure," purely for the benefit of debtors. The reply is that the Constitution of the United States contemplates the presence upon the statute books at all times of a law by which the honest debtor may secure a merited discharge, and his creditors may receive their equitable part of his estate. Since failures occur at all times such a law ought at all times to be upon the statute books.

We now want, not an emergency law, but a fair, permanent law, equal and the same in all parts of the land, which will be of advantage to honest creditors in dealing with their unfortunate debtors and with each other in relation thereto, and which will afford honest unfortunates who fail and their creditors the relief guarantied to them by the Constitution at the time of its adoption.

SOME OF THE PROVISIONS OF THE PROPOSED LAW.

To say that, because of experience under the last bankruptcy law, it is a very expensive way to settle up the affairs of the insolvents, as an objection to the present bill, shows a lamentable ignorance as to the provisions of the measure advocated for enactment.

The schedule of fees as fixed in this bill is less than those of any of the States.

The bankruptcy courts will be open the year round for the dispatch of business; and hence there will be no delays because the court holds only one, two, or additional terms during the year.

Mr. S. F. Woodson, a merchant of Atlanta, Ga., is the author of a statement concerning a large failure in that city two years ago, and the comparative expense under a State law and the bill in question, as follows:

"The failure of Stephen A. Ryan occurred in May, 1891. His liabilities in round numbers were $1,000,000 and his assets about $400,000. He secured a few favored creditors, consisting of father, brother, etc., amounting to $300,000. A receiver was appointed to take charge of his estate; after paying off the secured creditors he has in his hands about $85,000; this sum has been nearly absorbed in court costs, lawyers' fees, etc. The unsecured creditors will practically receive nothing.

"Could this estate have been wound up under the provisions of the Torrey bill, all of the creditors would have received nearly 40 per cent of their claims."

The trustee in bankruptcy who represents the creditors will receive a fee of $5 and a commission of 5 per cent on the first $5,000 or less paid in dividends, 2 per cent on the second sum of like amount, and 1 per cent on the excess over $10,000.

The clerk will receive a $10 filing fee, in advance, and no further amounts.

The referee, or assistant judge, will be paid a $10 filing fee and 1 per cent on amounts paid to creditors in dividends, in cases administered, and half that amount when there is a compromise settlement.

The time and manner of the payment of the above amounts will beget promptness on behalf of the officers, and the limited amounts paid will insure the economical distribution of estates.

Creditors' meetings will be held at such places and at such times as will be for the greatest convenience of all parties in interest.

Claims against estates may be proved by the simple affidavit of the claimants, and without the payment of any filing fee. Those which are thought to be fraudulent may be suspended and investigated.

The arbitration of controversies and the compromise of differences, under the direction of the court, after notice to the creditors, will be substituted for tedious and expensive litigation.

The bankrupt may be detained, but not imprisoned, if he is about to leave the district at any time within six months after the adjudication and his absence will interfere with the administration of the estate.

Notices will be given to the creditors of each step in the proceedings, and pursuant thereto they will have an opportunity to be heard by the court in favor of or in opposition to any proposed proceedings.

A composition can be applied for by the debtor under such circumstances as will enable the creditors to be fully advised in the premises and beget the greatest possibility of its acceptance. If fraudulently procured, it may be set aside upon application made within six months after being confirmed.

A discharge may be granted upon application to the court after two and within the next ten months after the adjudication. All creditors will be notified of such application and of the time when it will be heard, and will have an opportunity of being present and of supporting or opposing the application. If the debtor has not been guilty of fraud or any of the forbidden acts prior to or subsequent to the failure, he will be discharged. The discharge may be set aside upon application made within two years after being granted, if it proves to have been fraudulently obtained.

The bill contains the additional provisions needed to make it a well considered, tersely stated, commercial probate law.

It must of necessity follow from the provisions as above that the administration of bankruptcy estates under the new law will be more economical and more speedy than they are at present under the State laws.

SUITS IN BANKRUPTCY.

Proceedings in bankruptcy may be commenced much the same as other suits at law or in equity; there will be a deliberate trial as to the facts alleged in the petition, and unless they are sustained by adequate proof the proceedings will be dismissed at the cost of plaintiffs; if the finding is against the defendant, the judgment will be that he is a bankrupt, and in due course the property, over and above the State exemptions, will be ratably distributed among the creditors, *i. e.*, those holding valid liens will be paid in full and then the unsecured creditors will receive a dividend of an equal percentage on their claims.

A creditor can not of himself institute proceedings, but must secure the coöperation of at least two other creditors, and the aggregate of his and their unsecured claims must be at least $500 or over; if the creditors of the debtor are less than twelve in number, one such creditor may institute the proceedings. The debtor will be entitled, if he desires, to the right of a trial by jury as to the facts alleged.

The grounds upon which proceedings may be instituted in bankruptcy are technically called "acts of bankruptcy;" in general terms they consist of the doing of acts or the failure to meet obligations which amount to dishonesty or unquestioned insolvency on the part of the debtor; they are summarized from the Torrey bill, as follows:

Acts of bankruptcy by a person shall consist of his having within six months prior to the filing of a petition against him, run away or stayed away to avoid service of civil process and to defeat his creditors; failed for thirty days, or conditionally within such time, while insolvent, to secure the release of property levied upon for $500 or over; made a transfer of his property to defeat his creditors; made an assignment or admitted insolvency in writing and filed it in court; made, while insolvent, an option contract; made, while insolvent, a preference; confessed judgment to defeat his creditors, secreted his property to avoid legal process and to defeat his creditors; suffered, while insolvent, an execution for $500 or over to be returned *nulla bona;* or suspended and not resumed for thirty days, while insolvent, the payment of his commercial paper for $500 or over.

It will be noted that default on an open account by a debtor would not be a ground for the institution of proceedings in bankruptcy: such a ground was not inserted in the bill, I am informed, because it was feared that a creditor might force a debtor into paying an unjust account under threat of instituting such proceedings.

The grounds referring to the failure to pay debts are all founded upon liquidated debts, *i. e.*, a debtor can not be sued in bankruptcy by creditors because of insolvency and failure to pay debts, except such debts have been reduced to judgment in court, or appear in writing over his signature.

The act of bankruptcy relating to the failure of an insolvent to pay his promissory note for or aggregating $500 or over within thirty days after maturity, has occasioned the most discussion among the enemies of the proposed law.

Let us consider what constitutes and has constituted an act of bankruptcy under other bankruptcy laws with reference to commercial paper. Under the English bankruptcy law if a debtor gives notice that he is going to suspend payment it is an act of bankruptcy. The last bankruptcy law of this country contained a similar provision as the Torrey bill as to commercial paper except that the time was fourteen instead of thirty days, and it was not necessary to show that the debtor was insolvent.

A debtor who does not pay his note when due may be sued under present State laws by the holder of it without waiting any number of days, although it may be for a trifling amount; the suit is noticed by the mercantile agencies, telegraphed to and published in all the principal cities of the country, and the result may be to precipitate litigation which will result in a struggle between creditors and bring about his financial ruin, and this, too, without the debtor having had a chance to meet and confer with his creditors.

One of the opponents to the bill, a great wholesale house, says: "It (the failure to pay a note for thirty days after maturity) is nowhere in the world even a ground for attachment." But what are the facts? In Colorado, Oregon, Montana, and Idaho it is a ground for attachment that the action is brought upon an overdue promissory note or other written instrument for the direct and unconditional payment of money or upon an overdue book account. Whether a similiar law prevails in any of the Eastern States I do not know. In the States mentioned it does not matter what the amount of the past-due claim is or how well the debtor may stand with the commercial world at large, the creditor holding past-due claims may attach his property without other cause.

Under the proposed law a debtor can not be sued in bankruptcy because of suspending payment of his commercial paper unless it is for or aggregates over $500 and has remained unpaid or unrenewed for at least thirty days, and he is insolvent; even then it is a matter of choice by the creditors as to whether they will or will not institute proceedings as in any other case.

The result of the ordinary suit is frequently to give to the individual creditor a selfish advantage; they are, therefore, frequently brought with the result of destroying the debtor financially and jeopardizing the interest of other creditors. Frequently the result of such a suit is that the debtor is left without his exemptions, with his occupation gone and a large amount of indebtedness; his property is sold at sacrifice sales, large costs are paid from the amount realized, and the balance is unequally divided between creditors with equal rights. These wrongs are a result of our present laws, and are enacted pretty nearly every time there is a failure. Is the debtor benefited by them? No, he is destroyed. Is the creditor benefited? No; unless he is the one "on top" in the particular case, and even then it often costs more than it comes to; if he could get his share in each case it would amount to much more in dollars and cents in the long run. Why, then, should this system be perpetuated? Why not substitute one good law for the many incomplete ones and thereby save hard-earned money for everybody? Under the proposed bankruptcy law the debtor would always get his exemptions; if honest, always get his discharge; and the creditors always receive promptly, and at small cost, their ratable share of the estate. Why should not the demand for the passage of the Torrey bill be made unanimous so far as honest men are concerned?

WILL NOT PROMOTE BUT PREVENT BANKRUPTCIES.

The argument of another one of the great wholesale houses which is opposing the bill "That the passage of the Torrey bill would cause a great many failures among their customers," is erroneous, because the bill will strengthen, and not weaken legitimate credit; if it were true, it is no argument at all, for if a great many of the customers of this house are in a bankrupt condition, it is only a question of time when they will go to the wall; when they do, under the present laws, the house in question will probably be protected to the prejudice of others, and the chances are that a large proportion of the assets will be consumed in lawyers' fees and costs, instead of being used in paying the liabilities.

We all know that the most crying shame under present conditions is that many estates are consumed by warring creditors in the payment of lawyers' fees and costs; and as a result many good men are engulfed in debt which they can never pay, although if their assets had been properly, honestly, and proportionately divided, they would have paid to all creditors a large percentage on their claims and left but a small deficit for their creditors to lose or them to pay.

Let us ask the question, why is it that this house continues to extend credit to these parties whom it recognizes to be in a bankrupt condition, and who would enter into bankruptcy as soon as the bill becomes a law? Is it not a fact that it is carrying such customers for a larger amount than their financial condition or capital in business will warrant? And if this is the fact, is it not done, and the unusual risk taken, with the understanding that the retailer, so carried, shall buy his supplies from the one jobber? And if this be so, does not the jobber get an extra price for such a customer?

I take it for granted that these propositions will not be contradicted; then what is the result? Does not the retailer either do the same amount of business as his competitor in a neighboring town for less profit and remuneration for toil or charge the consumer more for his goods and wares than

should be charged under proper business methods? In either event, granting, for the purposes of this argument, that the proposed law would be unsatisfactory to the jobber as long as conducting his business as at present, yet while it worked a little temporary injury to him, we see that it would in the end be of great advantage and profit not only to the retailer, but to a vast army of consumers.

Some of the big houses seem to think, and attempt to argue, that the passage of this bill would increase the number of failures; the contrary is true; that is, it will decrease the number; it does not seem to require any extended argument to show that a "going concern" would not go into bankruptcy if it could possibly help it; going into bankruptcy is easy enough, but the coming out of bankruptcy—aye, there's the rub! The restrictions of the bill are severe as to the granting of discharges, and hence careless talk about going into bankruptcy "to clean up and start over again" is simply inconsiderate and meaningless as a business proposition. There will doubtless be a good many bankruptcy cases soon after the law is enacted by those who have failed during the many years while there has been no bankruptcy law, in order to get a discharge; but I do not fear successful contradiction when I assert that the number of failures of concerns doing business will be very materially diminished over the present rate, and only those who are now, or at the date of the passage of the law, actually in a bankrupt condition will accept of its terms of relief.

The presence of this bill upon the statute books would prevent any one creditor from being able to take advantage of another of the same class, either by voluntary or forced preferences. The selfish inducement, therefore, for the institution of attachment suits and the obtaining of assignments, in one form or another, for the benefit of an individual creditor would be done away with.

The fact that creditors, under the proposed law, could not take advantage of each other nor of the debtor, and that in turn the debtor could not take advantage of the creditors in many of the forms of fraud now practiced, would of necessity prevent disaster to many small dealers, instead of inviting it.

The conclusion, therefore, irresistibly follows that the percentage of failures among going concerns will be smaller under the national law than it is under the State laws.

FRAUD WILL NOT BE INCREASED, BUT DIMINISHED.

"A large part of all the failures being fraudulent, and with the aid of a law discharging the bankrupt the temptation to fraud, already great, would be so increased as to be irresistible to many." This quotation is from a respectable business man in the employment of one of that class of big business concerns which is fighting the Torrey bill; it shows that he has not examined the statistics with reference to the fraudulent failures; it shows his want of information as to the provisions of the proposed law. What are the facts? Statistics show that in 1890, 4 per cent; in 1891, 7 per cent, and in 1892, 10.3 per cent—an average of about 7 per cent for the three years—of all the failures in the United States were fraudulent. Under the stringent provisions of the Torrey bill it is anticipated that even this small percentage will be reduced. If it were true, as it is not, that a large part of all the failures are fraudulent, it would but emphasize the necessity for a law designed to punish fraud and prevent its perpetration.

Something like 95 per cent of all the people who engage in business sooner or later fail; it certainly can not be truthfully said that a "large part" of all those who engage in business are frauds. Such unwarranted and uncharitable charges can only emanate from minds that wish to ostracise and everlastingly banish into exile from business and social liberty the unfortunate honest man as well as the rogue and rascal; the dishonest are not the ones who desire a bankrupt law; they are shrewd enough to know that it would prevent them from defrauding their creditors out of money enough to reembark in business in the name of some relative and discount their purchases with cash.

The Torrey bill, under very careful restrictions to prevent its provisions being prostituted by dishonest debtors, grants to honest debtors the right of discharge, to the end that they may the better provide for their families, educate their children, and follow the occupation for which they may be best suited.

I think that the best interests of the whole people would be better served by the findings of an honest judiciary as to the rights of the individual applicant for a discharge, rather than by creditors who are not infrequently narrow and selfish in their views, and are actuated not by the rule of humanity, but by the rule of the "pound of flesh."

The giving and agreeing to give a secret chattel mortgage in case of disaster has been defined by our courts of law to be legal frauds. Who is it that is generally and principally benefited by these legal frauds? It is not the beneficiaries under them who are loudly condemning in the same breath the fraudulent debtors and the bill designed to exterminate them?

One thing is quite certain, and that is that no man who contemplates committing fraud wishes the Torrey bill enacted.

SELFISH OPPOSITION.

The arguments against the passage of the Torrey bankrupt bill by the few big wholesale houses who oppose it, show, for the most part, a selfish fear on the part of the opponents that it will be of benefit to some one else, and not of special benefit to them; the conclusion is therefore reached by them that Congress should not pass a law, except it be of special benefit to a particular class of citizens in a circumscribed portion of the country, *i. e.*, to the opponents and their locality.

As a matter of fact the proposed law is general in character and would benefit alike all honest men in all parts of the country.

The true Democratic doctrine upon which our form of government is founded is that all laws should be for the greatest good to the greatest number. The above form of selfishness should not, therefore, enter into the discussion and all arguments based upon it should be disregarded.

WILL NOT INJURE THE INTERESTS OF WESTERN JOBBERS.

The argument which has been made by a gentlemen who ought to know better, that the passage of a "bankrupt law would be a great detriment to the interests of all Western jobbers, at least so far as their territory is concerned," is not tenable; it is not true in any sense. If it were true that such would prove to be the case, the passage of a bankruptcy bill ought to be demanded by every retailer and consumer, because the trade of the Western jobber could be affected to his detriment only by the underselling of the Eastern competitor, and such a reduction in prices would of course redound to the benefit of the retailer and consumer.

The chief factor enabling the one or the other jobber to sell in a given territory is the rate of freight; if any one locality could control freight charges it could greatly enlarge its territory and thereby increase its business.

The statistics for many years past, compiled from the annual reports of the mercantile agencies, show that only about 1 per cent of all concerns doing business fail in the course of a year. That is, pretty nearly 99 per cent of those doing business pay their debts without serious difficulty and at maturity, while the remainder, or 1 per cent, are the ones who fail, with more or less disastrous effect to their creditors. If in this small percentage of failures the creditors receive their pro rata of the assets, the question of failures would cut very little figure as to losses in the course of a year but as it is, even if so small a number fail, and the amount due from them is a total loss, it may be a very serious matter to a given creditor or creditors.

The reply, therefore, to the unfounded sectional objection as above is, in brief, that if it were true, as it is not, that the law would affect adversely the interests of the Western jobbers, still it ought to be passed, since it would of necessity greatly benefit the retailer and the consumer; that the percentage of those who fail is very small, and by the preventing of preferences in each case the loss will be very small to the individual creditor where it is now very large to many of them; that any benefit derived by one jobber under a just and equitable law would be enjoyed by all jobbers, and hence all are interested in securing the passage of such a law.

TO STRENGTHEN AND EXTEND CREDITS.

The passage of this bill would result in extending and making credits more secure, *i. e.*, if a secret mortgage or promise to secure had been given, or other legal fraud entered into, the parties to it would be prevented from carrying it out, and hence one extending credit would not have these frauds and preferences to fear, and could at all times feel assured that in case of disaster overtaking a debtor he would be certain of receiving his pro rata share of all of his debtor's property, save the exemptions provided by the State law.

The bill under consideration provides that liens given in good faith and for a present consideration shall be upheld; it does not in any sense or for any purpose propose to interfere with the ordinary course of legitimate transactions.

In the event of the passage of the bill, a creditor will not be permitted to "help" a debtor with the secret understanding that in case the help was not a success, and the debtor failed, the creditor (or helper) should have all his property.

Ordinarily the takers of preferences pounce down upon their unfortunate debtors and through threats or the promise of prospective favors, or by compulsory processes, secure their assets without regard to their solvency or the rights of other creditors. The passage of a bankruptcy law will, I believe, end the sway of this class of creditors and substitute for their practices those of fair dealing between honest men under the rules of equity.

Even if the home or near-home creditor always, which they do not, receive a preference and did not frequently have to spend more than it amounted to to defend it, the practice on the whole would be a bad one; but when you take into account the fraudulent preferences, the ones to relatives, and those which are given to the great concerns who could best share a loss, we must admit without hesitation that the giving or receiving of them ought to be prevented by law.

> "The mortgagor—
> Like one that on a lonesome road
> Doth walk in fear and dread,
> And having once turned round walks on,
> And turns no more his head;
> Because he knows a frightful fiend
> Doth close behind him tread."

The language of the bill upon the subject of preferences is as follows:

"A person shall be deemed to have given a preference if, being insolvent or in contemplation of insolvency or bankruptcy, he has procured or suffered a judgment to be entered against himself in favor of any person, or made a transfer of any of his property with intent to (1) defeat the operation of this act; or (2) enable any one of his creditors to obtain a greater percentage of his debt than any other of such creditors of the same class.

"If a bankrupt shall have given a preference within four months before the filing of a petition, and the person receiving it, or to be benefited thereby, or his agent acting therein, shall have had reasonable cause to believe that it was intended thereby to give a preference, it shall be voidable by the trustee, and he may recover the property or its value from such person."

The fact is that the passage of this bill will put a stop to the kind of "help" that some are in the habit of extending to their debtors. That is to say, it will prevent jobbers and the home banker from waiting until their debtor has purchased a stock of merchandise from other people and then stepping in and seizing the whole of it to satisfy their claims. On the other hand, if a debtor should get into financial difficulty it will enable him to have a meeting of his creditors and secure the "help" of all of them in its best sense, and thereby do away with the necessity for the kind of secret bargaining which is now indulged in to a greater or less degree with the result of ruining many solvent though pressed men and the perpetration of a great amount of fraud as against honest, conscientious people.

The result, therefore, would be the enlargement of credit.

THE RIGHT OF DISCHARGE.

The opinion of one writer who opposes the Torrey bill and at the same time draws a salary from a mammoth wholesale house is as follows:

"No person should be relieved from his legitimate contracts in any way other than their fulfillment; in other words, those who contract to pay and fail should continue to owe; all the exceptions to this just and honorable rule can, I think, be included in the list of those who are rendered unable to keep their obligations by the act of God or the public enemy, and of the greater number of those who fail in business this exception is certainly too small for consideration, and they may be counted as legitimate subjects for charity and humane consideration instead of bankruptcy laws; and, by the way, I know of no instances where the people have not most generously responded in such cases, and I think it may be said that all such can with safety be left to the generous Christian impulses of the people."

I suggest that this man, presumably of "generous Christian impulses," ought to have lived in the Dark Ages, when it is said that debtors having several creditors were cut to pieces and divided among the creditors, or sold into slavery; or, later on, when there was a debtor's prison with all of its untold horrors.

Statistics show, as before stated, that something like 95 per cent of all the men who embark in business, sooner or later fail. This man would, therefore, sentence to a perpetual ostracism from the esteem and confidence of his fellow-men and the honors and emoluments of his country, 95 per cent of those who go into business if they could not run the gauntlet of "generous Christian impulses" exercised by their creditors.

If the orthodoxy of to-day holds good, history may yet recite that these "magnanimous" creditors have,

> With a quill plucked from the wing of a fallen angel,
> Inscribed on the smoke-blackened walls of hell,
> "Forgive us our debts, as we forgive our debtors."

Indeed, the words of our own Washington are as true to-day as when he said: "There is an indissoluble union between a magnanimous policy and the solid rewards of public prosperity and felicity."

The Torrey bill provides for the increase and maintenance of confidence between business men in different parts of the country. It makes it possible to have creditors' meetings when a debtor becomes pressed and needs the advice and assistance of his creditors, both for his and their benefit; practically such meetings can not now be held because if called some of the creditors would at once commence attachment suits. It provides for arbitrations and compromises, and is designed to enable honest insolvents to secure discharges from the indebtedness over and above the amount paid by their estates in dividends. I can not conceive how anyone can be benefited by keeping an honest, helpless fellow-man a continual bankrupt. Indeed, "Man's inhumanity to man makes countless thousands mourn."

Statistics tell us that in the year 1892, 21 per cent of all the failures in the United States were caused by disaster, including flood, fire, crop failure, and commercial crisis, and the failure of others enforcedly and not by any overt act of their own. Is there any justice in keeping those in obscurity and misery whose misfortune has been caused through no fault of their own, especially if they have delivered over to their creditors all their property?

If the refusal to discharge a bankrupt would keep the rogues relegated to obscurity, I could see some necessity in such a refusal, but is it not a fact based upon experience that the rogue "like Banquo's ghost will not down?" It is the rogue who defrauds his creditors, that has money put away or makes money out of his compromise with his creditors, and has money to continue in trade, either in his own name or that of another.

I presume there is hardly a business man in the jobbing trade in this country but who can mention a number of persons who of his own knowledge have once, if not oftener, failed under one of the various forms, either by fraudulent preferences and assignments or chattel mortgages, and, having forced a compromise settlement with their creditors, are to-day in trade, either in their own name or that of wife or relative, and the majority of jobbers are anxious to sell to such; "yes, it is true," they will argue, "he has a bad record, has failed once, or may be twice, but he is doing a large business now in his wife's name, buys lots of goods and pays promptly; we are anxious to sell him."

It is the larger, wealthy, perfectly organized houses, that can afford to be and are more conservative in their credits and selection of customers, that will be the least benefited by this law; they can afford to decline a 50 or 75 per cent payment on a claim as a settlement and can afford to exact the "pound of flesh" every time; they can afford to keep well organized law departments in connection with their business and wear out the patience and purse of the younger and smaller jobber in every struggle for his share in the assets of an unfortunate debtor. They can make it appear to the advantage of a debtor with an elastic conscience to prefer them or to assist them to defeat their weaker neighbor, in order that they may obtain 100 cents on the dollar; if not, then they have all the implements of the bulldozer at hand to compel and coerce their debtor into giving them a preference. With some "might makes right," or "the end (the collection of a debt) justifies the means."

The commission of perjury by the agents of some large houses, in attachment and replevin suits, the making of false statements as to the grounds for processes, the unnecessary destruction of property, and the dissipation of good wills by the commencement of such suits against honest, solvent, but temporarily embarrassed men, all belong to the catalogue of the means used by some of the larger creditors who wish to be allowed to settle with their debtors as their "humane impulses" may direct. Such creditors would consign their unfortunate debtors to a voyage on the fathomless sea—

"Without compass or chart,
In a boat of stone,
With sails of lead,
God's wrath for a breeze
And perdition for a port."

There are a few, very few, great houses which will not compromise or discharge their debtors under any circumstances, but the great mass of all of the creditors will gladly accept a fair compromise from an honest unfortunate debtor, or, if he is unable to pay any sum, discharge him. These settlements and discharges are often more favorable to one creditor than another and some of them are fraudulent.

My inquiry, therefore, is: Why not have them regulated by a law under which inequities can be prevented and frauds punished? Why leave our honest fallen brothers only as "subjects for charity and humane consideration," since the Constitution of the country in which we live provides for, and our statesmen in Congress can enact, a humane law granting discharges to them?

WILL BENEFIT DEBTORS AND CREDITORS WITHOUT PARTIALITY.

I believe that the interests of creditors are mutual, and if a common debtor has been guilty of dishonesty, they ought to make a common warfare against him, not only for their own protection, but for the protection of every man conducting a legitimate business. If a debtor meets with honest misfortune creditors ought all of them to help and not destroy him in a fight among themselves.

The conclusion seems irresistible that the bill advocated is perfectly fair to the debtor and to the creditor; that it is not harsh in any respect, and that in every condition of the debtor and creditor their positions under it will be more advantageous than under the present State laws.

The Torrey bill if enacted will strengthen credit, reduce the number of failures, diminish the expenses which are now paid in the administration of insolvent estates, and in all respects benefit without partiality the consumer, the retailer, the jobber, and the manufacturer in the North, in the South, in the East, and in the West, and, therefore, ought to be passed by Congress.

Mr. Davison is a man of high standing, and this paper, as submitted, shows him to be one who believes in, and knows the necessity for, integrity in transactions on credit.

Mr. Chairman, I would not support the Torrey bill if it were selfish or sectional; I would not vote for it if it were in favor of any one class and against any other class; but as in matters of liquidation it substitutes for the harsh proceedings under the sheriff's flag the rules of equity for the division of the estate between the honest creditors; as it gives the honest debtor his exemptions and a discharge, and as it affects alike all of the citizens of the whole country who are similarly situated, I shall gladly support it to the best of my ability and vote for it with pleasure.

Silver.

SPEECH
OF
HON. B. H. BUNN,
OF NORTH CAROLINA,
IN THE HOUSE OF REPRESENTATIVES,

Tuesday, October 31, 1893,

On the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes."

Mr. BUNN said:

Mr. SPEAKER: Since we assembled here on the 7th of August the eyes of the whole country have been riveted upon Congress in anxious expectation that something would be done in this extraordinary session for the relief of the people. Never before in the history of the Government has a Congress assembled under such trying circumstances and been confronted with a problem so difficult of solution. The present unhappy financial condition, so widespread and alarming, extending to every section of our country, imperiling every industry, prostrating every business, and foreboding distress in nearly every household, calls aloud for some immediate and wholesome legislation that will check the tide of financial ruin which threatens to engulf the country in irretrievable bankruptcy.

The present financial condition, which we are here to relieve, can not be said to have resulted from any particular act, but is rather the natural outgrowth of a financial policy adopted and carried on by the Republican party and running back for three decades. The policy carried out by that party in regard to the tariff and banking legislation has been well calculated to build up monopolies, encourage wild schemes of speculation, create combinations and trusts, concentrate capital in the hands of a few, and destroy confidence among the people.

Much of the trouble which now affects the country, in my opinion, can be traced to the act of 1873, which demonetized silver; but it will not do for us to lose sight of the effects of the resumption act with its kindred legislation, and the national banking system, which have played important parts and helped to bring about the present deplorable financial situation. As no one act brought about the present condition of affairs, so no one act can bring about complete relief.

It is not the free coinage of silver upon which we are now called to vote. This House as well as the Senate have already voted upon that question. It is the repeal of the purchasing clause of what is commonly called the Sherman act that we are now considering. When the propositions for the free coinage of silver were before the House I voted for every amendment which favored free coinage; they were all defeated. Having failed in these votes for free coinage, I then voted for the repeal of the purchasing clause, which was regarded the most objectionable part of that act which the Democratic party was pledged to repeal. After the passage of that bill for repeal by the House the same propositions which we acted on in this House have been hanging fire in the Senate for the last two months.

During all this time the Senate Chamber has been the theater of the most brilliant and learned oratorical displays witnessed in this country for a quarter of a century. The question has been fully and elaborately discussed in every phase, and patriotic efforts have been exhausted in struggling to bring about a solution of the difficulties which hang over our unhappy country.

A great effort, which at one time seemed acceptable to the Democratic Senators, and which it was thought would do much good, at the last hour fell through on account of conflicting opinions of Senators. The efforts at compromise having failed, the Senate then passed the bill which was acted on in this House, amended only in its declaration of principles, without any change in its operation.

It is now proposed by the honorable gentleman from Missouri [Mr. BLAND] to recommit the bill to the committee with instructions to report it back with an amendment restoring the free-coinage act of 1837, and this is the proposition I am called upon now to vote, and to repeat what has already been done in both Houses of Congress. I have already voted for the same amendment at all the ratios from 16 to 20, and they all failed. The Senate voted upon a similar amendment only a few days ago, and it was defeated by a vote of 39 to 28.

It is useless to make another attempt to accomplish an impossibility. No member on this floor dreams that this proposition to recommit this bill with instructions will accomplish anything. We have already wasted too much time, and the pa-

tience of the people is well nigh exhausted. I am unwilling to continue the deadlock already too long extended, and shall vote against the proposition to recommit.

The legislation which it is now certain will be adopted I trust will do much to restore confidence and result in great benefit to the country. It has been recommended by the President. In his message to Congress he points out this legislation, the repeal of the purchasing clause of the Sherman act, as the first step to be taken to give relief. I can not forget that the same voters who elected me at the same time voted for the election of Grover Cleveland for President of the United States. I can not forget the overwhelming indorsement he received at the hands of the people, and that his victory was the grandest ever achieved at the ballot box. His recommendations are entitled to consideration at our hands, for when he saw his country in trouble he had the courage to call this Congress in extraordinary session and boldly and honestly express his opinion and recommend without equivocation what in his judgment was best to be done.

I have abiding confidence in his honesty, integrity, and ability, and believe he will faithfully administer the laws and execute the high duties of his exalted office with the same fidelity which has distinguished him in the past, and won for him the confidence of the people.

With these sentiments I am not now willing to oppose him in his patriotic efforts to relieve the country. I prefer to labor to uphold his hands and aid him in bringing about that prosperity which alone can come from government honestly and courageously administered.

We can never have prosperity without a restoration of confidence, and it is impossible to restore confidence by keeping up a fight between the executive and legislative branches of the Government. We have trusted the President in the past and he has never betrayed us, and I believe now that this Administration will not cease its labors upon the financial question on the passage of this bill, but will recommend other legislation, and continue his efforts until confidence is restored and our country is again blessed with prosperity.

I think we ought to pass this bill which has been recommended by the President, adjourn Congress, and go home. Let us see what the effect of its passage will be upon the country, and return to our duties here on the first Monday in December, take up the work where we left off, pass such laws as shall be necessary to give the country a sufficient amount of money to successfully carry on every legitimate business: enact such coinage laws as shall restore silver to its proper place in the currency of the world, and maintain both gold and silver at a parity, circulating them side by side.

No one can doubt that there are three separate and distinct ideas in this country as to its currency and standard values. One class of men would hail with delight a gold standard; another would with equal delight embrace the silver standard alone, and still a third class would prefer a bimetallic standard—maintaining both gold and silver at a parity. To this latter class I belong, and I shall labor here and elsewhere to preserve both metals, as has always been the policy of the party to which I belong.

This House has already passed an act repealing Federal supervision of elections in the States, and the Committee on Ways and Means are at work on a tariff bill, which will be ready, I am informed, early in December. It will thus be seen that this Congress is at work to carry out the pledges made to the people.

The question of State banks is being considered, and I shall vote to take off the prohibitory tax, which was enacted by the Republican party to destroy them. I believe the establishment of State banks under proper restrictions will be of great benefit in enlarging the currency and give to the States the opportunity of supplying extreme local demand.

The repeal of the purchasing clause of the Sherman act, to be followed by other financial legislation, the repeal of the 10 per cent tax on issue of State banks, and the reform of the tariff, I feel confident will be of incalculable benefit to our country.

The first duty is to vote for the bill now before us. It is the best we can do, and a step in the right direction.

I voted against the Sherman act when it was passed. So did every Democrat in this House at the time. I have never seen a day when the wisdom of that vote was questioned by a single constituent. As that law has grown in age it has become more and more apparent that its enactment was a mistake. The Republicans themselves, who put it upon the statute book, are now clamoring for its repeal.

I am sure there is not a Democrat on this floor who would favor its retention; then why not repeal it? "No," some of our friends say, "let us keep this bad law on the statute books; it may help in getting something better." This is the only consideration that gave it a single vote on this side of the House. My idea is to get rid of this odious law first; it has done mischief enough, and then go to work to get something better. I propose to drag the drowning man to the shore and then administer the restoratives, rather than attempt to give him restoratives while he is yet floundering in midocean.

I believe the existence of the Sherman law did much to produce the late panic and cause the reduction of prices of agricultural products. I believe its repeal will tend to restore confidence, put the money of the country in circulation, and add to our prosperity, and especially to our Southern land.

What matters it how much money is issued by the Government unless we can get our proportionate share. What matters it to us if we allow the silver bullion of foreign miners to be coined free of cost if the money when coined inures solely to their gain. The only imaginable advantage that can be claimed by such a policy is that it increases the volume of currency. This object can be accomplished in other ways, which I think much better, but have not the time to discuss that question today. I will do so on another occasion.

But before concluding I have thought proper to say this much, because my votes on this question have in part differed from my colleagues from North Carolina with whom I have stood upon all other important issues. I stand ready to join with them in carrying out every promise contained in the Democratic platform. I favor them all, but I will not withhold my support from a bill carrying out a part of the platform because it does not embrace all we desire. For this reason I have voted for repeal, and hope it will redound to the good of the country.

An Explanation of the Torrey Bill for a Uniform System of Bankruptcy.

SPEECH

OF

HON. WILLIAM C. OATES,

OF ALABAMA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, November 3, 1893.

The House being in Committee of the Whole and having under consideration the bill (H. R. 139) to establish a uniform system of bankruptcy throughout the United States—

Mr. OATES said:

Mr. CHAIRMAN: The attempt on the part of the opponents of this bill to make it appear that I have arrayed myself against the poor people of the country, must fail; the records of the Legislature of my own State; the proceedings of Congress; the conscience of all men who have ever seen my handwriting or heard my voice in legislation, all contradict it.

Sir, the founders of this Government intended that there should be a national bankruptcy law, and provided therefor in the Constitution. The provisional and permanent constitutions of the late Confederacy made the same provision.

The last bankruptcy law was enacted soon after the close of the war. It was an imperfect measure, and in the South was administered for the most part by a lot of infamous speculators who robbed the creditors of the bankrupts, and this caused the law to be repealed.

The Torrey bankruptcy bill, which we are now considering, was framed and has from time to time been modified with particular reference to the avoidance of the imperfections of the old law. I can not of course hope that it is perfect; everything human is imperfect; I have no doubt that this bill, if enacted, will be from time to time amended and improved; it is the history of all laws, and of all constitutions for that matter, that they must be amended in order to meet the progressive conditions of the people.

It has been developed in the course of this debate that the enactment of this bill has been demanded very generally by the press, by a large number of national bodies, by many hundreds of State and local bodies of all sorts, including mechanics' exchanges, retail grocers' associations, business men's associations, tailors' exchanges, commercial and industrial associations, lawyers' associations, cotton and grain organizations, sugar and rice exchanges, boards of trade, credit associations, lumbermen's exchanges, chambers of commerce, manufacturers' associations, builders' organizations, wholesalers and jobbers' organizations, brickmakers' associations, travelingmen's associations, photographers' associations, paint, oil, and varnish clubs, candy

associations, stove manufacturers, and others, too numerous to mention, and by almost innumerable petitions, to many of which have been appended thousands of names; and that a very large number of gentlemen in all parts of the country have become officers and committeemen of the national bankruptcy organization. The number of these bodies and petitioners are and have been for years increasing. A list of these bodies, petitions, and names were submitted by Judge WOLVERTON of Pennsylvania, and appear in the CONGRESSIONAL RECORD, beginning at page 3548, under date of November 5.

It transpires, and has been referred to in the course of the debate, that the only aggressive, determined opposition which this measure has met outside of Congress has been from a few great business houses located in the big cities; that these great houses do not want a bankruptcy law enacted because under its humane provisions large numbers of debtors who are now owing them sums aggregating very large amounts will be discharged from their debts; because they now have organized as departments of their houses collecting agencies in charge of lawyers which enable them to take advantage of their debtors and advantage of their associate creditors who are not large enough to equip such costly and expensive legal departments. In other words, these great houses can better protect their own selfish interests under the present varying and inefficient State insolvency laws than they can under a general equitable, wise bankruptcy law, such as is now being considered. It follows that the gentlemen who upon the floor of this House are opposing this bill are doing so knowingly or ignorantly in the interests of these great houses and not in the interests of the honest insolvents, the consumers, the retailers, the wholesalers and the manufacturers, and the small and great commercial, industrial, and professional bodies who have spoken upon the subject.

It has been said by the opponents of the bill that debtors would be at the mercy of their creditors under it. This statement is not true; under its provisions debtors would have rights which they do not enjoy under present laws; under existing conditions only a very small per cent of debtors who might be sued are ever taken into court. Under this bill even a smaller per cent of them than at present would be proceeded against; under present laws not over two in a hundred of those who are engaged in business in all lines and in all parts of the country fail annually, and even this small number would be decreased if this bill should be passed; *i. e.*, something over ninety-eight in every hundred of those who go in debt in conducting business and promoting enterprises would not have anything to do with the bankruptcy law, if enacted.

It has been said by its opponents that debtors would be at a disadvantage under this bill. This statement is not true; under its provisions the honest debtor who may be the defendant in a bankruptcy proceeding will, at every stage of the proceedings, be in a more advantageous position than he would be as a defendant in the ordinary proceedings under present laws. The result usually achieved now when one who is in debt and has become embarrassed is that one or two creditors are paid in full, the rest get nothing, and the debtor remains a financial wreck for the rest of his life; under this bill the honest creditors will each receive a ratable share of the estate and the honest debtor will be discharged after receiving his exemptions.

It is therefore conclusive that the enactment of this bill will promote the best interests of honest debtors and honest creditors whose affairs shall be affected by it.

Let me refer, in a general way, to the possibilities and the probabilities of the case.

It is possible that the people and the press are mistaken about the merits of a measure which has been before the country and Congress for years, but how probable is it that such is the case?

It is possible that the members who advocate this measure on this floor in harmony with this vast sentiment in its favor are mistaken, but how probable is it that such is the case?

Can it be possible that wholesalers worth millions, and who hold the notes and own the accounts of thousands of honest insolvent debtors, who can never pay them—can it be possible, I say, that such wholesalers are representing the best interests of such debtors, and the communities in which they live, when they oppose a law under which such debtors would be discharged? My answer is no.

Can it be possible that such wholesale houses who now crush out their debtors financially when occasion requires, to the end that they may get the entire property while other creditors with claims of equal merit get nothing, oppose this law in the best interests of such debtors and such other creditors? My answer is no.

It is possible that we ought to be guided by the views of the gentlemen on this floor who have so ably maintained the debate on the side of the question on which these great houses are; but how probable is it that they are right and that we are wrong?

Some protests have been made against any bankruptcy legislation, but my information is that they are all on a blank form which these great wholesale houses have caused to be circulated through the country by their customers, their traveling men, and their lawyers; how probable is it that these protests represent the greed for gain and the selfish disregard of the rights of others, of these great houses?

It is possible that the chief justice of the Alabama supreme court, the Hon. George W. Stone, is mistaken in saying that the bill is "as nearly perfect as human industry, ingenuity, and wisdom could devise," and that its enactment is in the best interests of the people; but how probable is it that he is mistaken and that the opponents are right in condemning it?

This bill will result in the discharge of many hundreds of thousands of honest poor men from debts which they can never pay; it will in the future secure the discharge of such honest men as may fail in conducting business or enterprises while operating on credit.

It will simplify controversies between debtors and creditors, and substitute frankness and generosity for mistrust and penuriousness, and hence benefit both classes.

It will save vast sums of money which are now and, unless it is passed, will be in the future spent in needless and hurtful controversies between creditors of equal rights and between debtors and creditors.

It will protect honest men engaged in legitimate callings from the ruinous pursuit of dishonest and unscrupulous creditors; it will protect honest debtors from being ruined financially by unnecessary fights between creditors for their property; it will enable honest creditors to collect from their debtors a ratable part of their estates; it will prevent fraudulent debtors from swindling their creditors and thereby bringing odium upon honest men who seek and obtain credit; it will prevent honest creditors from being swindled by dishonest debtors; it will in all respects and without exception be helpful to honest men and hurtful to dishonest ones.

The foregoing results will occur not only with regard to my constituents, but with regard to the constituents of every gentleman upon this floor. To promote the best interests of the honest men in every Congressional district will be to advance the best interests of the whole people.

Sir, this bill may be briefly summarized as follows:

A voluntary bankrupt is one who petitions to be adjudged such; an involuntary bankrupt is one who has been adjudged such in a suit brought by his creditors. The rights and duties of bankrupts after the judgment has been entered are identical, irrespective of who filed the petition.

Farmers and wage-earners may go voluntarily into bankruptcy, but their creditors can not bring suits in bankruptcy against them.

Anyone, except corporations, irrespective of the amount they owe, may voluntarily become a bankrupt.

Persons, firms, and corporations (except farmers and wage-earners) who have committed acts of bankruptcy according to the evidence in a fair and impartial trial, before a jury if desired, may be adjudged bankrupts upon the petition of creditors.

Acts of bankruptcy by a person (including firms and corporations) shall consist of his having (while owing $500 or over which is not secured) within six months prior to the filing of a petition against him, run away or stayed away to avoid service of civil process and to defeat his creditors; failed for thirty days, or conditionally within such time, while insolvent, to secure the release of property levied upon for $500 or over; made a transfer of his property to defeat his creditors; made an assignment or admitted his insolvency in writing and filed it in court; made while insolvent an option contract; made while insolvent a preference; confessed a judgment to defeat his creditors; secreted his property to avoid legal process and to defeat his creditors; suffered while insolvent an execution for $500 or over to be returned *nulla bona;* or suspended and not resumed for thirty days while insolvent the payment of his commercial paper for $500 or over.

Creditors need not proceed against a debtor who has committed acts of bankruptcy any more than they need sue every debtor who is in default in payment.

A petition can not be filed against a debtor, although he may have committed an act of bankruptcy, except by three creditors who together have unsecured claims for or over $500; if there are less than twelve creditors one of them holding such a claim may file the petition. After the suit is begun the defendant will be served as in ordinary suits and will have "his day in court" and a trial by jury if he desires.

If the judgment in a bankruptcy suit is for the plaintiffs, the defendant will be adjudged a bankrupt. In that event he will retain the exemptions allowed by the laws of the State in which he lives, and if an honest man, will be released from his debts, and thereby given an opportunity to do as he pleases and be relieved

from the demands of his creditors to make good his former misfortunes. If the judgment is for the defendant the petition will be dismissed at the costs of plaintiffs, as in other suits.

The property of the bankrupt will remain in his possession until after the trial unless the creditors shall give bond and secure its attachment; even in that event the debtor may retain possession of his property upon giving a forthcoming bond.

The United States district courts will have jurisdiction of the administration of bankruptcy estates. They can not be administered in the State courts because Congress has no power to compel State courts to administer national laws.

State courts will retain their jurisdiction to hear and determine controversies between the trustee and adverse claimants concerning property rights, *i. e.*, if a trustee wants to bring a suit he must go to the court which would have had jurisdiction between the original parties; he can not sue the defendant in the bankruptcy court unless by his consent; on the other hand anyone who wants to sue a trustee may do so in the appropriate court or in the bankruptcy court.

Controversies may be arbitrated or compromised under the direction of the court.

The offices of referee and trustee are the only ones created by the act.

The referee is an assistant judge and will be appointed in such numbers and in such localities as will be best calculated to secure a prompt administration of the act and serve the convenience of all parties having bankruptcy business.

The trustee will receive the title of the bankrupt to his property and administer it. He will be elected by the creditors in each case. He may recover all property which has been hidden away or fraudulently conveyed.

The clerk will receive a $10 filing fee in each case and no further compensation.

The referee will receive 1 per cent upon the net amount paid in dividends to creditors from estate administered before him, or one-half of 1 per cent in estates in which there is a composition and a filing fee in each case of $10.

The trustee will receive 5 per cent on the first $5,000 paid in dividends to creditors, 2 per cent on the second like amount, and 1 per cent on additional amounts, and in each case a filing fee of $5.

The compensation of the referees and trustees will not be paid until the estates have been administered and the records returned to court.

Making the amount of the fees received and the time of payment depend upon the prompt and economical performance of their duties by the referee and trustee will result in the quick and economical administration of bankrupt estates.

The expenses of administering the estate will not be paid until reported in detail under oath and allowed by the court.

Compromises, involving more time in which to pay or a reduction of the amount to be paid, may be readily and cheaply effected between honest debtors and their creditors under very careful restrictions after a voluntary or involuntary petition has been filed and either before or after the defendant has been adjudged a bankrupt.

Compromises which have been fraudulently obtained may be set aside upon application made within two months after they were granted.

Discharges which have been fraudulently obtained may be set aside upon application made within two years after they were granted.

Fraudulent bankrupts, embezzling officers, and creditors who prove false claims may be punished by imprisonment.

Notices will be sent to all creditors of each step in the proceedings.

Creditors may be heard at all times in support of or in opposition to any proposed step in the administration of the estate.

Claims may be proven by the simple oath of the creditor and will be allowed upon being filed in person or sent by mail without the payment of any filing fee; if it is thought that an allowed claim is fraudulent it may be suspended and investigated.

Preferences are forbidden, and those which have been given may be set aside if proceedings intervene within four months after they have been given.

Valid liens will be upheld; fraudulent ones will be set aside.

Present legitimate business methods will not be interfered with by the bill.

The bill contains the additional provisions necessary to make it a complete equitable bankruptcy code.

Mr. Chairman, it is a source of regret that misfortune should come to anyone, but it does come, and always will continue to come to some of our fellow-citizens. We ought therefore to provide for them in the best possible way; that way is to pass this bill; there can not be any doubt about it. Those who affirm to the contrary are mistaken—mistaken as to the provisions of the bill; mistaken as to the statistics concerning failures; mistaken as to how it will operate in practice, and mistaken as to whose best interests it will serve. In opposing this bill they are supported by a small number of very rich and powerful houses, who in their own selfish interests do not want the law passed, but they are refusing to exercise the powers conferred upon Congress by the Constitution; they are closing their ears to the voice of the press and the voice of the people. This bill is the best one upon the subject which has ever been considered by the House, and, in my judgment, it ought to be passed.

Rules.

SPEECH

OF

HON. CONSTANTINE B. KILGORE,

OF TEXAS,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, August 30, 1893.

The House having under consideration the report of the Committee on Rules—

Mr. KILGORE said:

Mr. SPEAKER: It is my purpose to-day to discuss as fully as I can in the time accorded me the report of the Committee on Rules, and at the same time submit some observations both general and specific on the new features in the code of rules now presented for consideration and on the purpose and the importance of rules of procedure in the House.

The preparation and the adoption of a code of rules for the government of the House in its deliberations and procedure is always an interesting and important event in the history of its proceedings. The issues involved in this contention are, I apprehend, of transcendent concern to the members of this House and the people of the country who are wedded to the Democratic theory of this Government and who repudiate and condemn the despotic and centralizing tendencies of the Republican party.

If a stranger ignorant of our history had sat in the gallery and listened to the discussion up to this time of the report of the Committee on Rules he would have been startled, and amazed, too, at the declarations uttered on the floor of the House. He would have come to the conclusion that there was always present in the House a small and obstinate minority, bent on obstructing all legislation by Congress; that the rules of the House were so framed as to enable a factious minority to do so most effectually, and that it had always employed the methods authorized by the rules to prevent the enactment of proper and necessary legislation till the Fifty-first Congress and the Reed rules of that body saw the light. He would have concluded that never in the history of the Government had the House of Representatives been able under its rules to transact any business except in the Fifty-first Congress.

Why, Mr. Speaker, Fifty-two Congresses have come and gone during the one hundred and four years of the life of this Republic; and in all these years the Congress of the United States has gone forward and transacted all the business and enacted all the necessary legislation which has from time to time been proposed to each Congress. There has been no violation of any principle; no effort to erect a despotism in the popular branch of the legislative department of the Government until the Fifty-first Congress. That was a "business Congress." It started out "to do business;" and they did "do business." One of the first things that unique body did was to disregard the plain provisions of the Constitution by transacting business without a quorum, and when the majority did not have a quorum to assent to their nefarious schemes, the Speaker of the House would declare a quorum present on his own motion and in his own peculiar ways. The House afterward responding to the will of the Speaker, clothed him with autocratic power, crowned him a despot. Cæsar thrice rejected the crown. The Speaker of the Fifty-first Congress eagerly sought it and accepted it when first offered.

Mr. MILLIKEN. Will the gentleman from Texas allow me to ask him a question?

Mr. KILGORE. Oh, yes.

Mr. MILLIKEN. Did not the gentleman himself, under the rules of the last House, find himself clothed with arbitrary power; and did not he exercise it very effectively during the last Congress?

Mr. KILGORE. I will come to that presently; and will talk about it, too.

Mr. REED. We are coming to that under these rules.

Mr. KILGORE. I will briefly say in response to that inquiry that no one man in this House has been clothed with despotic power under any rules made by a Democratic Congress, but that the minority in a free country have had the right to stand up and stay the aggressions of a partisan and conscienceless majority, seeking the subversion of civil liberty in the interest of the Republican party. It has enjoyed that right from the beginning down to this blessed moment, with the exception of the two years during the existence of the Fifty-first Congress. I have never attempted to exercise any arbitrary power under any rules of the House. I have obstructed a great deal of bad legislation since I began service in Congress, and the country at large has commended my course in many instances.

Now, that was a "business Congress," as I have already said. This was the everlasting boast of the Republicans in that Congress. They assembled here and avowed their determination to "do business;" and they undertook to devise, and did devise, and adopt a code of rules under which they did "do business." And we all heard about it. The country heard about it. They put through this House during the first session of the Fifty-first Congress—they put on the brakes in the second session, after that they had heard from the people in the forks of the creek—the "most foul and pestilential congregation" of measures that ever came out of any parliamentary assembly in any free government under the sun.

Mr. PICKLER. What were they?

Mr. KILGORE. Please do not hurry me. I will tell you about them later on.

The majority which dominated the House at that time was itself a despotism; and the despotism of a hundred men is as bad as the despotism of one man. No one man ever exercised the powers of a despot under any rules that have ever existed in this House except during the life of the Fifty-first Congress. In that Congress they provided that no dilatory motion should be entertained.

Now, on yesterday the distinguished gentleman from Maine [Mr. REED], who was Speaker of that House, and who has set his heart upon having the Democratic party of this country vindicate the action of the Committee on Rules and the majority of the Fifty-first Congress by the adoption of similar rules, declared——

Mr. REED. If the gentleman from Texas will allow me——

Mr. KILGORE. In a moment—declared in a most dramatic manner and with a loud voice that the rules reported by the Committee on Rules and now under discussion, provided that the Speaker should not entertain dilatory motions under certain circumstances.

Now I will yield to the gentleman from Maine.

Mr. REED. I will state to the gentleman that I did not propose that the Democrats should vindicate the rules of the Fifty-first Congress, but that they should finish the vindication of those rules.

Mr. KILGORE. Finish the vindication! The gentleman from Maine is critical and I am very much obliged to him.

Mr. REED. They have partially done it, and I want them to do the whole of it.

Mr. KILGORE. Now, in reference to that very declaration he made yesterday I have this to say: The rules provide that when a motion to suspend the rules on suspension day has been seconded, then a motion to adjourn is in order; and this rule, which the gentleman quoted on yesterday, goes on to say that no other dilatory motion shall be entertained, and from that he concluded that the Speaker of this House was called on to determine what was a dilatory motion after it was made, when in fact the rules and practice of this House show that no motion can be made after a motion to suspend the rules has been seconded, and the word "dilatory" might just as well have been left out of the rules and it would have meant the same thing. The rule says the Speaker shall entertain one motion to adjourn and then no other motion of any kind can be entertained.

Mr. REED. That is far-fetched.

Mr. KILGORE. That is exactly the statement you relied on yesterday in order to drop the Speaker of this House into a very large and deep cavity, as the Massachusetts man would say. [Laughter.] It will not work.

Now, in the Fifty-first Congress, as I said before, they vested in the Speaker the authority to determine when a motion was dilatory, and if a motion was submitted from this side of the House to the Speaker in that Congress, if he did not choose to entertain it he would say it was dilatory, and when you undertook to appeal from his ruling he would say that was dilatory too; and the member had no remedy under the sun. The will of a partisan Speaker, clothed with the authority of a despot, was the law.

That was in the interest of the transaction of "business," it was claimed, and it was the mission of the Republican party in that Congress "to do business;" that was the idea. That is what they say they were here for; to "do business;" and business they did, and in doing business they did the business of "doing up" the Republican party.

They went further than any Congress had ever gone before, and the Committee on Rules exercised the authority of fixing the limit of debate and fixing the time when the previous question should be considered as ordered, and when the vote should be had. That was in the interest of "doing business." They were to make that a "business Congress;" they set out "to do business," and they did business, and the country remembered it. [Laughter.] They gave the Speaker authority, which he exercised before the adoption of any rules, to count silent members who happened to be present refusing to participate in the business of the House, to declare that they were present and to coerce them to participate in the transaction of business.

In his defense yesterday the gentleman from Maine said that the Supreme Court had triumphantly vindicated him and vindicated the Republican party in adopting that rule. But there is a higher tribunal in this country than the Supreme Court, higher than this Congress, higher than the President, higher than all these together—the tribunal of the people; and they condemned that action and repudiated the gentleman from Maine and the Republican party for the adoption of such rules and for the work they did under them.

It would have been fortunate for them, and fortunate perhaps for the country, if there had been a little more latitude allowed to some members of the minority, who might have prevented them from going forward and enacting the legislation which the majority of that House had determined should be thrust upon the country. In the interest of "doing business" they made in that Congress a hundred members to constitute a quorum in the Committee of the Whole, and that innovation is now proposed to be incorporated in the rules of the present House. I do not agree to that. I am not opposed to it, however, because it was a part of the code of rules adopted in the Fifty-first Congress. There are other and better reasons, though that one is not without weight.

I am opposed to it because it is an unnecessary change in the rules. From the very inception of this Government up to the beginning of the Fifty-first Congress it had been the established rule to have a majority of the House constitute a quorum in the Committee of the Whole—that is, the quorum in the Committee of the Whole was always the same as the quorum in the House, and I have never seen any great abuse arise under that old rule.

Mr. MILLIKEN. Did the gentleman ever use a mirror when he was up himself? Perhaps if he had done so he would have seen some abuses. [Laughter.]

Mr. KILGORE. We will come to that after awhile. The mirror has been held up to me so freely by other gentlemen that I have been relieved from the necessity of holding it up myself. [Laughter.] I say, Mr. Speaker, that I have never seen any serious abuse or any considerable obstruction arise under the old rule.

It is not a common thing for members to make the point of no quorum in Committee of the Whole. I do not think I have done it half a dozen times while I have been in Congress, and I have been here half a dozen years. Now and then some gentleman has a proposition that he wants to get before the House, the Committee of the Whole is sitting on very late in the afternoon, most of the members have left the Hall, and the member in charge of the pending legislation refuses to entertain the proposition to allow it to come in, or to allow debate upon it: I have seen the point of "no quorum" made in such cases, and that quite frequently, and, I think, to very good purpose.

Now, the Committee of the Whole actually frames and perfects nearly all the important legislation that comes before Congress. You can not call the yeas and nays in that committee, you can not order the previous question in that committee. It is now proposed in these rules to extend the authority of the Committee of the Whole by giving it the right to close debate on a particular proposition, and I do not know that there is any special objection to that. But, I repeat, the Committee of the Whole perfects nearly all the important legislation in the House. The action of the Committee of the Whole is generally conclusive, the House ratifying in nine cases out of ten the work of the committee. If this rule prevails, 51 members, a majority of that committee will be clothed with the authority to dictate the legislation of this House. Fifty-one members controlling the work of this body with a membership of 356. It will not do, Mr. Speaker.

The duties of the Committee of the Whole are set out in these rules under the heading "Committee of the Whole," and I will read them for the information of gentlemen who may not have given special attention to the subject. Clause 3 of Rule XXIII provides that—

All motions or propositions involving a tax or charge upon the people; all proceedings touching appropriations of money, or bills making appropriations of money or property, or requiring such appropriations to be made, or

authorizing payments out of appropriations already made, or releasing any liability to the United States for money or property, shall be first considered in a Committee of the Whole, and a point of order under this rule shall be good at any time before the consideration of a bill has commenced.

Now, under that rule it will be seen that nearly all the important legislation of this House is prepared and perfected in Committee of the Whole, and I insist that the quorum of that committee ought to be, as it always has been with the exception of two years, the same as the quorum of the House itself.

The rules of the Fifty-first Congress made a change in that respect. It does seem as though those rules were enacted to close the mouths and to bind the hands and feet of the minority and to eliminate them entirely from all participation in the legislation of the House, and, in fact, they did that effectually. They did close the mouths, they did bind the hands and feet, so to speak, of the minority. They said to them, "You shall take a back seat in this matter, except that now and then you may have the high privilege of putting a speech into the RECORD upon some question, or the other high privilege of being counted by the Speaker while you sit there refusing to participate in legislation."

Mr. Speaker, that Congress was organized for the purpose of "doing business," and it was made a despotic body; the Speaker was made an autocrat. He seems to have been willing to exercise the powers and authority of an autocrat. Are we to imitate the exploits of that Congress, which stifled the power, the will, and the authority of the minority? For in that Congress all filibustering, all dilatory motions, all obstructive tactics were absolutely prevented, and the minority were not allowed any concern in the legislation and took no responsibility about it.

How did that Congress exercise its authority? The Fifty-first Congress, Mr. Speaker, was in active irruption thirteen months of the two years of its official existence. The first session of that Congress consumed ten months in enacting the necessary legislation, and a good deal of unnecessary legislation, too, which went through that body. It convened on the 4th day of December, 1889, and adjourned on the 4th of March, 1891. In the Fifty-second Congress, in which this House was Democratic, presided over by a Democratic Speaker, controlled by rules such as had been in force from the beginning of the Government, in which there was no element of despotism, no spirit of the autocrat—that Congress, in its first session, transacted all the business that the country required in eight months. But that "business" Congress, the Fifty-first, organized to do "business," the House made a despotism and the Speaker a despot, with rules which absolutely took away all power of obstruction on the part of the minority, consumed over ten months, from December, 1889, to October, 1890, in the effort to transact the business of the country, while, as I have stated, in a Democratic Congress, with rules which, as gentlemen on the other side say, were used for obstructive purposes, and effectually used, so, as they claim, a great deal of time was consumed in obstructive proceedings, all the necessary business of the country, and perhaps some that was not necessary, was transacted in eight months' time.

Now, which of these Congresses was in fact the business Congress? One took the period of ten months for its first session. It was, they claimed, a "business" Congress under "business" rules for the transaction of "business" in an orderly, methodical, and speedy way; yet this Congress took much longer to transact the business of the people than did the Democratic Congress which succeeded it. And this Democratic Congress, it must be remembered, Mr. Speaker, had to carry an intolerable burden in the form of vicious legislation which it had inherited from that same "business" Congress, the Fifty-first. A month or six weeks, or perhaps two months of the time of the Fifty-second Congress was consumed in an effort to undo the vile legislation of that "business" Congress, the Fifty-first—a Congress organized on "business" principles, controlled by a "business" Speaker, under rules adopted for the acceleration of "business." That is the Republican slogan to-day. It was a shameless business, yet they shamelessly proclaim the virtues of that Congress.

Now, what did the Fifty-first Congress do? The first important question with which it had to deal was an overloaded Treasury, a Treasury brimming full of money, a Treasury containing a surplus amounting to almost $100,000,000, which it inherited from a Democratic Administration. This was the first great problem which the Fifty-first Congress had to handle; and this same "business" Congress manipulated this question in such a way that when it demised on the 4th of March, 1891, it had completely wasted, exhausted that surplus. Where was the surplus when this "business" Congress went out of existence? Millions of dollars had melted into thin air like a wreath of mist at eve. Not a dollar was left to tell the tale of profligacy and wrong which marked the career of that "business" Congress.

Mr. MILLIKEN. I would like to ask my friend from Texas whether his own party leaders in this House, under the direction of Mr. Randall, whose memory we all respect and for whom his associates here had so much affection, did not find fault, both in this House and on the stump in the campaign prior to the Congress referred to, that the Republicans had held in the Treasury an immense amount of money which ought to have been circulated among the people; and is it not also true that the Republican Administration paid $265,000,000 of the public debt out of this money which the gentleman says was expended in a way not to be accounted for.

Mr. KILGORE. Oh, you did put that money in circulation by devising a thousand schemes to plunder the Treasury. You can not charge Mr. Randall with the profligacy and extravagance of the Fifty-first Congress. The jobs which were rushed through that Congress in the name of "business," but really for electioneering purposes, scattered broadcast and recklessly the accumulated surplus in the Treasury.

Mr. MILLIKEN. Your party leaders complained because we had not done so.

Mr. KILGORE. Our party leaders complained of the unjust and unnecessary taxation which had overloaded the people with burdens and overloaded the Treasury with a useless surplus. Mr. Randall did not believe in collecting more money than was needed to pay the expenses of the Government, and he was ever active and persistent in urging a rigid economy in the expenditure of public money. He believed that an overflowing Treasury menaced day in and day out the public interest.

Now, Mr. Speaker, that Fifty-first Congress did dispose of the surplus. That was the first difficult question which it took in hand, and it left the Treasury empty. That party is a success when it comes to expending the people's money for all sorts of schemes and jobs—generally in the interest of a few and for the prosperity of a few, inflicting wrong and oppression upon the people of the country at large. Such was a part of the work of this celebrated "business" Congress operating under these "business" rules.

This "business" Congress—and the country never saw but one such—began with a very narrow majority in the House, and it was necessary to the work of the Republicans that its majority should be enlarged. And under the rules of the House and by the methods of its Speaker they proceeded to turn out Democrats who had been elected by the people and seat Republicans who were repudiated by their constituents. Eight Democrats were counted out and Republican contestants were put in their places in defiance of law, evidence, and decency. The principal fact relied on in all the cases but two was that the census of 1880 showed that the negro population in the districts in which the contests arose was larger than the white population, and on the assumption that the negroes would have voted for the Republican candidate if they had been permitted to vote at all.

With the ironclad rules and the despotic methods of the House and its Speaker, we saw the Democratic minority in that House, which lacked only four votes of being the majority when that body organized in December, 1889, completely and effectually eliminated from all participation in the legislation of that Congress except when it was necessary for the Speaker to count those present in order that they might have a quorum to "do business." By the use of these unusual partisan and arbitrary methods the Republican party in the House increased its majority to about 19 or 20, and with the power thus obtained they paid no further heed to the principles of free government.

Now, Mr. Speaker, when the House of Representatives of the Fifty-first Congress—that "business Congress," you know—had by its business rules and business methods secured a working majority it proceeded to the consideration of a bill to reduce the revenue by increasing taxation.

The "business Congress" of which we have heard so much, when it begun its work found the average rate of taxation on the people for Federal purposes standing at about 45 per cent. It was then much more than the people were able to bear, and was much more than was necessary to raise the needed revenue, as a large surplus had accumulated under that law as executed by a Democratic Administration. But all this did not satisfy a "business Congress," so it passed the McKinley bill and increased the rate of taxation to 60 per cent on the average.

In addition to the other enormities perpetrated by that "business Congress"—that "business" despotism—it enacted a law granting a bounty to those engaged in raising a single agricultural product in this country. In paying a bounty of 2 cents a pound on sugar that Congress not only discriminated against all other people engaged in farming, but it violated the fundamental principles of this Government.

Mr. REED. Do you intend to repeal that bounty?

Mr. KILGORE. Well, sir, I am not running that branch of the show. [Laughter.]

Mr. REED. No; that is evident.

Mr. KILGORE. But I intend, if the opportunity is presented,

to vote for the repeal of that bounty, and I imagine it will be repealed.

Mr. REED. I think you will find that you are not running that question any more than you ran the silver question.

Mr. KILGORE. I did not undertake to run the silver question. I have my convictions on that question. One of the blunders of the Fifty-first Congress was the repeal of the Bland-Allison act of 1878 by the passage of the Sherman law. I voted to restore the act of 1878, as did a majority of the Democrats of this House. I would have voted for the repeal of the purchasing clause of the Sherman law if it had been accompanied by the reënactment of the law of 1878. I will not only vote for the repeal of the sugar bounty, but I will do all in my power to accomplish its speedy repeal. It is wrong—flagrantly wrong in principle.

Mr. GEAR. Will you vote for a tariff on sugar in lieu of it?

Mr. KILGORE. Well, the question of the tariff is not under discussion to-day. [Laughter.]

Mr. GEAR. But these two questions that you are discussing are intimately connected—the repeal of the sugar bounty and a tariff on sugar.

Mr. KILGORE. I am talking now of the business end of the Fifty-first Congress and discussing its methods under the rules it adopted and the work it accomplished.

Mr. GEAR. Does not the gentleman understand that this bounty was given to help out Louisiana in the inception of the beet industry—a new industry?

Mr. KILGORE, I understand that no bounty was given to help along the wheat industry or the corn industry in the West or the cotton industry in the South. They do not ask such help, because it is unjust to tax one class in the interest of another class.

Mr. GEAR. Therefore you ought to be in favor of reënacting the tariff on sugar so as to put $60,000,000 in the Treasury. If you do that——

Mr. KILGORE. Well, now, I did not yield to the gentleman from Iowa for a speech. The gentleman can not get to the country through my speech. He can take his own time.

Mr. GEAR. I will get there in time, I will notify the gentleman now.

Mr. KILGORE. Well, I hope the gentleman will take his own time. I would vote against any proposition that would give a bounty on cotton or wheat or corn or any other crop, or for any purpose whatever, for the reasons already given and for the further reason that there is no authority anywhere in the Constitution for such legislation. But you people on that side of the Chamber sneer at a member who quotes the Constitution. It imposes no restraint on you.

Mr. GEAR. May I submit to the gentleman this remark: He says that the bounty is unconstitutional.

Mr. KILGORE. That is my view of it; obut I am not settling the whole question now.

Mr. REED. No; that is evident.

Mr. GEAR. The gentleman differs with one of the great lights of his party. You will discover that one of the founders of the Democracy, Gen. Jackson, held that doctrine, one of the very first acts of his Administration being to sign a bounty bill.

Mr. KILGORE. Well, sir, there is where I beg leave to differ from Gen. Jackson, if he ever held any such opinion. [Laughter.]

Mr. GEAR. You say you are fighting for Democratic principles. Now, will you deny that statement?

Mr. KILGORE. Well, now, Mr. Speaker, if I were to deny it the gentleman would take advantage of the opportuny to run a speech into the body of my remarks in order that he might reach the people. He can have his own way about it.

Mr. GEAR. That is true at all events in the early part of Jackson's Administration.

Mr. KILGORE. Very well; you can enlarge upon that and put it in your own speech.

But, Mr. Speaker, I was referring to this "business Congress" and what it had done. While it was in a generous mood—giving away the people's money—it provided by law a subsidy to the wealthy shipowner. After paying to carry the mails, and paying amply, that Congress provided that the people should be taxed to raise money which must be turned over to the owners of great ships as a gracious gift.

Mr. CANNON of Illinois. Will the gentleman allow me a question?

Mr. KILGORE. Yes, sir.

Mr. CANNON of Illinois. Does not the State of Texas give a bounty to manufacturers in the form of exemption from taxation?

Mr. KILGORE. She does not.

Mr. CANNON of Illinois. In no way, shape, or form?

Mr. KILGORE. If there is any way, shape, or form in which the State of Texas does such a thing, I am not aware of it.

Mr. CANNON of Illinois. Did she not do so——

Mr. KILGORE. She did not.

Mr. CANNON of Illinois. When did she cease that policy?

Mr. KILGORE. She never adopted any such policy. When the Republicans were in power in Texas during the days of reconstruction in 1869 and the early seventies, they did give a subsidy of $10,000 to the mile in bonds to two or three of the great railroads which were being constructed in Texas. But she repudiated that policy when her own people acquired control of the State government.

Mr. CANNON of Illinois. I am speaking of manufactures.

Mr. KILGORE. No, sir. It has never been the policy of the people of Texas to give bounties or subsidies to manufacturing enterprises of any kind since the rule of the festive carpetbagger came to an end. As my colleague from Texas suggests, the constitution of the State framed after the Democracy came into power absolutely prohibits the giving of bounties or subsidies for any purpose. The Legislature has no authority to appropriate money for any purpose except to pay the legitimate expenses of the State government. It could not use the public money for the State exhibits at the World's Fair, and I am confounded glad it could not.

Mr. BAILEY. And it can not exempt anything from taxation under the constitution.

Mr. KILGORE. As my colleague suggests, the Legislature under the constitution can not exempt from taxation any property except a limited quantity of household and kitchen furniture.

This same "business Congress" passed the direct-tax measure, which took from the Treasury some $19,000,000 to return to the States money collected during the war from the States and the people of the States by direct taxation. The only pretext for this scheme was that the South had not contributed her quota of that money.

That business Congress, billion-dollar Congress, repealed the Bland-Allison silver law and in its stead enacted the Sherman law, which it is claimed has brought untold havoc to the country and to repeal which an extra session of the Fifty-third Congress has been convoked.

That Congress passed a law providing for the adjudication and payment of claims for damages arising out of depredations committed by Indians on the frontier. This measure passed the House under a suspension of the rules limiting debate to fifteen minutes on each side and prohibiting all amendments. The advocates of the measure would not permit a yea-and-nay vote on its passage. It was a bold and flagrant iniquity, and its execution will provoke and invite more fraud and perjury and peculation than any one measure which has gone through Congress in many years.

Mr. HERMANN. I will ask the gentleman from Texas if as a matter of fact that law, upon its merits, is not one of the most popular laws that has ever been passed by Congress.

Mr. KILGORE. I certainly do not think so. Gentlemen who supported it thought they were serving the best interest of their constituents. It was and is now very popular with the average Washington claim agent who subsists by plundering the Government and his clients. It is popular with the man with a claim for ponies and yearlings dying on the prairies and charged to the Indians.

Mr. HERMANN. I will ask the gentleman if it is not a fact that a majority of the delegation of the State of Texas, and especially the distinguished Representative, now United States Senator, Mr. MILLS, claimed that it was one of the most important measures to their constituents that ever passed this House?

Mr. KILGORE. That is true that the Texas delegation, including Senator MILLS, then a member of the House, voted for the bill. All except myself; I opposed it. Mr. MILLS did speak in behalf of the measure.

Mr. HERMANN. Was it because it was an unwise measure?

Mr. KILGORE. They were informed on this floor by the gentleman himself and by the friends of the measure in the Senate that three and a half or four million dollars would be sufficient to pay all the claims arising out of Indian depredations. And they were further advised by the gentleman from Oregon [Mr. HERMANN] that the greater portion of the money to pay these claims would come out of the Indians committing the depredations.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. KILGORE. I would like to ask unanimous consent of the House to extend my remarks in the RECORD.

There was no objection.

Mr. KILGORE. The claims already presented for adjudication under that law amount to nearly $40,000,000, and not a dollar has ever yet been paid by any Indian tribe. I took the liberty to predict at the time that it would take from thirty-five to fifty millions to satisfy the claimants under that law.

That notorious "business Congress" passed through the House the Conger lard bill, the purpose of which was to build up the

hog and lard industry in one section of the Union and to destroy the cotton-seed oil industry in another section of the country. It passed through the House the now infamous Torrey bankruptcy bill, a measure which violates the fundamental theory of all proper laws on the subject of bankruptcy. Such measures are intended for the relief of unfortunate and failing debtors.

The principal purpose of the Torrey monstrosity is to enable the wholesale merchant—the big creditor—to menace and coerce and blackmail his debtor, the retail dealer. It is a bill strictly in the interest of creditors. It would if it became a law annul all State laws for the collection of debts. It would vacate all mortgages, deeds of trust, assignments, and all judgment, attachment, and execution liens. It would place all the enforced collections of debts in the United States courts and confer upon such courts jurisdiction of all controversies between citizens of the same State arising out of business transactions among the people. It is wholly vile and pernicious and was beaten in the last Congress by dilatory tactics permitted under the rules of the House in that Congress. No more useful service has been rendered the plain people of this Republic in many years than that which brought defeat to that bill.

That measure passed through this House under these "business rules," devised for business purposes, of which we have heard so much from that day to this. Fortunately for this country the bill did not become a law.

My friend from Louisiana [Mr. BOATNER] yesterday attacked gentlemen in this House who do not believe in the infallibility of the majority for having filibustered in the last Congress against the bankruptcy bill, of which he was desperately enamored. Why, Mr. Speaker, for one month he was leading the dilatory fight against the antioption bill last Congress.

Mr. BOATNER. Mr. Speaker, I beg to state to the gentleman from Texas that I was only following him.

Mr. KILGORE. The gentleman from Louisiana was in training for the leadership in that contest and I was engaged as his trainer, and he was "juggling" with me for a month on the intricacies of parliamentary law, so that he might be able to conduct a scientific and successful filibuster in the House. Why, it was to be a great era in his life, the one event which future generations would celebrate in song and story, but to-day he is a reformed man. [Laughter.]

Mr. BOATNER. If the gentleman will permit me just one moment, I will say that I did engage in the filibustering to which he refers, and that I should consider myself justified in filibustering against any measure which I considered of so great importance so long as the rules permitted it; but nevertheless I am of the opinion that the rules of the House ought to permit the majority of the House to have its way about any matter of legislation.

Mr. KILGORE. I will talk about that later. I believe I have unlimited time.

Mr. OUTHWAITE. You have an hour, and it has nearly expired.

Mr. KILGORE. They told me to go in *ad libitum*. [Laughter.]

Mr. REED. You are going in where you can not get out.

Mr. KILGORE. Well, now you just watch me get out.

Now, Mr. Speaker, there was one monumental infamy achieved by the Republican majority in the House during the Fifty-first Congress which ought to forever condemn the Republican party to oblivion as well as its code of rules. No legislative atrocity like the passage of the force bill through the House of that "business Congress" was ever approached in the history of the American Congress, except in the action of the Forty-third Congress, when a similar measure was passed by the House by somewhat similar methods.

It was in the interest of that spirit of centralization which inspires much of the legislation of the Republican party. It was an audacious and insidious effort to take out of the hands of the people where it had rested for one hundred years the machinery of Federal elections and place it in the hands of Federal partisan officials, to the end that such elections might be conducted in the interest of the Republican party and to secure to it a perpetual lease of power. It undertook to place the officials and the official machinery of elections beyond the control of the legislation of the country by providing a life tenure for the principal officers charged with the execution of the law and by making permanent appropriations to pay the expenses of the swarms of Federal officials to be brought into existence by that law.

Now, Mr. Speaker, that business Congress, which is the subject of so much laudation in certain quarters, signalized its entire existence by a shameless disregard of the rights and the interest of the people in a thousand different ways, but in none more conspicuously than in the wasteful expenditure of the people's money, and it will go "sounding down the ages" as the most extravagant Congress that the country ever knew. It has been appropriately christened a "billion-dollar Congress," and in its history and in its licentious abuse of all power and authority it perpetually reproaches American civilization.

Now, Mr. Speaker, the country is familiar with the work of the Fifty-first Congress—that business billion-dollar Congress—and it knows something of the rules and methods employed by the House of Representatives during that Congress. It knows that all the measures to which I have referred were passed by the House during its first session. And we all know how the people in the election in 1890, which took place about one month after the demise of the long session, revolted against the work and the methods and practices of the Reed régime, and exhibited their resentment by sweeping that party from power. Yet we find Democrats in this House contending that the rules and practices of that Congress should be adopted and prevail in a Democratic Congress for no better reason than that some of their pet schemes were obstructed in the last Congress by a determined and persistent minority. They actually contend that a despotism ought to be erected in the popular branch of the legislative department of the Government, and that the Speaker ought to be invested with autocratic powers to be used only against the minority. Do not do that; there is no room anywhere in this Government for a despotism. It can not breathe the atmosphere of freedom and live.

The universally accepted theory upon which all written rules and written constitutions are founded is that they are intended to impose limitations on the power and authority of majorities. We saw that theory completely reversed in the Fifty-first Congress, which devised a code of rules to restrict and muzzle the minority instead of imposing restrictions on the majority and regulating its course and conduct. And the contention here is that the minority ought to be made helpless and voiceless in this House by the rules. If that is to be the practice hereafter, the minority may just as well be dispensed with entirely. The loud but unmeaning declaration, now so often and so flippantly uttered, to the effect that majorities ought to rule, constitutes a large part of the feeble and slushy statesmanship of the present day.

The will of the majority when wrought into the statute books of the land by the lawmaking power of the Government does control and govern, as it should do. But it takes the concurrent assent of the House and Senate and the President of the United States, and the Supreme Court too, sometimes, to make a "rule of action" for the people, and all these coördinate branches of the Government may have been chosen by a minority of the people.

Any rule of this House which lodges with the majority the power to restrain or coerce the minority at the will of the majority is despotic and ought not to be tolerated among a free people. The rules of procedure which constitute a well-defined system of parliamentary law have existed in this House for a hundred years or more. They are also a part of the Constitution of the country as well.

A member of this House is a representative of a sovereign people, and he must answer to his people for his conduct here, and if he is to be subject to the coercion of arbitrary rules and a Speaker clothed with despotic power he is no longer an independent freeman and is no longer the representative of freemen. If a member of this House desires to express his opposition to a measure by sitting silently in his seat and refusing to participate in the pending business he ought to have the right to pursue his duty as he understands it in that way without hindrance from any source.

It is contended that the minority ought to have the opportunity to give a fair and full discussion to all questions presented for consideration, and that should be the end of their rights. The right of discussion belongs inherently to all alike, and it can not be and ought not to be abridged in a free country. It is no concession to the minority to say they shall enjoy the privilege of debate. They ought to have full power to obstruct the passage of measures, and being answerable to the people they are never likely to abuse their power.

The whole of this advocacy of the stringent, arbitrary rules of the Fifty-first Congress—that "business" Congress—is founded on the theory that the minority, having the power, have used the rules to obstruct the passage of necessary and proper legislation.

Now let us look at this contention just a little bit. Has there ever been any complaint among the people that there has not been enough of legislation? On the contrary, the outcry has always been that there was a great deal too much. And the rules of this House have been devised and enforced, as are the rules of all parliamentary assemblies, to hinder and delay legislation, not to expedite it. That theory was overturned in the Fifty-first Congress, and we have seen how it works.

I am here to assert, and I do assert, that there never has been a filibustering movement in Congress that was not in the interest of economy, good government, and the liberty of the people. The country never ceased to be grateful to Mr. Randall for ob-

structing the passage of the force bill in February, 1875, in the last days of the Forty-third Congress. By dilatory motions he delayed the passage of that bill through the House till Sunday morning, the 28th of February, and then it was too late for it to go through the Senate. By that one fight by the minority the liberties of the people of the South were saved from destruction. In the Fiftieth Congress the minority stood for eight days and nights against the passage of the direct-tax bill, which provided for the improper appropriation of $20,000,000 of the people's money. When it did pass, at the next session of Congress, President Cleveland vetoed it. In the Reed business Congress it became a law.

In the short session of the Fiftieth Congress a filibuster which lasted some four days was inaugurated to compel action by the House on a bill to open the Oklahoma country—a measure which was opposed by the big cattle companies—and a powerful and wealthy lobby combatted its passage.

Then again in the first session of the business Fifty-first Congress the House passed another force bill. The whole power of the Republican party was concentrated on an effort to enact it into a law. The elections in 1890 showed that the people did not approve of such measures and methods, and they administered an overwhelming rebuke to that party. Yet after that election the short session of the Fifty-first Congress met on the 4th day of December, 1890, and the President urged its passage in his annual message and the Senate called up the bill and Senators demanded a vote on it the first day of the session. But the minority was on hand, and from that day on to the 26th of January, 1891, it obstructed its passage, and it was finally displaced by other necessary legislation.

Then again a few of us filibustered against the wanton and profligate waste of five millions of the people's money in the World's Fair and compelled a compromise, saving thereby two and a half million dollars.

Then in the last Congress it fell to my lot to lead the filibuster against the passage of the Torrey bankruptcy bill, which they claimed was favored by more than two-thirds of the House. And it failed. I will not undertake to characterize as they deserve all the infamous features of that bill—will only say that in my judgment the people will commend my course in that contest, and will when they understand its provisions condemn the measure itself.

This filibuster in the last Congress seems to excite all the attack on the rules which have prevailed in this House for a century, and under which all necessary legislation has been enacted. Yet there are Democrats here who are ready to adopt the arbitrary rules of the Fifty-first Congress, forgetting the fact that the people repudiated that Congress and its work with singular unanimity.

The methods and legislation of that Congress wrecked the Republican party, and Democrats seem willing to wreck the Democratic party that their pet measures may be expedited.

If the rules of the House of the Fifty-first Congress had been in force in the Forty-third Congress or in the Senate of the Fifty-first Congress, the will of the people of the South would long since have been suppressed, and that section of the Union would have been dominated and plundered and oppressed by carpet-baggers and the worst of the colored population.

This Democratic House can not afford to take a single step in the direction of centralization and despotism. When you give a Democratic majority despotic power, it ceases to be Democratic and it will cease to command the respect and confidence of a free people.

Gold and Silver the Money of the Constitution.

SPEECH

OF

HON. B. A. ENLOE,

OF TENNESSEE,

IN THE HOUSE OF REPRESENTATIVES,

Friday, August 25, 1893.

The House having under consideration the bill (H. R. 1) to repeal a part of an act approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. ENLOE said:

Mr. SPEAKER: The action which this Congress shall take on the pending question is fraught with much of good or evil to the people of this country. The question at issue is the single gold standard against the double standard of gold and silver. Thomas Jefferson and Alexander Hamilton, the fathers of the two great schools of politics in this country, approved the coinage of gold and silver and proclaimed it to be the money of the Constitution. If any man on this floor had been asked during the canvass before the people one year ago what question would overshadow all others in the event of Democratic success, he would have unhesitatingly answered, the tariff. That was the issue on which the tide of battle turned. The demand for speedy relief from an iniquitous and dishonest system of taxation was overwhelming and imperative. The money question was of secondary consequence.

After the election a large part of the press and people urged the importance of convening Congress immediately after the 4th of March to press forward the good work of tariff reform. There was not then a cloud on the financial horizon to presage the coming storm. After a grand and heroic struggle for twenty-five years for home rule and the rights of the States under the Constitution, after following their flag through years of misfortune and disaster, after exhibiting a patriotism and devotion to principles unparalleled in American politics, the Democrats at last swept every enemy from their path and planted their victorious banners on the citadel of protection and monopoly. The people believed that they had escaped from a bondage worse than Egyptian bondage. They believed that the tariff robber, the horse and his rider, had been swallowed up by the sea, and they sang pæans of praise to Jehovah for giving them the victory.

Instead of pressing steadily forward after our victory, we halted on the field of battle to divide the spoils. The sword of tariff reform rusts in its scabbard. The allied trusts and monopolies, immediately after the election, rallied under the gold standard and attacked the weakest point in the Democratic line; and here we are to-day convened in extra session by the proclamation of the President, not to carry out the great pledge of tariff reform on which we won, but to allay a panic brought about by the friends of protection and monopoly. The President in his message has communicated to us his views on this question. They are not new or unexpected. He had repeatedly expressed them before his election. He has called upon us to deal with the situation, and it is our duty to do it as representatives of a sovereign people, to whom we are alone responsible for our actions here. Instead of standing together as a party to meet this issue, self-chosen leaders in Congress have divided the party into two hostile camps for their mutual destruction without even so much as an effort to come to a common understanding and agreement. No Democratic caucus was called, and all efforts to have a party conference were discountenanced. So much for leadership, and so much for policy.

The revision of the tariff should have preceded financial legislation. It is at the bottom of our present financial trouble. The first great question in government is the question of taxation. Whether we have much money or little money, whether we have the single standard or the double standard, whether we have one money metal or two, lasting prosperity can never come to the producing classes under a system of taxation which bears hardest on the producing classes and still further enriches the capitalistic classes. We ought first to pass a revenue tariff and put articles on the free list which are the subjects of trust and monopoly. We ought then to impose an income tax to pay pensions. Then we ought to repeal the 10 per cent tax on State banks, repeal the Sherman law entirely, provide for the coinage of gold and silver on the same terms and at such ratios as may be necessary to preserve the parity of the money coined, coin the bullion in the Treasury vaults, and require the national banks to issue currency to the full face value of their bonds.

Mr. Speaker, I will not detain the House with a statement of all the things we ought to do, but I am quite sure that the policy I have suggested would, if followed, lead to happier results for both my party and my country than will the policy we are now pursuing. There is no alternative presented to us. We must first dispose of this question which has been thrust upon us at this time to defeat tariff reform.

The issue to be settled is a most important one. If this debate has demonstrated anything, it is the fact that finance is not an exact science. Everyone has his own theory, or the theory of some other person modified to suit the temperature of the financial atmosphere in which he lives. In the States where protection has enriched the people, we find their representative men clamorous for the gold standard, because the gold standard will increase the purchasing power of money and correspondingly cheapen everything else.

In the States which have been robbed in the name of the law by unequal and unjust taxation, and their people driven to bankruptcy or to borrowing, we find their representatives, as a rule, insisting upon the right to pay their creditors in the money in use at the time the contract was made. The capitalist wants all he can get; the debtor wants justice. The matter of a safe and sound financial system for the people of the United States is viewed through the haze and mist of prejudices due to local surroundings. You may draw a line around the States in

which protection has concentrated wealth, and you will scarcely find a single representative in either branch of Congress who is not an advocate of the gold standard. In the agricultural States the rule is the other way; and whenever there is an exception to the rule, you need not seek far to find the reason for the exception.

THE CAUSE OF THE PANIC.

Mr. Speaker, it seems a simple matter to analyze this panic, to understand its cause, and to find the remedy for it. The protected manufacturers and the vast horde of monopolies and trusts built up and sheltered by the protective system are the prime movers in producing this panic. They led this attack on silver as a diversion. The circumstances favored their designs. The corporations in this country had issued and sold billions of dollars' worth of stocks at home and abroad. They had robbed investors and taxed consumers to sustain the prices of watered stocks until all that was needed to produce a panic was to give it a start. The whole country had overtraded, and an era of speculation on the profits to be wrung from the people by the system of protection threatened to suddenly culminate.

The banks throughout the country were burdened with stocks of uncertain value and other inconvertible securities. They were dependent on New York for credits. They could not keep their doors open without the aid of the banks in Wall street. The balance of trade was against us, instead of in our favor. The time was ripe for a panic. The manufacturers did their part to produce it by closing their establishments or reducing their output. The New York banks stopped the credits of the country banks, and they began to succumb to the pressure. Wall street speculators poured stocks on the market and demoralized prices. Foreign investors in American securities took fright and hastened to sell at any price, and to convert their holdings into gold, which went abroad. The wind was knocked out of booms, and the water was squeezed out of stocks.

Mr. JOHNSON of Ohio. Was that the source of the trouble?

Mr. ENLOE. In part, but not in whole. Treasury notes, redeemable in gold or silver under the law, were redeemed in gold until the gold reserve was reduced below the one hundred million limit, and the metropolitan press, which had enlisted in the war on silver, declared that we were coming to a single silver standard. The confidence of the people in the banks was shaken, and they demanded their money. Banks were breaking every day, and people who could get their hands on their money were hiding it. Everybody wanted to sell, and nobody wanted to buy, unless at a ruinous sacrifice. The press is even now everywhere thundering into the ears of the panic-stricken people the charge that silver did it, and demanding the repeal of the Sherman law.

To that demand I am ready to respond in accordance with the declaration of principles laid down by my party at its national convention in Chicago. While I do not believe that the Sherman law was anything more than an incident in causing this panic, I am ready to redeem the party pledges on the financial question. I maintain that there is no demand in the Democratic platform for the repeal of the silver-purchasing clause of the Sherman act. Neither do I believe, Mr. Speaker, that such an act would restore that prosperity to the country which has been destroyed by a dishonest financial system and a dishonest system of taxation.

PARTY PLEDGES.

Let me call your attention to that portion of the Democratic platform upon which it is alleged this bill is based. It says:

We denounce the Republican legislation known as the Sherman act of 1890 as a cowardly makeshift, fraught with possibilities of danger in the future which should make all of its supporters, as well as its author, anxious for its speedy repeal. We hold to the use of both gold and silver as the standard money of the country, and to the coinage of both gold and silver without discriminating against either metal or charge for mintage, but the dollar unit of coinage of both metals must be of equal intrinsic and exchangeable value, or be adjusted through international agreement or by such safeguards of legislation as shall insure the maintenance of the parity of the two metals and the equal power of every dollar at all times in the markets and in the payment of debts; and we demand that all paper currency shall be kept at par with and redeemable in such coin. We insist upon this policy as especially necessary for the protection of the farmers and laboring classes, the first and most defenseless victims of unstable money and a fluctuating currency.

The Republican party stands equally pledged to preserve the double standard.

Mr. Speaker, the Democratic platform, I reaffirm, does not demand the repeal of the silver-purchasing clause of the Sherman act alone. It demands the repeal of the entire act. It demands "the use of both gold and silver as the standard money of the country, and the coinage of both gold and silver, without discriminating against either metal or charge for mintage," etc. I will vote for that, but I will never vote to repeal the silver-purchasing clause alone. This bill proposes to make gold "the standard money of the country." It makes no provision for the future coinage of silver.

For twenty years the Democratic party has denounced the demonetization act of 1873 as a crime. We have heard gentlemen in this debate who denounced that act to their people as a crime declare their intention to stop the coinage of silver at any ratio. Those of us who stand to our convictions and pledges are told that consistency is a jewel only fit to be worn by fools. This may be sometimes true, Mr. Speaker, but I think a public servant ought to redeem his pledges to his constituents even if he is called a fool for doing it. Consistency and honor, under such circumstances, appear to me to be synonymous.

I voted against the Sherman law. It was a cowardly makeshift to defeat the free coinage of silver in 1890, and I regard it now as a miserable scarecrow to excite the fears of the people and drive them to the gold standard. I would vote for this bill if it restored silver to the position it held prior to 1873, or I would vote for it if amended so as to restore the Bland-Allison act which it repealed, and place silver where it was from 1878 to 1890; but I will not vote for this bill and by my act let it go to the world that silver coinage has been stopped in the greatest silver-producing country on earth.

WHAT WILL FOLLOW UNCONDITIONAL REPEAL?

Mr. Speaker, before voting to dispense with the Sherman law I want to know if the hand that helps to pull down will help to build up. I have not heard of a single gold standard Democrat who wants to put anything in the place of the Sherman law. We need and must have an increase in currency to keep pace with the increase in business and population; but if we pass this act and stop there, the future increase in our currency will depend entirely on the insignificant coinage of gold and on the will of the association of national banks. We know that the policy of the national banks has constantly been one of contraction. The scarcer money is, the greater the rates of discount and interest. This may in some measure account for their policy. Another reason is that the extinguishment of our bonded debt constantly narrows the basis of our national banking, while it also diminishes the profits by forcing competition in the markets for the bonds.

If we pass this bill will we stop there? I am afraid that we will. It looks to me like a pit into which we are asked to walk with our eyes open. For one, I will not do it. I have not seen a single metropolitan newspaper which promises anything more. This is all the East wants, and we can not expect help there. Where then can we look for help? Certainly not to the Republican party. It passed the Sherman law to defeat free coinage. Not a single Democrat voted for it. The Republican party did it under the same leaders who lead them in both branches of Congress to day. The word of their leaders was law to them then, and it is law to them now, and it will be law to them in the future.

The most stupid need not be deceived by the changes we have seen on this question. We have witnessed a political day of Pentecost among the Republicans who passed the Sherman law. They have fallen over each other in getting away from it. It was only a temporary redoubt to shelter the gold standard until it could be unmasked and openly proclaimed. Their conduct and their attitude is easily understood. I regret to say that the conversions have not all been on the Republican side of this House. We have seen on this side a few lesser lights than Saul of Tarsus suddenly stricken blind to their former teachings, and we have heard them proclaim a new faith. If I had ever entertained a doubt about the necessity of demanding that other legislation should go with the repeal of the Sherman law, what I have seen and heard here would remove that doubt.

THE SILVER DOLLAR NOT A DISHONEST DOLLAR.

Mr. Speaker, I came here prepared to vote to put more silver in the silver dollar—if necessary to make it equal to gold. I had heard so much of the cry of a dishonest silver dollar that I thought there might be some sincerity in it. But, sir, this debate has convinced me that the silver dollar is not a dishonest dollar, but that the cry is a dishonest cry. [Applause.]

THE GOLD STANDARD.

The Wilson bill alone means the gold standard pure and simple. Gentlemen need not attempt to cover their change of front on this question by talking for international bimetallism and voting for international monometallism. There is no use in beating about the bush. This bill establishes the gold standard.

Mr. JOHNSON of Ohio. Are we not there now?

Mr. ENLOE. Yes, as the Sherman law is administered, we are there now, and we have been there since its passage. But the Sherman law contains a provision which authorizes the Secretary of the Treasury to have the silver bullion coined to redeem the silver certificates, and the Government may redeem them in gold or silver at its option. This bill takes away that option and pledges the Government to redeem them in gold. If the holders of silver certificates so desire, they can empty the

Treasury of gold any day after this bill becomes a law. Wall street bankers can gather up the Treasury notes and certificates under such a provision and draw the gold out of the Treasury and force the Government to sell bonds and buy gold, and that is just what I believe they will do unless they can get Congress to authorize a bond issue. In my opinion, the issuance of bonds must follow the passage of this bill.

I will say to the gentleman from Ohio [Mr. JOHNSON] that I have every reason to believe that we will be on a gold basis when this fight is ended. The gold power has had a triumphant legislative march throughout Europe since 1873, and it comes into this fight equipped with every agency of power which gold can command. When Germany triumphed over France and levied a war indemnity upon her people, she joined with England to rob the debtors of the world. Norway, Sweden, and Denmark followed Germany. Holland stopped silver coinage in 1875. France, Italy, Belgium, Switzerland, and Greece stopped the coinage of full legal-tender silver coins in 1878. Russia and Austria-Hungary have practically adopted the same course.

The United States struck the deadliest blow against silver in 1873 by throwing her influence with Germany and England against its coinage at the very moment when silver most needed support. We have seen how nation after nation has changed its financial policy since that time, under the influence of gold, until at last silver hangs on the Sherman law, and now, in the midst of the clamor of the press and people for Congress to do something to stop the panic, we are asked to deliver the fatal blow to silver. It is unfortunate that we are forced to legislate under the circumstances on so important a question.

RESTORE CONFIDENCE.

Mr. Speaker, we are constantly urged to do something immediately to restore confidence. I distrust legislation which must be driven through under whip and spur to restore confidence.

The gold power which is now clamoring for us to do something to restore confidence is the same which destroyed confidence. This is the old and familiar trick it has so often played on the people before. Capital always loses confidence whenever by so doing it can make an opportunity for gain. It lost confidence from 1861 to 1865, but it was willing to pay 67 cents on the dollar for United States bonds. It lost confidence in 1869, and Congress hurried through a bill to pay the bonds in coin. That was the first act of President Grant's Administration. It cost the people something near a billion dollars to restore the confidence of the gold power then. Those who held the bonds pocketed the gifts and the people pocketed the loss.

It was indeed a princely price to pay for confidence. The gold power lost confidence again in 1873, and a bill was slipped through Congress to demonetize silver so that bondholders might collect their bonds in gold. Then the gold power lost confidence in the currency, and the gold resumption act of 1875 was passed so that all debts might be collected in gold or its equivalent. The cowardly makeshift called the Sherman law was another act passed to restore confidence. Destroying confidence has become so much of an industry and so very profitable that Congress may expect to be called on very often to restore it. I suppose as soon as this deed is done we will be told that capital has again lost confidence because we are pledged to tariff reform, and we will be asked not to touch the schedules which protect the trusts, so that confidence may be again restored.

Mr. Speaker, I want to restore the confidence of the people in the honesty and the justice of the Government. I want to restore the confidence, and with it the prosperity, of those who toil and struggle to feed and clothe the world. This is the panic of the banker, the speculator, the capitalist, and the monopolist.

The farmers are in as good condition to-day as they have been for several years past—no better, no worse. Their condition could not be made much worse without absolutely destroying the industry. The banks and the safety vaults in the money centers are full of money to-day. It is unfortunately not in the hands of the people generally. The capitalist and the monopolist may be afraid they will get hold of silver or paper instead of gold, but the farmer is afraid he will not get enough of either to supply his wants.

The people have confidence in our money, but no confidence in the system which robs them of their earnings. They lost confidence in the banks, which have in some instances locked up their money during this panic and refused to pay it out to them. An honest adherence to our promises to the people will do more to restore the confidence of the people than the passage of any bill at the dictation of the gold power.

MORE MONEY THE REMEDY.

We need more money and must have it. As an evidence that the supply of money is insufficient, the New York Clearing-House Association was compelled during the panic to resort to the use of clearing-house certificates. The national banks expanded their currency to some extent to meet the demand, but it was insufficient. United States bonds were brought to the Treasury Department and changed into smaller denominations to be used as currency. Even silver dollars commanded a premium in Wall street for currency. The whole country wants and must have more money. The national banks will not furnish it. The Government must furnish it, and it must take the tax off of State-bank issues and let the people help to furnish it.

I favor gold and silver and paper money—every dollar as good as any other dollar—and I want it always ready to respond to the call of industry in every part of the land. I want it in sufficient volume to enable the owner of property who has thrift and enterprise and honesty to obtain it when he can use it to advantage without paying usurious rates of interest, and without having to go to some Eastern money center to negotiate a loan. I want to see coupled with this repeal bill such financial legislation as will produce these results and not trust to a future day, which our past experience teaches us will never come while the influences which demand this measure can prevent it.

THE FUTURE OF SILVER.

We are told that this bill is too sacred for amendment, and we must accept it or reject it as it is. The very remarkable argument is advanced by gentlemen who claim to be bimetallists that we must commit the future of silver to its enemies; that we must join Europe in debasing silver and come down to the level of the gold standard in order to force Europe to restore silver to its former position. European governments acting for themselves have abandoned the free coinage of silver of their own volition. Is it not absurd to say that we will go into conference with them and induce them to enter into an international agreement for the free coinage of silver, after we have adopted their policy as our own? It would be about as wise to impanel a jury of wolves to try a lamb as to trust the fate of silver to such a conference.

CLASS LEGISLATION.

We know that this policy is the policy of the creditor class, designed to enhance the value of all monetary obligations.

The gentleman from Mississippi [Mr. CATCHINGS] put the creditor view of it in the argument advanced by him that we are trying to add 44 cents of value to the silver dollar by legislative pronunciamento. I deny the soundness of that argument. We are not trying to add anything to the value of the silver dollar. We are only contending for the right of the debtor to pay his debt according to the contract. The gold standard will enhance the value of gold, and by making money scarcer and dearer it will add to the burden of every debt now outstanding.

The people of the United States are indebted to each other and to foreign nations in the enormous sum of $19,700,000,000. The annual interest charge on this sum is more than $1,000,000,000. The bulk of this indebtedness is now payable in either gold or silver, but when it becomes payable in gold alone it will take more of everything the debtor produces or owns to pay it. The Wilson bill is a measure of contraction. It stops the issuance of Treasury notes for the purchase of four and one-half million ounces of silver each month, which we have had since the passage of the Sherman law. Under the Bland-Allison act of 1878, which the Sherman law repealed, we added to our currency two and one-half millions of silver dollars each month.

As the volume of money was increased under the Bland-Allison law, it was decreased by the national banks retiring their circulation. Under that law we added $30,000,000 a year to our currency, and still we had a steady shrinkage in values of all kinds compared with the value of gold. If the well-known facts did not sustain me in arguing that contraction of the currency causes a shrinkage in the value of all other property as compared with gold, I would be sustained by the authority of the bankers of New York City. It should be borne in mind that as fast as we issued silver under the Bland-Allison act, and even faster, the national banks retired their notes from circulation. When the Bland-Allison bill was under consideration the bankers of New York City said it would expand the currency and wrong creditors, and on January 8, 1878, they declared by resolution as follows:

> The proposed law would at once reduce the standard one-tenth and strike that amount from the value of all outstanding obligations.

The New York Chamber of Commerce met February 7, 1878, and resolved:

> It is wrong to inflict on our national banks, our saving institutions, and our life, fire, and trust companies, as well as our marine insurance companies, a loss of 10 per cent.

So it will be seen they estimated the loss to capital by an increase of the currency under the Bland-Allison act of $2,500,000 a month at 10 per cent. So it must follow that contraction of the currency results in the depreciation of the value of all other commodities as compared with gold. If it was wrong to inflict a loss of 10 per cent on creditors by expansion, it is wrong to

inflict a loss of much greater magnitude on the debtor class by the increase of the purchasing power of gold which will follow the adoption of the gold standard. We need more money. More silver will produce more gold. Money makes money. It infuses life into business, calls forth enterprise, and stimulates industry.

Mr. Speaker, it is equitable and just to pay debts in the money contemplated in the contract. It is a crime to increase the burden of a debt by legislative enactment. If our actions here were controlled by right thinking, our sense of fairness and right would prompt us not to interfere with the obligations of contracts at all; but if we must lend the power of the Government to either class against the other, we should lend it to the poor and the oppressed against the rich and the powerful.

TOO MUCH CONFIDENCE MONEY, TOO LITTLE ACTUAL MONEY.

Gold and silver have constituted the basis on which our system of finance has securely rested for nearly a century, and upon that basis we have erected a vast superstructure of credit. It is estimated to-day that the credit or "confidence money" is equal to 95 per cent of the whole, against 5 per cent of actual money. This bill proposes to take away half the foundation, leaving credit standing on gold alone. Instead of broadening the foundation, we are asked to reduce it nearly one-half and take the chances of destroying the superstructure.

Mr. Speaker, we want less "confidence money" and more actual money. As long as 95 per cent of our business is transacted on confidence or credit, there is nothing to prevent a combination of enterprising wreckers from creating a panic whenever the conditions are the least favorable. Bankers and capitalists constitute a sort of a priesthood which is popularly accredited with exclusive knowledge on the subject of finance. They not only control the great bulk of actual money, but they hold credits in their hands and contract or expand the 95 per cent of "confidence money" at their sovereign pleasure. If they cry "wolf," the press and the people take it up, and confidence vanishes.

Such a system of finance is full of danger to the people. We want a system better adapted to the needs of business, a currency more abundant, more flexible, and less subject to the control of the financial centers. I do not pretend to say that we are absolutely dependent on either gold or silver, but it would be safer and more convenient to use both as a basis, and it would be disastrous to the people to abandon either.

THE ACTION OF INDIA ANOTHER PRETEXT.

The recent action of the council of India in stopping the coinage of silver on individual account is another pretext for abandoning silver coinage here. We ought to abandon the purchase of silver under the Sherman act by repealing the law. That law was a cheat and a fraud in its conception, and it is doubly so in its execution; but instead of silver purchases, I insist that we ought to have the coinage of silver on the same terms that gold is coined. That is what the Democratic platform demands, and that is right. If the ratio is wrong, let us change it; but I believe the wrong is not in the ratio, but in the conspiracy against silver as a money metal. We are asked to give our support to this bill, which rests on no higher ground than the plea of a pretended necessity that we should make our financial system conform to the European standard. I do not believe that the road to bimetallism leads through monometallism.

England, the great creditor nation of the world, has pushed this fight against silver since 1816, and, after bringing all Europe to her feet, she returns here to complete the infamous work of 1873. We may basely surrender to her demands, but if we stand by our people and their interests and defy the commercial power of England and reject her financial teachings, as we have defied her military power and rejected her political guardianship in the past, we can maintain the use of gold and silver on terms of equality against the world.

THE DUMPING GROUND FOR SILVER.

We are told that this country will become the dumping ground of the silver of the world. In answer to that argument, I will give Mr. R. E. Preston, Acting Director of the Mint, as authority for the statement that every dollar of foreign silver brought to this country and coined into standard silver dollars would lose 32 cents. Foreigners would not bring dollars here and sell them for 68 cents in order to dump silver on us. If they were so disposed, Mr. Speaker, I think we could stand it as long as they could. That argument is only a catch phrase to frighten the ignorant, and the gentlemen on the other side ought to find some better argument to advance.

The same gentlemen profess to be alarmed at the possibility of such an enormous silver production as would destroy the value of all property by inflation. The best answer to that argument is the record. We have the record of production for one hundred years, furnished by the Treasury Department. That record shows that the world has produced in the last century $5,633,908,000 in gold and $5,077,961,000 in silver. It seems to me quite a remarkable thing that the production of the two metals throughout the world for a century has been so nearly equal. It is an argument to my mind for the preservation of the double standard. They furnish a solid basis, and they approximate as nearly to an unchangeable standard of value when taken together as any that the wisdom and the statesmanship of all the ages could devise. Either one taken separately would make the standard vary with the production, and would make it too narrow; but taken together, history shows that the production equalizes the standard and furnishes a safe basis for the issuance of money.

From 1834 to 1873 gold was mined in such large quantities that silver was at a premium of 3 per cent over gold. Since 1873 silver has been under the legislative ban and it has been treated as a commodity. Place them on an equality again before the law and the laws of nature will preserve the equilibrium and the uniformity of the standard. Demonetize gold the world over and it will go lower than silver because less useful in the arts. The money value of both metals is the creation of law. Take that away and they would have a value as commodities like iron, copper, and brass, and they would both be less valuable than either of the other metals named because of less utility. Silver bullion has fallen in price because the demand for silver money has been restricted by unfriendly legislation. The creditor class has robbed the debtor class in other countries by legislation just as it has done and will continue to do in this country if the people submit to it.

GOLD AND OUR FOREIGN TRADE.

Mr. Speaker, it is a stock argument we hear quite frequently on this floor that this country will be drained of all its gold unless we adopt the gold-standard. This would be true if we were dependent on gold standard countries for our supplies. It is a well-established principle of political economy that only the balances of trade between different nations are paid in money. The imports and exports are set off against each other, and the nation which buys the most of the other must pay the difference in money. Our imports exceeded our exports last year. We paid the balance against us to foreign nations. If the balance of trade stands in our favor, as it usually does, the balance is paid to us. The standard of value does not affect that one way or the other. If the balance of trade is against us, gold will leave us just as quickly under the single gold standard as it would if we have the double standard.

If we pay gold to England she weighs it and receives it as so much bullion. If England pays gold to us we weigh her sovereigns and receive them as bullion. Our dollars are no more than bullion in England, and England's sovereigns are melted down and coined into dollars in our mints before they can go into circulation as money. Gold, silver, and Treasury notes circulate at the same valuation in every part of our territory. When they go beyond it, paper money has no value except as a promise to pay and silver and gold have only a bullion value.

What does this prove, Mr. Speaker? It proves to my mind that for foreign purposes we only need gold to pay the balance of trade when it may be against us in our dealings with gold-standard countries. As the balance of trade is usually in our favor there is no danger that we will ever lose our supply of gold as long as this country affords the most profitable field in the world for investment. Our foreign trade is but a drop in the bucket compared with our domestic trade.

The last report of the Bureau of Statistics shows that our entire foreign commerce, both imports and exports, for the year ending June 30, 1893, amounted to only $1,714,066,116. Our imports of domestic merchandise for the year ending June 30, 1893, amounted to the sum of $866,400,922. Our imports of domestic merchandise for the previous year ending June 30, 1892, amounted to $827,402,462, showing an increase in the last year of imports over the preceding year of $38,998,460. The value of our exports for the year ending June 30, 1893, amounted to $847,665,194, against $1,017,827,283 of exports for the previous year; so it will be seen that the decrease in our exports for the last year amounted to $182,612,954.

The balance of trade for the year ending June 30, 1892, stood $202,875,686 in our favor. The balance of trade against us for the year ending June 30, 1893, was $18,735,728. In other words, we sold in 1892 to foreign countries $202,875,686 worth more than we bought from them, and that balance was paid to our people and went into circulation in the United States. We bought $18,735,728 worth more from foreign nations than we sold in the year 1893, and that balance against us was paid to foreign nations.

Imports and exports of gold and silver for the year ending June 30, 1893, show a loss for us in gold and silver exported to foreign countries for the year of $105,050,530. By deducting from the latter sum the amount of the balance of trade against us for the year, $18,735,728, we get the sum of $86,314,802, which must represent the amount spent by Americans traveling abroad and the amount realized by foreign investors from the sale of stocks, bonds, and other properties in the United States.

I refer to these figures for the purpose of showing one of the causes for the drainage of gold from this country and the cry of hard times which we hear on every hand. It is also important for the purposes of the comparison to note the small magnitude of this foreign trade as compared with our domestic trade. There are no figures obtainable at present which will enable me to show the exact value of our domestic trade. It is estimated, however, that our interstate commerce will approximate $50,000,000,000 per annum, and the transactions between citizens of the same State will aggregate $10,000,000,000 more per annum. When the balance of trade is against us it may take a few million dollars to settle our foreign balances, but it requires fifty or sixty times as much money to transact the business of our people between themselves.

LET US LEGISLATE FOR OUR OWN PEOPLE.

We should legislate for our own people regardless of the policies of other nations. While we have cotton and wheat and manufactured products to export, we will have plenty of gold for our foreign trade, and what we need is not less money, but more money to stimulate the production. I know it is commonly said that we are producing too much, and that is used as an argument to account for low prices. I propose further along to show that we are not suffering from overproduction, but that the hard times which have come upon the country have diminished consumption, and what we need is to restore prosperity so that consumption may keep pace with production.

Mr. Speaker, we have the greatest country in the world in resources, and the most enterprising people. This country is the leader of progress in the science of government, and it is still the El Dorado of the hopes of the oppressed of other nations. Over 400,000 people have come to the United States from foreign countries during the past year, and the financial troubles and hard times in foreign countries seem to increase immigration to this country rather than diminish it. We have not placed sufficient restriction upon immigration for the protection of our own people. That is a subject which should receive the early attention of Congress. I believe in caring for the future of our own citizens.

Our freedom was wrested from England by the sword, our Government was framed to suit our own people without the consent of the governments of Europe, and we should frame our laws now in the interest of the 65,000,000 of our own people without regard to the financial policy of Europe. There is a party in this country now, as there was in 1776, which believes that everything England does is right, and worships everything English. They were called Tories then; they are called anglomaniacs now. Their principal energies are devoted to admiration of English institutions and English policies, and they even attempt to imitate English styles and manners and speech.

THE SILVER STANDARD VERSUS THE GOLD STANDARD.

Another argument which has become quite stale is held up as a scarecrow. I mean the argument that we are threatened with the silver standard. That certainly can not be true under the Sherman law. The Treasurer pays gold for silver certificates right in the face of the provision of the law for the coinage of silver to redeem them. The option given to the Secretary under the law was exercised in favor of gold by Mr. Secretary Windom, and that is the policy to-day. The repeal of the Sherman law and the enactment of a law in its place in pursuance of the terms of the Democratic platform would not bring us to a silver standard. That is all we ask. The very fact that we can not get that is evidence of the purpose to abandon the double standard and go at once to the single gold standard.

The addition which such a policy will make to the burden of our debts as a nation will be many times greater than the value of all the gold in the United States. It would be infinitely better for the people to let it all go out of the country rather than to adopt the gold standard without making any reduction in the face value of debts. I do not blame England for wanting us to adopt it, because she is not only our creditor for hundreds of millions of dollars, but she knows that such a policy will seriously cripple her greatest industrial and commercial rival. The destruction of hundreds of millions of mining property, with its $50,000,000 of annual yield, will be a small part of the injury inflicted when compared with the industrial, commercial, and agricultural depression which demonetization of silver has caused and will cause.

Hon. JOHN SHERMAN, who was Secretary of the Treasury at the time the Bland-Allison act became a law, predicted then that we could not coin more than $50,000,000 in silver without reaching the silver basis. We coined over $400,000,000 under that law before the Sherman law repealed it, and the gold in the Treasury increased instead of diminished. The predictions of disaster then so freely indulged, following the coinage of silver, were not realized, and they were equally trustworthy with those which are so freely indulged at the present time. The misfortunes which came upon the country and the embarrassments which beset the Treasury were attributable to entirely different causes.

WHY THE TREASURY IS EMBARRASSED.

The Fifty-first Congress, under the leadership of the gentleman from Maine [Mr. REED], knocked the bottom out of the Treasury with appropriation bills, ship subsidies, and sugar bounties, and the Sherman law, as construed, helped to get rid of the gold in the Treasury. The McKinley bill passed at the same session cut down the revenues and added still further to the embarrassment of the Treasury. Mr. Speaker, if we would repeal the McKinley law, repeal the Sherman law, and reënact the Bland-Allison law and return to the conditions previously existing, that would restore confidence and prosperity and we would preserve both gold and silver on a basis which we tested and found to be safe and sound.

We would avoid the double evil of contraction under the gold standard and unjust taxation under the McKinley law. The McKinley law and the Sherman law both originated from a common parentage. The McKinley law, the Sherman law, and the force bill constituted a hideous triplet of scourges of the people which were surcharged with desolation, famine, and even civil war. By the death of the force bill we have escaped the latter scourge, but we are suffering all the evils which flow from the other two. To charge the evils which have followed these crimes against the people to silver is little short of a criminal libel.

INTERNATIONAL BIMETALLISM.

The remedy proposed is worse than the disease itself. It is a proposition to purchase temporary relief at the permanent sacrifice of political health. Some of our friends try to cheat their imaginations with the fantasy of international bimetallism. They water the altar with tears for silver while they drive the knife to its vitals and offer it up as a sacrifice to the Idol of gold. Through their tears they tell us of a congress of nations which is to convene, and proceed to undo collectively what the nations themselves have separately and deliberately done to destroy silver. Beautiful hope! Marvelous faith! Sublime trust! I have sometimes thought international bimetallism might be an alluring catch-phrase of recent coinage behind which new converts are hiding, who have not the courage to come out boldly for the gold standard. [Laughter.]

EFFECTS OF LEGISLATION AGAINST SILVER.

This bill proposes to redeem silver in gold. Silver was never measured by gold in this country until 1873. It was the equal of gold at a ratio of 15½ to 1. It commanded a premium over gold at 16 to 1. It was at a premium when it was stricken down by the act of 1873. All its friends have asked is that it be again restored to equality before the law with gold. If it can not maintain itself on a parity with gold when placed on equal terms, then we will agree to such legislation as may be necessary to maintain the parity of the two metals. Against the predictions of disaster to follow the complete restoration of silver we do not set up counter predictions, but we appeal to the truth of history that silver has always been the equal of gold where the law has recognized it on equal terms, and we call especial attention to the fact that it has always brought prosperity instead of disaster.

Disaster followed the demonetization of silver in 1873. Prosperity was partially restored by the partial restoration of silver in 1878, but the complete restoration was prevented by the policy of contracting the currency pursued by the national banks. Confidence was not shaken by the passage of the Sherman law in 1890; but when the Secretary of the Treasury in its execution made silver a commodity confidence was shaken, and those who passed it to defeat the free coinage of silver took advantage of circumstances not attributable to the Sherman law and falsely charged it with responsibility for the panic of 1893.

The Democratic platform properly demanded the repeal of the Sherman law, but it also properly demanded in its place the restoration of silver to a position of equality as a money metal with gold. I am willing to stick to the platform and follow it out to the letter, but I am not willing to abandon silver by repealing the Sherman law, and thereby take the chance of fasten-

ing the gold standard on this country and the world for all time to come. Mr. Speaker, we are asked to pass the repeal bill now and trust to the future for a bill to restore silver. I am willing to pursue that course in reference to the 10 per cent tax on the issue of State banks, to the repeal of which we are pledged, because that is not germane to this bill, but silver legislation properly belongs to this bill, and I am not willing to divide the question, and give the gold men what they want and trust them to give us what we want at some future time. I will take no stock in the promises of princes.

THE DECLINE OF PRICES.

I remember when silver was demonetized in 1873 our members of Congress were everywhere excusing themselves to the people for allowing that bill to pass by the statement that they were misled and deceived. They claimed, and no doubt truthfully, that they did not know what was being done. We could not make that excuse if we should let this bill pass without amendment. We know that it expressly does for silver just exactly what the act of 1873 did. It stops its coinage. You may call that what you please, but it has been popularly denominated the demonetization of silver. When the act of 1873 became a law silver began to decline, and everything else began to decline with it except gold. Prices of wheat and cotton will be used to establish this proposition.

The following table shows the value of silver per ounce and the market value of cotton per pound and wheat per bushel from 1872 to 1893, inclusive:

Comparative table showing decline in prices of silver, cotton, and wheat.

Year.	Silver.	Cotton.	Wheat.	Year.	Silver.	Cotton.	Wheat.
		Cents.				*Cents.*	
1872	$1.32	19.3	$1.47	1883	$1.11	10.8	$1.13
1873	1.29	18.8	1.31	1884	1.01	10.5	1.07
1874	1.27	15.4	1.43	1885	1.06	10.6	.86
1875	1.24	15.0	1.12	1886	.99	9.9	.87
1876	1.15	12.9	1.24	1887	.97	9.5	.89
1877	1.20	11.8	1.17	1888	.99	9.8	.85
1878	1.15	11.1	1.34	1889	.93	9.9	.90
1879	1.12	9.9	1.07	1890	1.04	10.1	.83
1880	1.14	11.5	1.25	1891	.90	10.0	.85
1881	1.13	11.4	1.11	1892	.86	8.7	.80
1882	1.13	11.4	1.19	1893	.75	7.0	.66

This table proves that wheat and cotton have followed the course of silver, the proportion of decline being about the same in each. We are told that overproduction has caused the decline in price. I will ask those who make that argument to tell me what has caused the decline in the value of lands. There has not been any increase of land. The argument is not sound. The decline is due more to the inability of the people to buy things which they have been heretofore accustomed to use. Hard times always diminish consumption. In flush times consumption always increases. Gold and debts alone have not declined. Everything which the people must sell to pay debts has declined in price to meet the single gold standard.

Taking the figures of production from 1873 up to the present time and the comparative price of cotton in 1873 and at the present time as the basis of calculation, we find that the demonetization of silver has cost the cotton-planters of the United States $2,900,000,000, and has cost the wheat-growers during the same time $1,900,000,000. Lands, live stock, manufactured and agricultural products of all kinds have declined from 25 to 50 per cent during this period. I do not pretend to say that the reduction in prices is due entirely to legislation on the financial question. I will admit that the increased facilities for manufacture, improvements in machinery, and the improvements in the methods of agriculture have had much to do with the decrease in price, but the main cause, I insist, of this decline has been the approach which the world has been making to the gold standard.

I will take wheat for a full illustration. The official statistics furnished by the Department of Agriculture show that in 1887 the aggregate of the world's crop of wheat was 2,266,331,368 bushels. The crop of 1888 was 45,000,000 bushels less, that of 1889 was 191,000,000 bushels less, that of 1890 was 94,000,000 bushels less, that of 1892 was 49,000,000 bushels less, and it is estimated that the crop of 1893 will be 166,000,000 bushels less. We will take 1887 and 1893 for the comparison. The average price of wheat for 1887 was 89 cents a bushel. The present price is about 62 cents a bushel. The crop of 1893, as I have stated, is estimated to be 166,000,000 bushels less than the crop of 1887.

Between 1887 and 1893 the population of the world has increased many millions, and if the rate of consumption of wheat was equal now to what it was in 1887, wheat would be worth $1 a bushel or more instead of 62 cents. The price now is 27 cents a bushel less than it was in 1887. The population being much greater and the crop of wheat being much less, it follows that the consumption of wheat has very greatly diminished from some cause. As the price of silver has declined in almost exactly the same ratio with the price of wheat it is fair to assume that the approach of the world to the gold standard has been the cause of the decline in prices of wheat and all other products.

The hard times resulting from the policy of contraction has diminished not only the consumption of wheat, but of all other products of labor. The hardship to the individual creditor involved in the adoption of the gold standard will end with the payment of outstanding debts or in bankruptcy, but the people will suffer for generations to come from the increase of the burden of the national debt, the debts of the various States, the debts of counties and municipalities, and the debts of quasi-public corporations which tax commerce to pay interest and dividends on their stocks and bonds.

I AM FOR MY PEOPLE.

Mr. Speaker, I look upon this as a struggle of the creditor class against the masses. My sympathies are not with the capitalist who is sitting in his counting room bewailing the loss of dividends on the water which has been squeezed out of his stocks. I know the people who work to pay the dividends. I know the rigid self-denial they must practice to live. I know it is just as hard to pay dividends on water as it is on real value. It takes just as much labor and sweat for one as the other. The producing classes are the men of all others who deserve the care and protection of the Government if the Government is to become a paternal government. They are not in the busy centers manufacturing sentiment to force this bill through Congress. They have no representatives here except those elected by their ballots. They own no newspapers, and have no lobbyists to urge their claims. They are at home struggling through summer's heat and winter's cold to keep the wolf from the door. Their representatives here are not asking favors for them. All they ask is an equal opportunity in the battle of life. This is their Government. Their labor has created its wealth. Their valor has created and preserved its institutions. Their patriotism and courage is the hope of the future. The hand that would strike at their prosperity is guilty of a crime against civilization. I am here to speak for their interests, and by my vote to defend them. I believe this bill is wrong in principle and wrong in policy. I do not believe that its passage will bring either sudden prosperity or sudden adversity, but I do believe that it will tighten the coils of capital about labor and still further distress the debtor class.

Mr. Speaker, I have said more than I expected to say, but I could not remain silent in my seat and see this bill pass. I am willing to accord to its supporters all the honor which may attach to its passage, but I can not believe in it, and I will not vote for it. No one who supports it could be more gratified than I would be if good shall flow from its passage, but knowing the effect of the demonetization of silver in 1873, I can not believe that this measure will bring more than temporary relief, to be followed by lasting depression. I will admit that it may allay the panic. I will admit that it may temporarily improve the present condition of the country; but in estimating its ultimate effects it must be borne in mind that the country is now in an abnormal condition, due to the panic through which it is passing.

Though assured of the passage of this bill I will vote for every amendment which would in my judgment make it a better bill. I am sustained in the course I am pursuing in opposing its passage by my own convictions, and by the consciousness that I represent in my vote the sentiments and the true interests of those who have honored me by sending me here as their representative.

If this measure shall restore agriculture to a profitable basis, and bring peace and contentment to tillers of the soil; if it shall rekindle the fires in the furnaces; if it shall start the machinery in the factories and give profitable employment to skilled labor; if it shall open up the mines, stimulate commerce, and give new life to enterprise; if it shall bring happiness and prosperity to the people of the land, who by their labor produce its wealth, then we will all bless the hour of its passage. [Applause.]

This is an experiment to be tried. It will be tested by time and its permanent effect, and not by the natural reaction from this panic. If the ultimate effect shall be good, no pride of opinion will prevent me from upholding the policy this measure inaugurates. If its effect shall be detrimental, I will do all in my power to restore the double standard of gold and silver and the prosperity of the producing classes. [Applause.]

Silver.

SPEECH

OF

HON. CHARLES J BOATNER,

OF LOUISIANA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, November 1, 1893,

On the bill (H. R. 1) to repeal a part of an act approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes," with an amendment of the Senate thereto.

Mr. BOATNER said:

Mr. SPEAKER: The question which has convulsed the country since the commencement of the present session of Congress is to be settled to-day, as far as it can be settled by law, and the determination is to be according to the wishes of the Administration. No concession whatever has been made to the views of a majority of the Democratic party, as represented on this floor and in the Senate, and "unconditional repeal" is to be accomplished as an Administration measure by a minority of Democrats, with the aid of a practically solid support from the Republican party, led in this House by the gentleman from Maine [Mr. REED] and at the other end of the Capitol by the Senator from Ohio [Mr. SHERMAN].

I should not, Mr. Speaker, have anything further to say upon a subject which has been so exhaustively discussed, and of which the country is weary, but for the attempt by the supporters of the bill and a large part of the metropolitan press to misrepresent the motives of those who have opposed and still oppose it, and conceal from the country the real question at issue, artfully hidden under the apparently innocent attempt to repeal a bad piece of Republican legislation.

We are unwilling, sir, that it shall go to the country without contradiction that a minority of Democrats, silver-mine owners, and Populists have obstructed a Democratic Administration in its effort to carry into effect the platform of the Democratic party, and relieve the country from the evil effects of vicious Republican legislation. We are unwilling that the declared policy of the Democratic party since 1878 shall be abandoned without protest on our part, and it is for the purpose of voicing, as best I can, my reasons for "the faith that is in me," that I speak further on this now distsateful subject.

Those who advocate the use of silver as money, its restoration to an equality with gold as a money metal, have always labored under the disadvantage of not being endowed with prescience; in other words, of being merely ordinary mortals, who could only base opinions on judgment and reason, and the probability that like causes would produce like effects. The gold monometallists, however, know the future better than the past. They treat all arguments not in accord with their views with unconcealed contempt. They disdain to consider facts which destroy their theories, and forget that all the predictions so confidently made by them as to the effects to flow from legislation they opposed have come utterly to naught. Strange to say, they make the same predictions now that they made fifteen years ago with as much arrogant confidence as if those they thus made had been fulfilled.

The arguments pro and con on this subject have been gone over years ago. The same grievances and wrongs which now oppress the people have oppressed them before, and they have before and with better effort clamored for relief.

In the first session of the Forty-fifth Congress (1877) Mr. BLAND of Missouri introduced into this House a coinage bill restoring the legal-tender quality of the American dollar and opening our mints without charge and without limit to the coinage of silver. It passed the House by a two-thirds majority, and went to the Senate, where, after an exhaustive debate and long consideration, it was transformed by amendments into a limited coinage act, requiring the purchase of silver bullion by the Treasury sufficient to coin not less than two nor more than four million dollars per month.

The act was vetoed by President Hayes on February 28, 1878, and was passed by both Houses of Congress, the President's objections to the contrary notwithstanding. Twenty-one Democrats in the Senate voted to pass the bill; seven voted against it; these seven were from Connecticut, New Jersey, Delaware, New York, North Carolina, and Mississippi, and the Senator from the last-named State voted against the express instructions of the Legislature which elected him. The vote was 46 yeas to 19 nays, and 11 Senators not voting; among the latter one Democrat from North Carolina. In the House the vote stood 196 yeas to 73 nays, with about the same proportion of Democratic negatives as in the Senate.

The bill thus became a law, and was in force from February 28, 1878, until superseded by the Sherman law of June, 1890. Under its provisions about $350,000,000 were coined and issued.

The "great men" of the country, the financiers from New York, Connecticut, Delaware, New Jersey, Massachusetts, and a few Southern and Western men, superior to their surroundings, and of a higher order of intelligence than would be expected to come from those comparatively new and uncultured sections of the country, foretold with great accuracy the distress sure to follow from that dishonest piece of legislation. We were to lose all the gold in the country at once. The silver dollars issued under its provisions were surely be worth even less than greenbacks, then at a slight discount, and this was to cause the withdrawal of all that class of money from circulation. United States bonds were to decline immediately, so as to ruin the savings banks and other institutions which had invested the savings of widows and laboring people in them; our bonds sold abroad were immediately to be returned for sale at any price, and American securities of all kinds were to be most injuriously affected. The general credit, commerce, and business of the United States were to be thrown into confusion, and disaster beyond computation was to certainly follow if those who were supporting the bill did not listen to reason and hearken to the advice of those who stood for "honest money and sound finance."

But, Mr. Speaker, they did not hearken. The bill became a law and the country still lived.

I here insert the President's veto message, for the purpose of showing how the wise men of the country, whom he then represented, considered the law:

To the House of Representatives:

After a very careful consideration of the House bill No. 1093, entitled "An act to authorize the coinage of the standard silver dollar and to restore its legal-tender character," I feel compelled to return it to the House of Representatives, in which it originated, with my objections to its passage.

Holding the opinion, which I expressed in my annual message, that "neither the interests of the Government nor of the people of the United States would be promoted by disparaging silver as one of the two precious metals which furnish the coinage of the world, and that legislation which looks to maintaining the volume of intrinsic money to as full a measure of both metals as their relative commercial values will permit would be neither unjust nor inexpedient," it has been my earnest desire to concur with Congress in the adoption of such measures to increase the silver coinage of the country as would not impair the obligations of contracts, either public or private, nor injuriously affect the public credit. It is only upon the conviction that this bill does not meet these essential requirements that I feel it my duty to withhold from it my approval.

My present official duty as to this bill permits only an attention to the specific objections to its passage which seem to me so important as to justify me in asking from the wisdom and duty of Congress that further consideration of the bill for which the Constitution has in such cases provided.

The bill provides for the coinage of silver dollars of the weight of 412½ grains each, of standard silver, to be a legal tender at their nominal value for all debts and dues, public and private, except where otherwise expressly stipulated in the contract. It is well known that the market value of that number of grains of standard silver during the past year has been from 90 to 92 cents as compared with the standard gold dollar. Thus the silver dollar authorized by this bill is worth 8 to 10 per cent less than it purports to be worth, and is made a legal tender for debts contracted when the law did not recognize such coins as lawful money.

The right to pay duties in silver or in certificates for silver deposits will, when they are issued in sufficient amount to circulate, put an end to the receipt of revenue in gold, and thus compel the payment of silver for both the principal and interest of the public debt. One billion one hundred and forty-three million four hundred and ninety-three thousand four hundred dollars of the bonded debt, now outstanding, was issued prior to February, 1873, when the silver dollar was unknown in circulation in this country, and was only a convenient form of silver bullion for exportation; $583,440,350 of the funded debt has been issued since February, 1873, when gold alone was the coin for which the bonds were sold, and gold alone was the coin in which both parties to the contract understood that the bonds would be paid. These bonds entered into the markets of the world. They were paid for in gold when silver had greatly depreciated, and when no one would have bought them if it had been understood that they would be paid in silver. The sum of $225,000,000 of these bonds has been sold during my administration for gold coin, and the United States received the benefit of these sales by a reduction of the rate of interest to 4 per cent. During the progress of these sales a doubt was suggested as to the coin in which payment of these bonds would be made. The public announcement was thereupon authorized that it was "not to be anticipated that any future legislation of Congress or any action of any Department of the Government would sanction or tolerate the redemption of the principal of these bonds, or the payment of the interest thereon in coin of less value than the coin authorized by law at the time of the issue of the bonds, being the coin exacted by the Government in exchange for the same."

In view of these facts it will be justly regarded as a grave breach of the public faith to undertake to pay these bonds, principal or interest, in silver coin worth in the market less than the coin received for them. It is said that the silver dollar made a legal tender by this bill will under its operation be equivalent in value to the gold dollar. Many supporters of the bill believe this, and would not justify an attempt to pay debts, either public or private, in coin of inferior value to the money of the world. The capital defect of the bill is that it contains no provision protecting from its operation preëxisting debts in case the coinage which it creates shall continue to be of less value than that which was the sole legal tender when they were contracted. If it is now proposed for the purpose of taking advantage of the depreciation of silver in the payment of debts to coin and make a legal tender a silver dollar of less commercial value than any dollar, whether of gold or paper, which is now lawful money in this country, such measure, it will hardly be questioned, will, in the judgment of mankind, be an act of bad faith.

As to all debts heretofore contracted, the silver dollar should be made a legal tendar only at its market value. The standard of value should not be

changed without the consent of both parties to the contract. National promises should be kept with unflinching fidelity. There is no power to compel a nation to pay its just debts. Its credit depends on its honor. The nation owes what it has led or allowed its creditors to expect. I can not approve a bill which in my judgment authorizes the violation of sacred obligations. The obligation of the public faith transcends all questions of profit or public advantage. Its unquestionable maintenance is the dictate as well of the highest expediency as of the most necessary duty, and should ever be carefully guarded by the Executive, by Congress, and by the people.

It is my firm conviction that if the country is to be benefited by a silver coinage, it can be done only by the issue of silver dollars of full value, which will defraud no man. A currency worth less than it purports to be worth will in the end defraud not only creditors, but all who are engaged in legitimate business, and none more surely than those who are dependent on their daily labor for their daily bread.

R. B. HAYES.

EXECUTIVE MANSION, *February 28, 1878.*

Mr. MORRILL of Vermont spoke thus forebodingly of the contemplated legislation:

Mr. President, the bill now before the Senate provides for the resuscitation of the obsolete dollar of 412½ grains of silver, which Congress entombed in 1834 by an act which diminished the weight of gold coins to the extent of 6.6 per cent, and thus bade a long farewell to silver. It is to be a dollar made of metal worth now 53⅜ pence per ounce, or 10 cents less in value than a gold dollar, and on January 23, awkwardly enough, worth 8¼ cents less than a dollar in greenbacks, gold being only 1½ per cent premium, but, nevertheless, to be a legal tender for all debts, public and private, except where otherwise provided by contract. The words seem to be aptly chosen to override and annul whatever now may be otherwise provided by law. Beyond this, as the bill came from the House, the holders of silver bullion—not the Government or the whole people—were to have all the profits of coinage and the Government all of the expense. This, but for the amendment proposed by the Committee on Finance, would have furnished the power to the enterprising operators in silver, either at home or abroad, to inflate the currency without limit; and, even as amended, inflation will be secured to the full extent of all the silver which may be issued, for there is no provision for redeeming or retiring a single dollar of paper currency. Labor is threatened with a continuation of the unequal struggle against a depreciated and fluctuating standard of money.

The bill, if it becomes a law, must at the very threshold arrest the resumption of specie payments, for, were the holders of United States notes suddenly willing to exchange them for much less than their present value, payment even in silver is to be postponed indefinitely. For years United States notes have been slowly climbing upward, but now they are to have a sudden plunge downward, and in every incompleted contract, great and small, the robbery of Peter to pay Paul is to be foreordained. The whole measure looks to me like a fearful assault upon the public credit. The losses it will inflict upon the holders of paper money and many others will be large, and if the bill, without further radical amendments, obtains the approval of the Senate, it will give the death-blow to the cardinal policy of the country, which now seeks a large reduction of the rate of interest upon our national debt. Even that portion now held abroad will come back in a stampede to be exchanged for gold at any sacrifice.

The ultimate result would be, when the supply for customs shall have been coined and the first effervescence has passed away, the emission of silver far below the standard of gold; and when the people become tired of it, disgusted or ruined by its instability, as they soon would be, a fresh clamor may be expected for the remonetization of gold, and another clipping or debasing of gold coins may follow, to bring them again into circulation on the basis of silver equivalency. In this slippery descent there can be no stopping place. The consoling philosophy of the silver commission may then be repeated, that a fall in the value of either or both of the metals is a "benefaction to mankind." If that were true, then copper, being more abundant and of lower value, should be used in preference to either gold or silver. The gravity of these questions will not be disputed.

Mr. Hewitt, Democrat, of New York, said of it:

Mr. Speaker, this bill is introduced as a measure of relief. I wish to put it upon record that it will intensify and aggravate the prevalent distress. I go further, and say that recovery from distress will be impossible until this bill is swept from the statute book, as it will be within one year by an indignant, deceived, and outraged people.

When the bill for the issue of subsidiary coin was introduced into the Forty-fourth Congress I opposed it, and, standing almost alone among the advocates for a specie currency, I made the following prediction:

"There is still one other explanation of this bold attempt to secure the approval of a Democratic House to this sham resumption in depreciated silver coins. It is perhaps intended to follow up this movement with an effort to secure legislation making silver a legal tender for the payment of debts larger than $5, possibly of all debts. It may well be argued that if it be resumption to pay debts under $5 in silver, it is equally specie resumption to pay larger debts in the debts, for they are only aggregates of five-dollar debts. The argument is so sound that it shows the hollow nature of the whole pretense that there is any specie resumption in the substitution for paper of silver worth less than the paper it replaces, when the paper itself is at a discount of one-eighth as compared with gold. Throughout the commercial world there is but one standard of value, and that is gold, measuring all commodities, silver included, and any attempt to substitute anything for gold, even though it be metallic, whether silver, copper, or iron, at a higher rate than its true value in gold, is to rob somebody of some portion of his existing property."

What was then prophecy is now reality, and we are brought face to face with a proposition which drives gold out of the country, and places us in the same category with semibarbarous countries in which silver is the sole standard of value.

One of these gentlemen was a prominent Republican, the other equally prominent as a Democrat, but both represented the Eastern and capitalist view of the question, repeated with great variety of expression by Senators and Representatives who agreed with them.

The conditions prevailing then were very similar to those which confronted us when called together in extraordinary session. Thousands of working people were out of employment, factories closed, business stagnant, and general distress prevailed in the less favored parts of the country. Southern and Western Democrats, and a great many Republicans from the same sections, predicted that the law would be beneficent in its effect. They declared that an increase of circulation would stimulate business and enterprise, giving employment to labor, and raising the prices of the products of the farm and factory. They utterly denied that the money to be issued would be debased, would drive out either gold or greenbacks, or that it would in any way whatever injuriously affect the business of the country.

Who, Mr. Speaker, was wholly right, and who was wholly wrong? Let history answer.

With the enactment of that law the country entered upon a career of prosperity. The price of United States bonds rose, instead of falling. American securities, instead of returning from Europe because of the insecurity of our circulation, came into greater demand. The credit of the Government, instead of being weakened, became stronger, and bonds bearing a less rate of interest than any ever sold before were easily negotiated, and greedily taken by those who wanted a safe investment for their surplus money.

The Administration of President Arthur was an unbroken calm. Cotton, wheat, and the great staples of the country brought a fair price, and money was obtainable on fairly easy terms. Enterprise developed many of the resources of the South, and the country may be said to have been the most prosperous on earth during the Administrations of Mr. Arthur and the first of Mr. Cleveland.

Notwithstanding these facts Mr. Cleveland, on February 24, 1885, being President-elect, startled the country by demanding the suspension of silver coinage under the Bland-Allison act; in other words, the repeal of the purchasing clause. His views were fully set forth in the following letter to several members of Congress:

Your solicitude that my judgment shall have been carefully and deliberately formed is entirely just, and I accept the suggestion in the same friendly spirit that it is made. It is also justified by the nature of the financial crisis which, under the operation of the act of Congress of February 28, 1878, is now close at hand. By a compliance with the requirements of that law all the vaults of the Federal Treasury have been and are heaped full of silver coins, which are now worth less than 85 per cent of the gold dollar prescribed as the unit of value in section 14 of the act of February 12, 1873, and which, with the silver certificates representing such coin, are receivable for all public dues. Being thus receivable, while also constantly increasing in quantity at the rate of $28,000,000 per year, it has followed of necessity that the flow of gold into the Treasury has been steadily diminished; silver and silver certificates have displaced, and are now displacing gold, and the sum of gold in the Federal Treasury now available for the payment of the gold obligations of the United States, and for the redemption of the United States notes commonly called "greenbacks," if not already encroached upon, is perilously near such encroachment.

These are facts, which, as they do not admit of difference of opinion, call for no argument. They have been forwarned to us in the official reports of every Secretary of the Treasury from 1878 until now. They are plainly affirmed in the December report of the present Secretary of the Treasury to the Speaker of the present House of Representatives. They appear in the official documents of this Congress, and in the records of the New York Clearing House, of which the Treasury is a member, and through which the bulk of the receipts and payments of the Federal Government and of the country pass. These being the facts of our present condition, our danger, and our duty to avert that danger, would seem to be plain.

I hope that you concur with me and with the great majority of our fellow-citizens in deeming it most desirable at the present juncture to maintain and continue in use the mass of our gold coin as well as the mass of silver already coined. This is possible by a present suspension of the purchase and coinage of silver. I am not aware that by any other method it is possible. It is of momentous importance to prevent the two metals from parting company, to prevent the increasing displacement of gold by the increasing coinage of silver; to prevent the disuse of gold in the custom-houses of the United States and in the daily use of the people; to prevent the ultimate expulsion of gold by silver.

Such a financial crisis as these events would precipitate, were it now to follow upon so long a period of commercial depression, would involve the whole people of every city and every State in the Union in prolonged and disastrous trouble. The revival of business enterprise and prosperity so ardently desired and apparently so near would be hopelessly postponed. Gold would be withdrawn to its hoarding places, and an unprecedented contraction of the volume of our currency would speedily take place.

Saddest of all, in every workshop, mill, factory, store, and on every railroad and farm, the wages of labor, already depressed, would suffer still further depression by a grading down of the purchasing power of every so-called dollar paid into the hands of toil.

From these impending calamities it is surely a most patriotic and grateful duty of the representatives of the people to deliver them.

I am, gentlemen, with sincere respect, your fellow-citizen,

GROVER CLEVELAND.

ALBANY, *February 24, 1885.*

The President-elect in effect declared that the request for his careful and deliberately formed opinion was "justified by the nature of the financial crisis which, under the operation of the act of Congress of February 28, 1878, is now close at hand." He found that the flow of gold into the Treasury had steadily diminished, until the fund provided for payment of gold Government obligations and redemption of Treasury notes was perilously near encroachment; that the vaults of the Treasury were heaped with silver and silver certificates, worth not more than 85 per cent of the gold dollar.

"These being the facts of our present condition, our danger, and our duty to avert that danger," he says, "would seem to be plain." He deemed it most desirable at that juncture "to maintain and continue in use the mass of our gold coin, as well as the mass of silver already coined. That could only be done by suspending further coinage of silver." It is of momentous importance, he

says, to prevent the two metals from parting company, to prevent the disuse of gold in the custom-houses and by the people in daily transactions, and prevent the ultimate expulsion of gold from the country.

The happening of any of these, in his judgment, would bring on a panic, "which would involve the whole people of every city and State in the Union in prolonged and disastrous trouble," and, it is fair to infer that, in his opinion, the operations of the Bland act would inevitably produce the causes of the panic, and the panic with them.

Congress being in session at the time, an effort was made to carry into effect the recommendations of the President-elect, and suspend further coinage under the Bland act. It was defeated in the House of Representatives by a yea-and-nay vote of 152 to 118, the Democrats voting almost solidly against and the Republicans for the proposition.

It is curious, judging the past by the light of future events, to note how groundless were the fears then entertained. The two metals, silver and gold, had parted company in 1874, and were, at the time the letter to which I have referred was written, widely separated.

The question was not as to parity of metals, but parity of coined money. As France sustains and has always sustained without difficulty a limited coinage at 15½ to 1, so the United States had sustained it at 16 to 1.

It is sufficient to say that silver and silver certificates did not displace gold. On the contrary, our stock of it steadily increased. Gold was not hoarded; the ability of the Government to meet its obligations was not impaired, and the "so called dollar paid into the hand of toil" continued to purchase as much of all the necessaries and comforts of life as the dollar of the yellow metal, the idol of the money-lender and miser.

For four years under the wise, conservative, and economical administration of the Government our revenues largely exceeded our expenditures to such an extent that the Harrison Administration found a large surplus in the Treasury. Commerce, manufactures, and agriculture flourished, and the country enjoyed a season of rest and prosperity to which it has been a stranger since.

Mr. Speaker, I think no candid man can deny that the apprehensions of those who opposed the passage of the Bland-Allison act, as well as those expressed by the President when he requested its repeal in 1885, were groundless.

No candid man, I think, can deny but that the money issued under its provisions quickened trade and commerce and rewarded the labors of those who tilled the soil. It passed current at par, bought without discount or discrimination everything that was for sale; was received without question in payment of interest on mortgages payable by the contract in gold, and was and is to-day the equal in purchasing power of every other dollar which circulates by authority of the Government.

Considering, sir, all the circumstances under which this money was issued and fought its way to use, the success which attended it is wonderful.

With a hostile Administration and the whole power of the banking interest of the country against it, the repeal of the law constantly demanded by those who had opposed its enactment, its success is a complete vindication of the judgment of those who contended then and contend now that the opposition to the use of silver as money is based upon fallacious and untenable grounds.

But, Mr. Speaker, I must call attention in this connection to the adroitness and consummate skill with which the representatives of the capitalist interest have managed their case, and withheld from the people that legislation so necessary to protect the general welfare.

The bill introduced by the gentleman from Missouri [Mr. BLAND] was an absolutely free coinage measure, and had it been concurred in by the Senate, it would, in my judgment, have restored bimetallism to the world. The demonetization of silver by Germany was of comparatively recent date. France had closed her mints only a few years before, and silver had fallen, or rather gold had risen, only 8 or 10 per cent. Hence unlimited coinage by so powerful a nation commercially as the United States would have at once regained for it the advantage it had lost; not because of the increased use for it, but because the coinage value would have at once become the commercial value, and the demand for it increased at home and abroad.

It was with respect to this very point that the bimetallists of 1878 and of 1890 were deceived.

The advocates of the Bland bill of 1878 were not, *per se*, interested in silver bullion. What they desired was to add to the world's stock of money; to utilize the metal as a medium of exchange and repository of value, and they were led to believe that the coinage of from two to four millions per month of standard silver dollars would accomplish the object. At least this was the argument of those who supported the Senate amendments to the bill, and without whose aid it could not be passed. But the argument was fallacious, and the fatal defect in the law was that, by treating silver as "raw material," to be purchased by the Government and manufactured into money, it was left on the list of commodities to be measured in value by gold.

The inevitable consequence was, that while the country received great benefits by the increase in circulation, it still suffered by the decline in silver bullion, which, while itself measured by gold, is really the standard which measures everything else.

The same vice afflicted the "cowardly subterfuge" of 1890 in an exaggerated degree, because while the act of 1878 required the coinage of the bullion purchased by the Government, that of 1890 merely stored it, and disbursed the price paid for it in obligations of the Government.

THE SHERMAN ACT.

I do not propose, Mr. Speaker, to enter into any defense of the Sherman law. It was what the Democratic party denounced it to be—a mere makeshift. A large majority of the Democratic party and a very considerable element of the Republican party had favored free coinage since 1878; and the Administration of Mr. Harrison, standing for the capitalist interest of the country, found itself confronted in the Fifty-first Congress with a free-coinage majority in both Houses.

The feat to be accomplished was to side-track the movement without the intervention of a Presidential veto, which it was thought would injuriously affect the prospects of the Republican party in the approaching Presidential election. It was accomplished in the enactment of the Sherman act. The Democrats of the House voted solidly against it, because they knew it was a "makeshift," and that the support of the silver-mining interest had been obtained by furnishing what appeared to be a profitable market for all silver of American production.

The Democratic party denounced it, and demanded legislation which would—

hold to the use of both gold and silver as the standard money of the country, and to the coinage of both gold and silver, without discriminating against either metal or charge for mintage, but the dollar unit of coinage of both metals must be of equal intrinsic and exchangeable value, or be adjusted through international agreement, or by such safeguards of legislation as shall insure the maintenance of the parity of the two metals, and the equal power of every dollar at all times in the markets and in payment of debt; and we demand that all paper currency shall be kept at par with and redeemable in such coin. We insist upon this policy as especially necessary for the protection of the farmers and laboring classes, the first and most defenseless victims of unstable money and a fluctuating currency.

This, I submit, sir, could only be accomplished by an act which, while it limited coinage by such conditions as would avoid the danger of placing the country on a silver basis, would recognize silver as a money metal and not treat it as a commodity.

The experience we obtained from the operation of the Bland act proves conclusively that silver coinage limited to the needs of the country can be sustained on its own merit and without being convertible into gold, and no law which falls short of admitting silver bullion to the mints to be coined into money on a ratio fixed by law can restore it to the value it lost by being demonetized.

There is not a line or syllable in that law which make the Government in any way responsible for the dollars coined under it or the certificates issued against their deposit in the Treasury; they are legal tender for debt only, yet notwithstanding their bullion value depreciated 40 per cent, they continued to circulate as freely as gold, Treasury or bank notes. It was not until the Sherman act of 1890 that by any sort of implication they could be treated as token dollars which the Government was under any obligations to redeem or maintain at par.

THE DUTY OF THE DEMOCRATIC PARTY.

Mr. Speaker, the clear duty of the Democratic party, in my judgment, was to enact such a statute. We could not go to the length of free and unlimited coinage without running the risk of having more silver coined into money than the business of the country would sustain at par. I do not say that such would have been the result, or that I believe it would; but if the arguments of those who advocate the single standard be true, such would have been the consequence.

Under the limitations of the platform we were not authorized to make the experiment or run the risk. We did not promise the people that we would; on the contrary, that by the "safeguards of legislation we should insure the maintenance of the parity of the two metals, and the equal power of every dollar at all times in the markets and in payment of debt."

The President in his letter of acceptance emphasized those conditions, and added that—

The people are entitled to sound and honest currency, abundantly sufficient in volume to supply their business needs.

Had we by unguarded legislation authorized the coinage of money which would not have been on a parity with other money,

and not the equal thereof in purchasing power, we would have violated instead of executing the pledges made to the people when soliciting their suffrages.

But, sir, what have we done, and what do we propose to do to execute the will of the people as expressed at the polls? When what is known as the Wilson bill was introduced early in the present session, its supporters advocated it on two lines; one that bimetallism is an "irridescent dream," a vagary, an impossibility; that by a law of nature the gold standard prevails now and always will prevail, and that no human legislation can affect it.

These were the advocates of the single standard, and they did not then claim that they were attempting to carry into effect the provisions of the party platform. On the contrary, one of their leading members [Mr. RAYNER of Maryland] declared it was impossible to do so. The gentleman from Kentucky [Mr. MCCREARY], the gentleman from Illinois [Mr. SPRINGER], and finally the gentleman from West Virginia [Mr. WILSON], advocated its immediate passage, on the ground that the deplorable condition of the country demanded immediate relief; that the formulation of a coinage act which would conform to present conditions would require time and most thoughtful consideration, which could not be given while the country wailed for relief. They, as earnest friends of bimetallism, urged the House not to delay action on the pending measure, but to pass it, and deal with the coinage question later, when we could with proper deliberation enact legislation in line with the platform and meet the expectations of our constituents. A majority of the Democrats on this floor voted to amend the bill by reviving the Bland act. The amendment was voted down by 103 Democrats and 110 Republicans, against 144 Democrats, 14 Republicans, and 8 Populists.

This bill, Mr. Speaker, was discussed in the Senate for two months. The conditions which existed when it was forced through the House had almost entirely passed away. Ample time elapsed for full consideration of every phase of the questions involved, and the most elaborate and able arguments ever made in behalf of the continued use of silver as money have been delivered in this debate; but notwithstanding amplitude of time, of opportunity, and fullness of obligation to their party and their constituents, Senators professing unchanged convictions and protesting that they were ardent bimetallists refused every amendment providing for the coinage of silver on any terms whatever. A minority of Democrats standing with the Republicans defeated every proposition to amend the bill in any particular whatever.

The RECORD, sir, will be searched in vain for any reason for this course, except that the country demanded unconditional repeal, and repeal it must have. Now the bill is returned here, to be carried through this House in the same way.

As a Democrat and Representative of a Democratic constituency I protest against it, because it leaves no possible means by which the existing volume of circulation can be increased one dollar; because it practically pledges the United States to redeem every dollar of money issued under the Bland and Sherman laws in gold on demand, without providing any means of doing so; because it degrades every dollar of the money issued under the Bland law, which had maintained itself by the force of its legal-tender quality alone for twelve years, to the condition of mere token money, the representative of a promise to pay in gold; and finally because it fails, without any satisfactory reason, to hold to the continued use of both gold and silver as the standard money of the country, as pledged to the country in the last platform of the Democratic party, and thereby unequivocally adopts gold as the sole standard of values and sole basis of our circulation.

I protest against it for what it does, and for what it does not do. It accomplishes what the capitalists of the country have wanted for years.

It will necessitate an issue of bonds. The national debt is being rapidly extinguished; in a few years we will have no bonds, and bonds are what they want and will have.

The Senator from Ohio [Mr. SHERMAN] gave notice in the closing hours of the debate that the measure was incomplete without a bond attachment. The press, which has been advocating the bill, is crying more loudly for bonds than it did for repeal, and with the enormous liability the Government is assuming it will be impossible to avoid issuing them.

So long as the Government is bound to redeem silver in gold, it will be compelled to furnish it whenever the wants of Europe demand it. When there is a demand for export gold in France or England it is met by an advance in bank notes, if there is an insufficiency of supply; but under the conditions created by this bill any foreigner can "hold up" the Treasury of the United States, and force it to stand and deliver as long as he can present silver certificates for redemption.

How the demand is to be met except by the sale of bonds is an unsolved problem.

It will not be amiss, Mr. Speaker, on this occasion to call attention to the means by which the advocates of gold monometallism have achieved their victory over Democratic opposition thereto.

In March, 1869, an act was passed entitled "An act to strengthen the public credit." It is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to remove any doubt as to the purpose of the Government to discharge all just obligations to the public creditors, and to settle conflicting questions and interpretations of the laws by virtue of which such obligations have been contracted, it is hereby provided and declared that the faith of the United States is solemnly pledged to the payment in coin or its equivalent of all the obligations of the United States not bearing interest, known as United States notes, and of all the interest-bearing obligations of the United States, except in cases where the law authorizing the issue of any such obligation has expressly provided that the same may be paid in lawful money or other currency than gold and silver. But none of said interest-bearing obligations not already due shall be redeemed or paid before maturity, unless at such time United States notes shall be convertible into coin at the option of the holder, or unless at such time bonds of the United States bearing a lower rate of interest than the bonds to be redeemed can be sold at par in coin. And the United States also solemnly pledges its faith to make provision at the earliest practicable period for the redemption of the United States notes in coin.

J. G. BLAINE,
Speaker of the House of Representatives.
SCHUYLER COLFAX,
Vice-President of the United States and President of the Senate.

Approved, March 18, 1869.

U. S. GRANT.

Of this act the Senator from Indiana [Mr. VOORHEES] said from his place in the Senate on January 15, 1878:

False and perfidious as this law is known to be, yet it has at least one merit: It is absolutely clear and unambiguous. If human language can be made to convey an unequivocal meaning, then this law pledged the faith of the Government to the people and to the world for the payment of the national debt in "gold and silver."

Pursuing the subject further, and connecting this act with the act of 1873, which discontinued the coinage of silver, the same distinguished Senator said:

Sir, I touch now upon an issue as old as human society and as universal as the loaning of money at interest and the investment of capital for income. Two classes have existed in every age of history on the question of money. All such as plow, sow, and reap; who spin, weave, and make merchandise for sale; who manage and work the caverns of coal and iron, and the blast-furnaces and forges; who construct railroads, build ships, and found cities; all such as are in any way pushing on the cause of progress and material development and who desire to keep their capital, whatever it may be, and especially that greatest of all capital, the bone and muscle of the laborer, actively employed, constitute one class. Those who have stepped aside from the active moving column of affairs and withdrawn themselves and all they own from the trade and business of the world, intending thenceforward to fasten their idle wealth on the productions of labor as a consumer, and not as an assistance, constitute the other. Of these two classes those who compose the first desire money to be plentiful and cheap, for they are working to obtain it, while those who compose the latter desire money to be scarce and dear, because they already have it in abundance to loan and to invest at high rates of interest and profit. And it was in the real and actual interest of this latter powerful class that silver was demonetized in February, 1873, not because it was less valuable as money than gold, nor because such a change was demanded by the policies of foreign nations, but simply because retired capital desired to diminish the amount of money of every kind circulating in the hands of the people.

Silver was selected as the victim for sacrifice on that occasion, because it was thought, on account of certain circumstances yet to be noticed, that it could be more successfully assailed than the other kinds of money then in existence. The managers of the great money centers in this country and in Europe saw with avaricious alarm the bright streams of silver beginning to increase in volume and in value as they flowed from the mouths of our mines, and now we hear from their angry throats, and from an apparently still angrier newspaper press which they control, a cry without ceasing against silver inflation arising from an overproduction of the metal. They have heretofore filled the world with their hostile clamor mainly against a paper currency not immediately convertible into coin of intrinsic value, but it now appears that there can be, in their own amiable language, an insane inflation of a currency which has this very intrinsic value itself. We have heard much talk to prove that gold and silver are the only real money, that they have an absolute value as such everywhere and at all times; but we now discover that even these precious metals may become more abundant than is agreeable to those who want the purchasing power of money increased by lessening the quantity in circulation until fifty dollars will buy in a farm worth a thousand under the foreclosure of a mortgage.

Following this act came the *coup d'état* of 1873, by which Congress and the President, in ignorance of what they were doing, demonetized silver, and thereby amended the act of 1869, by making the public debt payable in gold coin instead of coin or its equivalent, as therein stipulated.

The resumption act of 1875, which I incorporate as part of these remarks, completed the scheme, which seems not to have attracted the attention of the country at the time, presumably because neither silver nor gold was in actual circulation. The law is as follows:

An act to provide for the resumption of specie payments.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is hereby authorized and required, as rapidly as practicable, to cause to be coined at the mints of the United States silver coins of the denominations of ten, twenty-five, and fifty cents, of standard value, and to issue them in redemption of an equal number and amount of fractional currency of similar denominations, or, at his discretion, he may issue such silver coins through the mints, the subtreasuries, public depositories, and post-offices of the United States; and, upon such issue, he is hereby authorized and required to redeem an equal amount of such fractional currency until the whole amount of such fractional currency outstanding shall be redeemed.

SEC. 2. That so much of section 3524 of the Revised Statutes of the United States as provides for a charge of one-fifth of 1 per cent for converting standard gold bullion into coin is hereby repealed, and hereafter no charge shall be made for that service.

SEC. 3. That section 5177 of the Revised Statutes of the United States, limiting the aggregate amount of circulating notes of national banking associations, be, and is hereby, repealed; and each existing banking association may increase its circulating notes in accordance with existing law without respect to said aggregate limit; and new banking associations may be organized in accordance with existing law without respect to said aggregate limit; and the provisions of law for the withdrawal and redistribution of national-bank currency among the several States and Territories are hereby repealed. And whenever, and so often, as circulating notes shall be issued to any such banking association, so increasing its capital or circulating notes, or so newly organized as aforesaid, it shall be the duty of the Secretary of the Treasury to redeem the legal-tender United States notes in excess only of $300,000,000, to the amout of 80 per cent of the sum of national-bank notes so issued to any such banking association as aforesaid, and to continue such redemption as such circulating notes are issued until there shall be outstanding the sum of $300,000,000 of such legal-tender United States notes, and no more. And on and after the 1st day of January, A. D. 1879, the Secretary of the Treasury shall redeem, in coin, the United States legal-tender notes then outstanding on their presentation for redemption at the office of the assistant treasurer of the United States in the city of New York in sums of not less than $50. And to enable the Secretary of the Treasury to prepare and provide for the redemption in this act authorized or required, he is authorized to use any surplus revenues, from time to time, in the Treasury not otherwise appropriated, and to issue, sell, and dispose of, at not less than par, in coin, either of the descriptions of bonds of the United States described in the act of Congress approved July 14, 1870, entitled "An act to authorize the refunding of the national debt," with like qualities, privileges, and exemptions, to the extent necessary to carry this act into full effect, and to use the proceeds thereof for the purposes aforesaid. And all provisions of law inconsistent with the provisions of this act are hereby repealed.

Approved January 14, 1875,

The effect of this legislation was arrested by the Bland-Allison act of 1878 and the act suspending the resumption act, and it was thought by those who maintained that both metals ought to be used as money that even more favorable legislation would be enacted later, if the law fulfilled the expectations of its friends. Instead of this, we are asked to retrace our steps and restore the financial status of 1878.

Mr. Speaker, we are exhorted to consent to the enactment of the proposed legislation—to consent to the adoption finally of the gold standard of values and gold basis of all our circulation, on the ground that we are, by refusing to do so, violating the pledges made to the country and preventing a Democratic Administration from effecting promised reforms and giving promised relief.

In refutation of that contention, by whomsoever made, in support of our contention that the continuation of such a policy will be, as it has been, ruinous to the best interests of the people and oppressive to the last degree, I shall cite the utterances of some of the most distinguished Democrats of this and the past generations in denunciation of this same policy, now declared to be Democratic, and which we are urged to support.

I have already quoted from the distinguished Senator from Indiana [Mr. VOORHEES], but must add his terrific denunciation of those who would, as he puts it, destroy the money of the people and contract the volume of circulation to satisfy the greed of the money-changers and usurers:

Sir, in the entire catalogue of crimes against human society not one can be found so awful in all its consequences, both immediate and remote, as a government commits when it deliberately destroys the money of its own citizens. Wherever in all the regions of time such measures have been accomplished the horrors of history have taken place. No shrinkage in the amount of money, no contraction of the currency in the hands of the people, was ever enforced by law to any considerable extent, except amidst broken lives, ruined hopes, despair, lost honor, and all the vices springing from the lowest depths of poverty and human misery. The worst ingredients of war, pestilence, and famine all flow from the act of a government violently tearing from the hands of the laboring masses the money they so much need. Murder, theft, robbery, prostitution, forgery, embezzlement, and fraud of every hue and mien curse the land that is deprived of a full and sufficient circulating medium on which to give employment to its toiling men and women.

The social statistics of mankind will show that wherever the supply of money has been scant and labor poorly paid or left entirely idle, there the gallows-tree has borne most frequently its horrid burden; there the jails and the penitentiaries and all the haunts of infamy have been most crowded. The well-clothed and well-fed Pharisee may ostentatiously thank God that he is better than such as these, but he is not. When the strong hand of the Government is engaged in abolishing money, and thus interposing between the laboring man and the laboring woman and their last chance for bread by honest work, their sins for self-preservation are less odious to their merciful Father than the prayers of the usurers who have driven them to ruin.

It is said in highly intelligent quarters that at this hour there are three millions of our own people unemployed, who have no other dependence for food and shelter than the labor of their hands, and one-half of whom are now tramping from place to place for crumbs of charity. Pitiable and dangerous spectacle! It never happened before in this land of bounteous nature, nor would it now but for the fact that in these later days a class has arisen in our midst which is benefited by the scarcity of money, and the consequent destruction of all those great industries which afford employment to labor. Nor does this frightful spectacle appeal alone to our sympathy with human misery, deep and indescribable as that must be. The loss to the country in actual wealth arising from the absolute idleness of three million persons is very great. It has been estimated that at one dollar per day as wages it would amount to enough in two years to liquidate our public debt. The United States monetary commission make the following valuable observations in their recent report:

"The worst effect, however, economically considered, of falling prices is not upon existing property, nor upon debtors, evil as it is, but upon laborers, whom it deprives of employment and consigns to poverty, and upon society, which it deprives of that vast sum of wealth which resides potentially in the vigorous arms of the idle workman. A shrinking volume of money transfers existing property unjustly and causes a concentration and diminution of wealth. It also impairs the value of existing property by eliminating from it that important element of value conferred upon it by the skill, energy, and care of the debtors from whom it is wrested. But it does not destroy any existing property, while it does absolutely annihilate all the values producible by the labor which it condemns to idleness. The estimate is not an extravagant one that there are now in the United States 3,000,000 persons willing to work but who are idle because they can not obtain employment. This vast poverty-stricken army is increasing and will continue to increase as long as falling prices shall continue to separate money capital, the fund out of which wages are paid from labor, and to discourage its investment in other forms of property.

"Labor, coöperating with the forces of nature, is the source of all wealth, and to reach the highest degree of effectiveness it must be classified through the aid of capital and supported by capital during the process of production and be measured and paid in money, each unit of which is a sight-draft on all other forms of property, bearing a value in proportion to the number of such drafts. In order that any country may reach the maximum of material prosperity certain conditions are indispensable. All its labor, assisted by the most approved machinery and appliances, must be employed, and the fruits of industry must be justly distributed. These conditions are only possible when capital is absolutely protected against violence and free from illegitimate legislative interference, and when the laborer is protected in his natural right to dispose of his labor in such manner as he may prefer. They are utterly impossible when the money stock is shrinking and the money value of property and services is declining. Howsoever great the natural resources of a country may be, however genial its climate, fertile its soil, ingenious, enterprising, and industrious its inhabitants, or free its institutions, if the volume of money is shrinking and prices are falling, its merchants will be overwhelmed with bankruptcy, its industries will be paralyzed, and destitution and distress will prevail."

And also what he had to say of an act identical to the one under consideration, on the 18th of February last:

Mr. VOORHEES. I should have voted the other day to take up what is known as the Sherman act and for its repeal, but for the fact that its passage would absolutely demonetize silver and leave it supported by not one word of legislation. I thought the measure was audacious; I thought it an outrage to ask men like myself and others to absolutely sweep from under the silver currency every vestige of law. That is not what we meant at Chicago; that is not what the people mean.

I should vote for the repeal of the Sherman act simply because it is vicious in principle, but it must be in connection with something better. You might as well authorize a circulating medium based upon tobacco by the hogshead or cotton by the bale as upon silver in its bullion shape. It must be coined into money, and such is the position of the Democratic party as declared in national convention.

On the 10th of January, 1878, one of the Senators from Kentucky [Mr. Beck], than whom no man in the United States stood higher as a Democrat and a statesman, said in speaking to the resolution then pending in the Senate, which is as follows:

"Whereas by the act entitled 'An act to strengthen the public credit,' approved March 18, 1869, it was provided and declared that the faith of the United States was thereby solemnly pledged to the payment in coin or its equivalent of all the interest-bearing obligations of the United States, except in cases where the law authorizing the issue of such obligations had expressly provided that the same might be paid in lawful money or other currency than gold and silver; and

"Whereas all the bonds of the United States authorized to be issued by the act entitled 'An act to authorize the refunding of the national debt,' approved July 14, 1870, by the terms of said act were declared to be redeemable in coin of the then present standard value, bearing interest payable semi-annually in such coin; and

"Whereas all bonds of the United States authorized to be issued under the act entitled 'An act to provide for the resumption of specie payments,' approved January 14, 1875, are required to be of the description of bonds of the United States described in the said act of Congress approved July 14, 1870, entitled 'An act to authorize the refunding of the national debt;' and

"Whereas, at the date of the passage of said act of Congress last aforesaid, to wit, the 14th day of July, 1870, the coin of the United States of standard value of that date included silver dollars of the weight of 412½ grains each, declared by the act approved January 18, 1837, entitled 'An act supplementary to the act entitled 'An act establishing a mint and regulating the coins of the United States,'' to be a legal tender of payment, according to their nominal value, for any sums whatever: Therefore,

"*Be it resolved by the Senate (the House of Representatives concurring therein)*, That all the bonds of the United States issued or authorized to be issued under the said acts of Congress hereinbefore recited are payable, principal and interest, at the option of the Government of the United States, in silver dollars, of the coinage of the United States, containing 412½ grains each of standard silver; and that to restore to its coinage such silver coins as a legal tender in payment of said bonds, principal and interest, is not in violation of the public faith nor in derogation of the rights of the public creditor."

Mr. BECK. Mr. President, as I understand the resolution and the preamble just read in the hearing of the Senate, it means that it is not only the right but, those facts being true, it is the duty of the Senate to vote for some bill restoring the standard silver dollar of 412½ grains to the position it occupied before its coinage was denied by the act of February 12, 1873, and before its legal-tender quality was destroyed by the Revised Statutes in 1874. Believing as I do that all the recitals and conclusions in the resolution just read are true, and believing that there are many other equally cogent reasons why some bill having that effect should be passed by the Senate, I shall give my reasons for supporting such a bill, believing that I can do so as well now under this resolution as I could if the bill were before the Senate.

And referring to the act of 1873, demonetizing silver, he said:

Is it not good faith to the people that we should repeal it? I hold my allegiance to be good faith to all the people of this country, good faith to the taxpayer; and when I am acting in good faith to him I am acting in good faith to all the creditors of the country. But I never will seek to perpetuate any law that has broken down all industries, contracted the currency of the country, and brought upon us the miseries that we now see. Thousands of men, able and willing to work, are begging for bread. With bounteous harvests, with trouble in Europe and Asia, which opens up markets to us by withdrawing their competition, when the South is springing to its feet and the States of Louisiana and South Carolina, thank God, at last have come to occupy the same relation to this Government that Vermont and New Hampshire do, all calling for capital, all seeking to develop their industries, now that war and strife are at an end, are we in the midst of all that to stop and say that the people of the States and of the country shall not have the

benefit of the silver which is produced in our own country, and that gold shall be put at 8 per cent premium because we will not allow ourselves to use anything to compete with it?

Our own paper is refused at the custom-houses. Why? Because that diminishes the interest of the bondholder. Our own silver is not to be taken because that would diminish the profits of the bondholder. We can not use it to pay the debts of the railroads, of the States, and of the corporations, because that would prevent the bondholder from selling the gold that he alone gets from the Government or from purchasing the property of the people at the rate that he can when there is nothing else to compete with it. As was well said by the Senator from Ohio [Mr. Matthews] the other day, what has silver fallen in comparison with? Will it not buy more land, more calico, more of anything than it ever did before? It is only in comparison with gold that it has fallen, not in comparison with property. But I can not forbear quoting his own words:

"Mr. EATON. Has it not depreciated in the purchase of every product at home and abroad? Can you buy the same amount with the same number of grains of silver that you could with the corresponding degree of some other metal?

"Mr. MATTHEWS. Has the Senator finished his question?

"Mr. EATON. I have.

"Mr. MATTHEWS. Then I answer, and it can be demonstrated by an impregnable array of facts, that silver can to-day buy more of every other known product of human labor than it could in July, 1870, gold alone excepted; lands, houses, stocks of merchandise, machinery, labor, everything but gold; here, elsewhere. In Asia, in Europe, throughout this whole continent, nowhere, measured by the average price of the general commodities of the world, has silver depreciated the breadth of a hair. On the contrary, it has maintained its position. It can buy to-day more land, more houses, more machinery, more calico, more cotton, more everything than it could in 1870, the same number of grains of the same standard and fineness."

The Senator from Ohio, the noblest Roman of them all, gave his opinion of the single standard (now orthodox Democratic doctrine) in the following vigorous and trenchant language:

Mr. THURMAN. I will tell you why I think so. There is one class of people who suppose that if silver is remonetized all they will have to do will be to go out and hold up their hats and catch silver dollars as they rain down. They will be very much disappointed. There is another set of people who think the public credit will be utterly ruined; that utter destruction will come upon the country; that you can not refund the debt at all at a lower rate of interest; that all the public securities will go down, and that the business of the country will be destroyed; and there is just as much reason in supposing any such thing as that, in my poor humble judgment, as there is for supposing that this earth will be struck by a comet and utterly destroyed within the next month.

There is no reason whatsoever for any such opinion, and the very fact that, as I have just read to you, gold is lower now than it was last Thursday and public securities are higher, shows how utterly fallacious any such idea is. But here we have in the report of the Secretary of the Treasury, copied by the President, this most extraordinary statement, in effect, that if we remonetize silver the public debt can not be refunded at a lower rate of interest, and we shall lose $20,000,000 or $21,000,000 of interest a year. How is that thing made up? First, by saying that we can not refund the $700,000,000 bonds, which are now 6 percents, at 4 per cent; and therefore, counting the difference between 4 per cent and 6 per cent, the Government will lose $14,000,000 a year that it might save. In the next place, we can not refund the 5 percents at 4 per cent; and, counting the difference between 4 and 5, that makes a difference of $7,000,000, and adding the $7,000,000 and the $14,000,000 together makes $21,000,000 which we might save if we refunded at 4 per cent, but which we shall lose if we remonetize silver; and that in the face of the plain fact that you issued and put on the market, where they were bought, $700,000,000 of 5 percents when silver was a full legal tender; and that in face of the fact, which every man knows, that if you were to pass the silver bill to-day you could refund every dollar of the public indebtedness at 4½ per cent; so that the difference, instead of being between 4 per cent and 6 per cent, is between 4 per cent and 4½ per cent, even if you were to admit that you could not refund the public debt at 4 per cent, for no man in his senses denies that you can refund every dollar of it at 4½ per cent.

Then, instead of there being this saving of interest of $21,000,000 a year which the Secretary of the Treasury and the President assert can be done if we do not pass the silver bill, I defy any man, any arithmetician to make a saving of more than between five and six millions a year—a mere bagatelle in comparison to the benefit to this country which owes $10,000,000,000 of debt, Federal, State, municipal, corporate, and individual, by the remonetization of silver. And yet that thing goes out to this country that the country is to save $21,000,000 a year by continuing the demonetization of silver and making gold the only standard, and making a better bargain with the purchasers of the bonds of the United States. Sir, there never was a greater piece of fallacy in the wide world, in my humble judgment. Perhaps I assert it too strongly. I may do so. I am too doubtful of my own judgment ever to make very strong and positive assertions, for I know very well my own fallibility; but of all the things that ever I have seen in a public document that proposition seems to me the most untenable.

The debate on this resolution was elaborate and extended, covering directly the advantages of monometallism and bimetallism. The excerpts which I have given are fairly indicative of the sentiment on the Democratic side of the Chamber, and on its final passage by a large majority the Democrats from the South and West, excepting one from Georgia and one from Mississippi, gave it their support. These sentiments were echoed in the House then presided over by the present distinguished Secretary of the Treasury.

I submit, sir, the Democratic platform, and the record the party has made since 1877 in defense of my refusal to support a policy which leads, and has led us, to gold monometallism.

With the same conditions confronting us, so graphically described in the debate on the Bland bill and the Matthews resolution of 1878, we propose to apply an entirely different remedy.

That Congress declared that the public debt should be paid in gold or silver coin at the option of the Government. It declared for bimetallism, and as a step in that direction provided for the coinage of $2,000,000 per month; in other words, it gave an immediate increase of circulation of $24,000,000 per year and promised more; it also suspended the resumption act, so as to arrest any further contraction of the circulation from that source.

This wise, beneficent, and merciful legislation was denounced by the Senator from Ohio [Mr. SHERMAN], then Secretary of the Treasury, as destructive of the public credit, injurious to the public welfare, and fraught with mischief generally. His opinion was the opinion of all that side. How far they were right, or rather how far they were utterly at fault, subsequent events have shown to their confusion.

Now they have succeeded in obtaining legislation of an exactly opposite character. They have stimulated an exhausted patient by copious bleeding. They have answered the demand for more money by cutting off the only source of increase. They have held to the continued use of both gold and silver as the standard money of the country, and provided for the coinage of both on equal terms and without charge for mintage by voting down every proposition looking to the coinage of silver on any terms at all. They have done exactly what the bankers and brokers and money-lenders and capitalists of the great cities of the New and Old World wanted done to the letter, and from this is to result, they predict, a restoration of confidence, revival of business, better prices, easier money and general prosperity. If they are no better informed now than they have heretofore proved themselves to be, we may well dread the future.

I hope, Mr. Speaker, they are for once right, and that beneficent results may flow from our action of to-day. If so, they will be entitled to all the credit, and I for one will freely accord it to them.

But I sincerely trust that, with this vexed question disposed of for the present, we will proceed to the consideration of other important matters from which good results will flow and the people obtain relief from the pressure of the present depression.

I add as an appendix the Bland bill as it originally passed the House, the Bland-Allison act as finally adopted, and the Sherman act of 1890.

APPENDIX.

BLAND ACT.

An act to authorize the free coinage of the standard silver dollar, and to restore its legal-tender character.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there shall be coined, at the several mints of the United States, silver dollars of the weight of 412½ grains troy of standard silver, as provided in the act of January 18, 1837, on which shall be the devices and superscriptions provided by said act; which coins, together with all silver dollars heretofore coined by the United States of like weight and fineness, shall be a legal tender, at their nominal value, for all debts and dues, public and private, except where otherwise provided by contract; and any owner of silver bullion may deposit the same at any United States coinage mint or assay office, to be coined into such dollars, for his benefit, upon the same terms and conditions as gold bullion is deposited for coinage under existing laws.

SEC. 2. All acts and parts of acts inconsistent with the provisions of this act are hereby repealed.

BLAND-ALLISON ACT.

An act to authorize the coinage of the standard silver dollar, and to restore its legal-tender character.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there shall be coined, at the several mints of the United States, silver dollars of the weight of 412½ grains troy of standard silver, as provided in the act of January 18, 1837, on which shall be the devices and superscriptions provided by said act; which coins, together with all silver dollars heretofore coined by the United States of like weight and fineness, shall be a legal tender, at their nominal value, for all debts and dues, public and private, except where otherwise expressly stipulated in the contract. And the Secretary of the Treasury is authorized and directed to purchase, from time to time, silver bullion, at the market price thereof, not less than two million dollars' worth per month, nor more than four million dollars' worth per month, and cause the same to be coined monthly, as fast as so purchased, into such dollars; and a sum sufficient to carry out the foregoing provision of this act is hereby appropriated out of any money in the Treasury not otherwise appropriated. And any gain or seigniorage arising from this coinage shall be accounted for and paid into the Treasury, as provided under existing laws relative to the subsidiary coinage: *Provided*, That the amount of money, at any one time, invested in such silver bullion, exclusive of such resulting coin, shall not exceed $5,000,000: *And provided further*, That nothing in this act shall be construed to authorize the payment in silver of certificates of deposit issued under the provisions of section 254 of the Revised Statutes.

SEC. 2. That immediately after the passage of this act, the President shall invite the governments of the countries composing the Latin Union, so called, and of such other European nations as he may deem advisable, to join the United States in a conference, to adopt a common ratio between gold and silver, for the purpose of establishing, internationally, the use of bimetallic money, and securing fixity of relative value between those metals; such conference to be held at such place, in Europe or in the United States, at such time within six months, as may be mutually agreed upon by the executives of the governments joining in the same, whenever the governments so invited, or any three of them, shall have signified their willingness to unite in the same.

The President shall, by and with the advice and consent of the Senate, appoint three commissioners, who shall attend such conference on behalf of the United States, and shall report the doings thereof to the President, who shall transmit the same to Congress.

Said commissioners shall each receive the sum of $2,500, and their reasonable expenses, to be approved by the Secretary of State; and the amount necessary to pay such compensation and expenses is hereby appropriated out of any money in the Treasury not otherwise appropriated.

SEC. 3. That any holder of the coin authorized by this act may deposit the same with the Treasurer or any assistant treasurer of the United States, in sums not less than $10, and receive therefor certificates of not less than $10 each, corresponding with the denominations of the United States notes.

The coin deposited for or representing the certificates shall be retained in the Treasury for the payment of the same on demand. Said certificates shall be receivable for customs, taxes, and all public dues, and when so received may be reissued.

SEC. 4. All acts and parts of acts inconsistent with the provisions of this act are hereby repealed.

ACT OF JULY 14, 1890,

Directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is hereby directed to purchase, from time to time, silver bullion to the aggregate amount of 4,500,000 ounces, or so much thereof as may be offered in each month, at the market price thereof, not exceeding $1 for 371.25 grains of pure silver, and to issue in payment of such purchases of silver bullion Treasury notes of the United States to be prepared by the Secretary of the Treasury, in such form and of such denominations, not less than $1 nor more than $1,000, as he may prescribe, and a sum sufficient to carry into effect the provisions of this act is hereby appropriated out of any money in the Treasury not otherwise appropriated.

SEC. 2. That the Treasury notes issued in accordance with the provisions of this act shall be redeemable on demand, in coin, at the Treasury of the United States, or at the office of any assistant treasurer of the United States, and when so redeemed may be reissued; but no greater or less amount of such notes shall be outstanding at any time than the cost of the silver and the bullion standard silver dollars coined therefrom, then held in the Treasury purchased by such notes; and such Treasury notes shall be a legal tender in payment of all debts, public and private, except where otherwise expressly stipulated in the contract, and shall be receivable for customs, taxes, and all public dues, and when so received may be reissued; and such notes, when held by any national banking association, may be counted as a part of its lawful reserve. That upon demand of the holder of any of the Treasury notes herein provided for the Secretary of the Treasury shall, under such regulations as he may prescribe, redeem such notes in gold or silver coin, at his discretion, it being the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio, or such ratio as may be provided by law.

SEC. 3. That the Secretary of the Treasury shall each month coin 2,000,000 ounces of the silver bullion purchased under the provisions of this act into standard silver dollars until the 1st day of July, 1891, and after that time he shall coin of the silver bullion purchased under the provisions of this act as much as may be necessary to provide for the redemption of the Treasury notes herein provided for, and any gain or seigniorage arising from such coinage shall be accounted for and paid into the Treasury

SEC. 4. That the silver bullion purchased under the provisions of this act shall be subject to the requirements of existing law and the regulations of the mint service governing the methods of determining the amount of pure silver contained, and the amount of charges or deductions, if any, to be made.

SEC. 5. That so much of the act of February 28, 1878, entitled "An act to authorize the coinage of the standard silver dollar and to restore its legal-tender character," as requires the monthly purchase and coinage of the same into silver dollars of not less than $2,000,000, nor more than $4,000,000 worth of silver bullion, is hereby repealed.

SEC. 6. That upon the passage of this act the balances standing with the Treasurer of the United States to the respective credits of national banks for deposits made to redeem the circulating notes of such banks, and all deposits thereafter received for like purpose, shall be covered into the Treasury as a miscellaneous receipt, and the Treasurer of the United States shall redeem from the general cash in the Treasury the circulating notes of said banks which may come into his possession subject to redemption; and upon the certificate of the Comptroller of the Currency that such notes have been received by him and that they have been destroyed, and that no new notes will be issued in their place, reimbursement of their amount shall be made to the Treasurer, under such regulations as the Secretary of the Treasury may prescribe, from an appropriation hereby created, to be known as national-bank notes, redemption account; but the provisions of this act shall not apply to the deposits received under section 3 of the act of June 20, 1874, requiring every national bank to keep in lawful money with the Treasurer of the United States a sum equal to 5 per cent of its circulation, to be held and used for the redemption of its circulating notes; and the balance remaining of the deposits so covered shall, at the close of each month, be reported on the monthly public debt statement as debt of the United States bearing no interest.

SEC. 7. That this act shall take effect thirty days from and after its passage.

Election Laws.

SPEECH

OF

HON. JOSEPH WHEELER,

OF ALABAMA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, September 29, 1893.

The House having under consideration the bill (H. R. 2331) to repeal all statutes relating to supervisors of elections and special deputy marshals, and for other purposes—

Mr. WHEELER of Alabama said:

Mr. SPEAKER: We are now entering upon the discussion of laws which seek to carry our Government back to its original principles and its original purity. While the gentleman from Massachusetts [Mr. GILLETT] was speaking, I recollected how differently his ancestors in New England considered the relative power of the Federal and the State government. I recollected that on one occasion, when Gen. Washington visited the State of Massachusetts, notwithstanding his great reputation, acquired during the war of the Revolution, notwithstanding the fact that he was then President of the United States, Governor Hancock declined to call upon him, because he said, "Notwithstanding his great reputation, notwithstanding he was the first general to hasten to the defense of the people of Massachusetts at the outburst of the Revolution, notwithstanding this is the first visit of this great conqueror to the field of his early military achievements, notwithstanding he is President of the United States, notwithstanding he is visiting the great Commonwealth over which I preside, yet the office of governor of Massachusetts is so much higher than that of President of the United States, that he must call upon me first." [Laughter on the Democratic side.]

In confirmation of this position assumed by Governor Hancock, I hold in my hand Bancroft's Life of Washington, which gives an account of Washington's triumphant tour through Massachusetts in October and November, 1789.

The account of this journey is found on pages 389 to 393. It gives an account of his visiting the scene of his first campaign of the Revolution. It says, page 390:

In every place through which he passed business was suspended, and all classes of citizens were eagerly employed to obtain a sight of the Father of their Country, and to join in the common expressions of veneration and attachment. Military parades, processions, and triumphal arches awaited him in those populous towns at which he stopped, and so fully was the public curiosity engrossed by his journey, that the newspapers of the day were filled with narratives of its progress and termination.

And in all this triumphal journey through the great State of Massachusetts there is no mention that he had the honor of meeting the governor of that Commonwealth.

On page 391 the great historian says:

At Cambridge, the lieutenant-governor and council of Massachusetts waited upon him and accompanied him to Boston, escorted by a numerous collection of citizens, under the direction of the marshal of the district, and the sheriff of Suffolk.

The historian then proceeds to give an account of the procession as it advanced towards and entered Boston, passing through triumphal arches, and says:

This procession opened to the right and left, and he (the President), on horseback, preceded by companies of artillery and infantry, by the lieutenant-governor and council, the marshal and sheriff, passed to the statehouse.

I am the fortunate possessor of a rare and very valuable book giving the history of the Wolcott family. Mr. Wolcott, being Secretary of the Treasury under Washington, a correspondence took place regarding the efforts of Senator Trumbull and his friends to secure the promotion of that distinguished Senator to the position of lieutenant-governor of Connecticut. The burden of the correspondence was, that, on account of Senator Trumbull's long and distinguished service, he was entitled to promotion from United States Senate to the office of lieutenant-governor of Connecticut.

Gen. Trumbull was a very distinguished man, he was paymaster-general and aid-de-camp to Gen. Washington during the Revolution; he was elected to the First, Second, and Third Congresses, and was Speaker of the House of Representatives.

In referring to Ben. Perley Poore's work I find it stated that after holding these offices he "was elected United States Senator in 1795, but resigned when elected, in 1796, lieutenant-governor of Connecticut."

We here see an instance of a statesman resigning his seat in the United States Senate to accept the place of presiding officer of the senate in the State of Connecticut.

I mention these facts, Mr. Speaker, to show how differently State sovereignty and State importance, as compared with Federal sovereignty and Federal importance, were viewed at that day and are viewed at this time.

Before I proceed with my speech I will remind the gentleman from Massachusetts of the views of some of the distinguished statesmen of that State. In the Constitutional Convention that distinguished gentleman, Elbridge Gerry, who became governor of Massachusetts and Vice-President of the United States, and who held many other offices of trust from the people of that great Commonwealth, stated in the Convention that he should oppose the Constitution because of the power of Congress over the places of election; and I will also, while on this subject, call attention to the fact that a part of the opposition in the convention of Massachusetts, which finally ratified the Constitution, was based upon the fact that the second part of the fourth section of the Constitution gave, in certain contingencies, the power to Congress to pass the character of laws which we stand here now to determine, in the name of the Constitution, to repeal from the statutes of our country. I read from page 176 of Elliot's Debates, volume I:

The convention having impartially discussed and fully considered the Constitution for the United States of America, * * *

Do, in the name and in behalf of the people of the Commonwealth of Massachusetts, assent to and ratify the said Constitution for the United States of America.

And, as it is the opinion of this convention that certain amendments and alterations in the said Constitution would remove the fears and quiet the apprehensions of many of the good people of this Commonwealth, and more effectually guard against an undue administration of the Federal Govern-

ment, the convention do therefore recommend that the following alterations and provisions be introduced into the said Constitution:

That Congress do not exercise the powers vested in them by the fourth section of the first article but in cases when a State shall neglect or refuse to make the regulations therein mentioned, or shall make regulations subversive of the rights of the people to a free and equal representation in Congress, agreeably to the Constitution.

And finally, as an admonition which it seems incredible that any one would neglect, the people in the convention enjoined upon their representatives in Congress to at all times exert all their influence and use all reasonable and legal methods to obtain said alteration in the Constitution.

The language used by this great body of men was as follows (I read from page 178):

And the convention do, in the name and in behalf of the people of this Commonwealth, enjoin it upon their representatives in Congress at all times, until the alterations and provisions aforesaid have been considered, agreeably to the fifth article of the said Constitution, to exert all their influence and use all reasonable and legal methods to obtain a ratification of the said alterations and provisions in such manner as is provided in the said article.

Mr. Speaker, I might go on to mention some other speeches of great men of Massachusetts in that convention. The gentleman himself knows that it was with great difficulty that a majority was obtained for the ratification, simply because of the fear that Congress would some day enact such laws as those which we are here endeavoring to repeal. A very distinguished orator of Massachusetts, Mr. Samuel Nason, who lived in that part of Massachusetts which is now Maine, and who, on account of his eloquence, was called the "Patrick Henry of the North," speaking on this clause of the Constitution on the very last day that the Massachusetts convention discussed it, said (I read from Mr. Nason's speech, Elliott, volume I, pages 139 and 141):

Great Britain, sir, first attempted to enslave us by declaring her laws supreme, and that she had a right to bind us in all cases whatever. What, sir, roused the Americans to shake off the yoke preparing for them? It was this measure, the power to do which we are now about giving to Congress. And here, sir, I beg the indulgence of this honorable body to permit me to make a short apostrophe to liberty. O, Liberty! Thou greatest good; thou fairest property! With thee I wish to live; with thee I wish to die! Pardon me if I drop a tear on the peril to which she is exposed. I can not, sir, see this brightest of jewels tarnished—a jewel worth ten thousand worlds! And shall we part with it so soon? Oh, no!

Gentlemen ask, can it be supposed that a Constitution so pregnant with danger could come from the hands of those who framed it?

We now come, sir, to the fourth section. Let us see: "The time, place, and manner of holding elections shall be prescribed in each State by the Legislature thereof." No objection to this; but, sir, after the *flash* of *lightning* comes the *peal* of *thunder:* "But Congress may at any time alter them."

I wish, Mr. Speaker, every one in this Hall could have heard this eloquent patriot.

Mr. Nason continued:

But, sir, I say by this power Congress may, if they please, order the election of Federal Representatives for Massachusetts to be at Great Barrington or Machias, and at such a time, too, as shall put it in the power of a few artful and designing men to get themselves elected at their pleasure.

[Applause.]

Mr. McCLEARY of Minnesota. Will the gentleman yield for a question?

Mr. WHEELER of Alabama. Yes, sir; for a question.

Mr. McCLEARY of Minnesota. The question was brought before the convention as the gentleman states, but did the convention ratify the view of the case which he has presented?

Mr. WHEELER of Alabama. The convention only accepted the Constitution with a proviso that an amendment should be made depriving Congress of any authority, in any event, to have anything to do with the elections in the States.

Mr. McCLEARY of Minnesota. An amendment was proposed as the gentleman indicates, but was it ratified?

Mr. WHEELER of Alabama. The records of the convention of Massachusetts which ratified the Constitution state that a resolution was adopted that it was the opinion of the convention that certain amendments should be made to the Constitution, and the only one they mention was that the Constitution be so amended as not to allow Congress to exercise the powers vested in it by the first section of the fourth article, except when the State shall neglect or refuse to make the regulations therein mentioned or shall make regulations subversive of the rights of the people and a free and equal representation in Congress. And the convention enjoined it upon their representatives in Congress at all times, until the alterations and provisions aforesaid have been considered, to exert all their influence and use all resonable and legal methods to obtain a ratification of the said alterations and provisions.

The record also shows that eight other States, in like manner, demanded that this last clause of the fourth section should be obliterated.

Mr. Speaker, I come from a section of the country that is probably more interested in the repeal of this election law than any other part of the United States. For twenty years the Southern people have suffered tyranny from the exercise of the powers given to the Federal judges by this law. Only in the last election in the district which I have the honor to represent, where the Democratic vote was 15,607, the Republican vote 11,808, and the Farmers' Alliance vote 2,299, the executive committees of these parties presented to the judge a list of the men that they desired appointed as supervisors in certain precincts.

The judge appointed in each of these precincts a Republican and a Farmers' Alliance man or Populist, and when the chairman of the executive committee of the Democratic party went to the judge and asked that the great party which has twice elected President Grover Cleveland should have a representative at those polls, it was refused; the judge saying that there were three parties, and he had a right to select the two that should be represented at those polls. Yet the judge knew that at that very time the Farmers' Alliance or Populist party was acting in concert with the Republican party in its attempts to defeat the Democratic candidates.

Twelve years ago, in an election in which supervisors were appointed by this same judge, another abuse arose. And I wish to say now that, as compared with other Federal judges, this one, in all ordinary matters, is as kind-hearted, as just, and as honorable as the average people of our country—I will say as the average of the best people of our country; but by this contamination of mixing up judicial powers with political elections, he was induced to be guilty of these great wrongs against the people.

In the election of 1880 the State officers were compelled by an imperative law to exclude from the count a few ballots which were made up in flagrant violation of the law. So much were they in violation of the law, that all the judges, Republican and Democratic, concurred in rejecting them. Ballots of that defective character were cast for both candidates, and invariably where they were rejected for one they were rejected for both. The judges of election made their report, stating why these ballots were rejected and the number of them that had been rejected, and also inclosing the ballots with the report.

In order to exercise the power which the Federal courts then claimed a large number of the best citizens of that country were arrested and dragged before the Federal courts. In order to secure conviction, that same Federal judge appointed as a jury commissioner a Greenbacker, a man who belonged to a party that was acting in concert with the Republican party. The consequence was that out of thirty jurymen summoned twenty-eight were Republicans; and when a jury was empaneled, out of the twelve Republicans empaneled to try these men six were deserters from the Confederate army who had afterwards joined the Federal army. When the trial came on, after propounding the usual questions to the jurymen, the judge of that court, in order to make certain that there should be no doubt as to conviction, put, in addition, these questions to each juryman:

Do you hold any opinion upon the subject of the Federal election laws, so called, or upon the subject of prosecutions thereunder, which would induce you to refuse to convict a person indicted under said laws if the facts set forth in the indictment are proven against him, or if the court directs that upon the facts proven it is your duty to convict?

Do you hold any opinion upon the constitutional power of Congress to punish State election officers for acts of omission or commission at elections for members of Congress which would induce you to refuse to convict such officers when indicted under the laws of the United States for such acts of omission or commission, if the facts set forth in the indictment are proven against them, or if the court directs you that, upon the facts proved, it is your duty to convict?

Now, Mr. Speaker, some of those jurors were uncouth, illiterate colored men, and I ask this body to consider the ludicrous picture of an ignorant negro standing in front of a Federal judge and having propounded to him a question upon which the judges of the Supreme Court have differed. But, Mr. Speaker, that extremely ludicrous picture was presented in the trial of honorable, high-toned citizens, in the city of Huntsville, in the Federal court, presided over by Judge Bruce.

The next question was this:

Are you sensible of any bias or prejudice of any character which would prevent you from rendering a verdict of guilty against the defendants if the court should charge you that, upon the facts proven, it is your duty to render such a verdict?

Of course if the person examined answered these questions in the negative it showed that he had not the same opinion as the prosecuting officer, and he was told to stand aside. If he answered in the affirmative, it showed that he was pledged to convict, and he was told to take his seat. And that farce was called a judicial trial.

In reading the history of England we have seen how Jeffreys and other judicial despots bullied juries after they were impaneled, but this is the first time I have ever read in history of a judge deliberately packing a jury in the presence of the accused and of the public.

All these questions were published in a paper of Huntsville, a paper owned by the court officials and edited by one of them, and in giving these rulings they say:

The organization Monday of the present jury for the trial of election cases led to protracted arguments as to the right to challenge for cause. His honor, Judge Bruce, permitted the jury to be examined as to bias, opinion, and prejudice.

And these were the questions which were asked to ascertain their bias, their opinion, and their prejudice.

Mr. Speaker, let us go back and make a very brief review of the manner in which this Government under which we live was formed. The Articles of Confederation declared—

Each State retains its sovereignty, freedom, and independence, and every power, jurisdiction, and right which is not by this Confederation expressly delegated to the United States in Congress assembled.

After the war of the Revolution some very distinguished men proposed that a meeting should be held at Annapolis to discuss the subject of forming "a more perfect union." Only a few members met there—representatives from but three States—and they issued an address, which resulted in the Convention which met in Philadelphia and framed the Constitution. I want very briefly to show how the paragraph which we are discussing became a part of the Constitution of our country. After the Convention was convened, electing George Washington as president, Mr. Pinckney presented the first draft of the Constitution, containing among other things this declaration:

Each State shall prescribe the time and manner of holding elections by the people for the House of Delegates; and the House of Delegates shall be the judges of the elections, returns, and qualifications of the members.

Mr. Hamilton also prepared a draft, which I shall not read, but which was in very much the same line. Other drafts were prepared. Finally, on the 23d of July, it was unanimously resolved (I read from Journal of the Convention as filed by the Secretary of State, page 199):

That the proceedings of the Convention for the establishment of a national government, except what respects the supreme executive, be referred to a committee, for the purpose of reporting a constitution conformably to the proceedings aforesaid.

On the 24th (page 201) the convention chose this committee on detail by ballot. It consisted of Hons. John Rutledge, of South Carolina, afterward Chief Justice; Edmund Randolph, of Virginia, afterward Washington's Attorney-General and Secretary of State; Nathaniel Gorham, of Massachusetts; Oliver Ellsworth, of Connecticut, afterward Senator, Chief Justice, and envoy to France; and James Wilson, of Pennsylvania, afterward on the Supreme Bench. On the 26th the proceedings and resolution were referred. The clause affecting the election of members of Congress, as shown by the Journal, page, 207, and by Elliot, volume 5, page 375, was:

Resolved, That the members of the first branch of the Legislature ought to be elected by the people of the several States for the term of two years.

The plans proposed to the Convention by Mr. Pinckney on May 29, and by Mr. Patterson on June 15 were also referred to the committee on detail, after which the Convention adjourned until August 6 (Journal, page 214, and Elliot, page 376). The articles in Mr. Pinckney's plan with regard to elections of members of Congress were (Elliot, page 139, and Journal, pages 72 and 73):

ARTICLE V.

Each State shall prescribe the time and manner of holding elections by the people for the House of Delegates, and the House of Delegates shall be the judges of the elections, returns, and qualifications of their members.

Mr. Patterson's plan is on page 191 of Elliot and 123 of the Journal. It has no provision for the election of Congressmen, but it authorizes Congress to elect a Federal Executive. None of the plans presented conferred any power upon Congress to either make or alter any regulations affecting the election of members of Congress, and no suggestions of that character had been made to the Convention. On August 6 Mr. Rutledge submitted the report of the committee of detail.

FIRST SUGGESTION OF CONGRESSIONAL INTERFERENCE.

The article we are discussing was in these words (Elliot, page 337):

ARTICLE VI.

SEC. 1. The times, and places, and manner of holding the elections of the members of each House shall be prescribed by the Legislature of each State; but their provisions concerning them may, at any time, be altered by the Legislature of the United States.

This was the first utterance of a member of the Convention giving Congress any power to alter regulations of States regarding elections, or to allow the Federal Government or the Federal Congress any control in any event with regard to elections of members of Congress. A motion was made to strike out the clause which I have just read. This led to a long debate, and the only arguments made in favor of the retention of the clause was, that it might be necessary, in order to insure the preservation of the Government, that elections should be in some measure controlled by Federal authority, because, as it was said, States might refuse to adopt any regulations by which members of Congress could be elected. I read this clause, as finally agreed upon, from Elliot's Debates, page 402:

The times, and places, and manner of holding elections of members of each House shall be prescribed by the Legislature of each State, respectively; but regulations in each of the foregoing cases may at any time be made or altered by the Legislature of the United States.

On the 10th of September, after the Convention had been in session several months, this clause, together with other parts of the Constitution, was referred to a "committee on style," who reported it back in this language:

The times, places, and manner of holding elections for Senators and Representatives shall be prescribed in each State by the Legislature thereof; but the Congress may at any time by law make or alter such regulations.

On September 14 a further amendment was made, which placed the paragraph in the Constitution in the language as it now appears.

The Constitution was then submitted to the different States for ratification, and I have already read the action of the State of Massachusetts in demanding that that clause should be modified so as to deprive the Congress of any power to legislate upon or undertake to regulate the subject.

The next State to act was New York, and after a discussion of the subject and after passing a resolution which was to the effect that New York only ratified the Constitution upon condition that this clause should be modified and that the second paragraph should be stricken out so as to take from Congress any power on the subject, that great State finally adopted the Constitution. So that New York adopted the Constitution, together with a resolution prepared by Mr. Jay, afterwards Supreme Justice, and it was adopted with the full confidence that the clause of the Constitution should be changed so as to take from Congress the power with regard to elections and submit that question entirely to the people of the different States.

In the New York convention this matter seems to have been very fully discussed.

On June 25 Mr. Samuel Jones, a member of the committee on rules, said (I read from page 289):

He did not think it right that Congress should have the power of prescribing or altering the time, place, and manner of holding elections.

He apprehended that the clause might be so construed as to deprive the States of an essential right which, in the true design of the Constitution, was to be reserved to them.

He therefore wished the clause might be explained, and proposed for the purpose the following amendment:

"*Resolved*, As the opinion of this committee, that nothing in the Constitution now under consideration shall be construed to authorize the Congress to make or alter any regulations in any State respecting the times, places, or manner of holding elections for Senators or Representatives, unless the Legislature of such State shall neglect or refuse to make laws or regulations for the purpose, or from any circumstance be incapable of making the same, and then only until the Legislature of such State shall make provision in the premises."

CHIEF JUSTICE JAY DEFINES POWERS OF CONGRESS.

Mr. Jay replied to these remarks (I read from pages 289 and 290):

The Hon. Mr. Jay said that as far as he understood the ideas of the gentleman, he seemed to have doubts with respect to this paragraph, and feared it might be misconstrued and abused. He said that every government was imperfect unless it had a power of preserving itself. Suppose that by design or accident the States should neglect to appoint Representatives; certainly there should be some constitutional remedy for this evil. The obvious meaning of the paragraph was, that if this neglect should take place Congress should have power, by law, to support the Government and prevent the dissolution of the Union. He believed this was the design of the Federal Convention.

Hon. Richard Morris, Governor Clinton, and Mr. Jay continued the argument, but not one word was suggested indicating the possibility of such a constitutional interpretation as is insisted upon by the advocates of this bill.

Mr. Smith then proposed that the Constitution should provide that each State should be divided into districts.

Mr. Duane replied, expounding some good Democratic principles. I read from page 291:

If the proposed mode of election be the best, the Legislature of this State will undoubtedly adopt it. * * * Sir, how do we know the proposal will be agreeable to the other States? Is every State to be compelled to adopt our ideas on all subjects? If the gentleman will reflect, I believe he will be doubtful of the propriety of these things. Will it not seem extraordinary that any one State should presume to dictate to the Union? As the Constitution stands it will be in the power of each State to regulate this important point.

While the Legislatures do their duty, the exercise of their discretion is sufficiently secured. Sir, this measure would carry with it a presumption which I should be sorry to see in the acts of this State. It is laying down as a principle that whatever may suit our interest or fancy should be imposed upon our sister States. This does not seem to correspond with that moderation which I hope to see in all the proceedings of this convention.

On July 11, 1788 (I read from pages 355 and 356), Mr. Jay moved the following resolutions:

Resolved, as the opinion of the committee, That the Constitution under consideration ought to be ratified by this convention.

Resolved further, as the opinion of the committee, That such parts of the said Constitution as may be thought doubtful, ought to be explained, and that whatever amendments may be deemed useful, or expedient, ought to be recommended.

Mr. Jay was supported by Mr. Chancellor Livingston and Mr. Chief-Justice Morris, and opposed by Mr. Melancton Smith. The debates on this motion continued till Tuesday, the 15th of July, when Mr. Smith moved, as an amendment, to add to the first resolution proposed by Mr. Jay, so that the same, when amended, should read as follows:

"*Resolved, as the opinion of this committee*, That the Constitution under consideration ought to be ratified by this convention; upon condition, nevertheless, that until a convention shall be called and convened for proposing amendments to the said Constitution * * * that the Congress will not

make or alter any regulation in this State respecting the time, places, and manner of holding elections for Senators or Representatives, unless the Legislature of this State should neglect or refuse to make laws or regulations for the purpose, or from any circumstances be incapable of making the same; and that in those cases such power will only be exercised until the Legislature of this State shall make provision in the premises."

I now read from pages 357 and 358:

On July 23 Mr. Jones moved that the words "on condition" in the resolution should be obliterated and the words "in full confidence" substituted; which was carried.

The vote was 31 to 29, and on July 26 the Constitution was thus conditionally ratified by a vote of 30 to 27.

After ratifying the Constitution the convention adopted a resolution, which I will read from volume 11, part 2, page 321, Twenty-seventh Congress, April, 1842:

And the convention do, in the name and on behalf of the people of the State of New York, enjoin it upon their representatives in Congress to exert all their influence and use all reasonable means to obtain a ratification of the following amendments to the said Constitution in the manner prescribed therein.

And among the amendments the representatives from New York were enjoined to secure was the following:

That the Congress shall not make or alter any regulation in any State respecting the times, places, and manner of holding elections for Senators or Representatives, unless the Legislature of such State shall neglect or refuse to make laws or regulations for the purpose, or from any circumstance be incapable of making the same; and then only until the Legislature of such State shall make provision in the premises.

NORTH CAROLINA CONVENTION.

The next State was North Carolina; and that State, after a long time, refused to ratify the Constitution, I think simply and solely on the ground of that clause; and it finally, following the lead of the other States, adopted the Constitution with the recommendation that Congress shall not pass any laws regarding elections, except when the Legislature of any State shall neglect, refuse, or be disabled by invasion or rebellion to prescribe the same.

In North Carolina there was a stormy time, very largely due to the fear that improper use would be made of this permissive and conditional power given to Congress with reference to the time and manner of electing Senators and Representatives.

The convention met July 21, 1788, and elected Samuel Johnson its president after much discussion and debate. I read from Debates in Convention in North Carolina, page 210. It was finally—

Resolved, That a declaration of rights * * * ought to be laid before Congress, and the convention of the States that shall or may be called for the purpose of amending the said Constitution, for their consideration, previous to the ratification of the Constitution aforesaid on the part of the State of North Carolina.

They included proposed amendments to the Constitution, and prominent among these was the following, which I will read from page 214:

17. That Congress shall not alter, modify, or interfere in the times, places, or manner of holding elections for Senators and Representatives, or either of them, except when the Legislature of any State shall neglect, refuse, or be disabled by invasion or rebellion to prescribe the same.

On August 2 (I read from page 216)—

Mr. Iredell moved that the report be amended to read:

"That, this convention having fully deliberated on the Constitution, * * * they do therefore, on behalf of the State of North Carolina, and the good people thereof, and by virtue of the authority to them delegated, ratify the said Constitution on the part of this State; and they do at the same time recommend that as early as possible the following amendments to the said Constitution may be proposed for the consideration and adoption of the several States in the Union in one of the modes prescribed by the fifth article thereof."

But the feeling against Federal encroachments was so strong, that the vote really amounted to a rejection of the Constitution, 184 being against it and 84 for it.

It is true that after the people of North Corolina had read the proceedings of conventions of other States, and had by this and other means become convinced that the Federal Government would not attempt to regulate the manner of conducting elections in States, on November 21, 1789, they, in convention assembled, ratified the Constitution.

PENNSYLVANIA CONVENTION.

The Pennsylvania convention met November 21, 1787, and elected Frederick Augustus Muhlenberg president.

This great State came with similar views upon this subject, and Mr. Wilson, who was a member of the committee of details in the Constitutional Convention at Philadelphia, and afterwards on the Supreme Bench, spoke on this subject, and urged the same plan of procedure to be adopted. The State of Pennsylvania adopted the Constitution with the same conditions and the same limitations.

Mr. Wilson and Mr. McKean discussed the clause of the proposed Constitution which referred to elections.

They were both earnest advocates of the establishment of a Federal Government. On page 296 Mr. Wilson says:

The times, places, and manner of holding elections for Representatives may be altered by Congress. This power, sir, has been shown to be necessary, not only on some particular occasions, but even to the very existence of the Federal Government. I have heard some very improbable suspicions indeed suggested with regard to the manner in which it will be exercised. * * * When the power of regulating the time, place, or manner of holding elections is exercised by the Congress it will be to correct the improper regulations of a particular State.

On pages 313 and 316 Mr. McKean enumerates objections which had been urged against the Constitution, and particularly dwells upon apprehensions which had been expressed—

That the Congress may by law deprive the electors of a fair choice of their Representatives by fixing improper times, places, and modes of election.

Mr. McKean said (page 316):

Annual Congresses are expressly secured; they have only a power given to them to take care that the elections shall be at convenient and suitable times and places, and conducted in a proper manner; and I can not discover why we may not intrust these particulars to the representatives of the United States with as much safety as to those of the individual States.

In some States the electors vote *viva voce*, in others by ballot; they ought to be uniform, and the elections held on the same day throughout the United States, to prevent corruption or undue influence.

The Pennsylvania convention ratified the Constitution, but coupled with that action a recommendation that the instrument be amended by adding these words:

That Congress shall not have power to make or alter regulations concerning the time, place, and manner of electing Senators and Representatives, except in case of neglect or refusal by the State to make regulations for the purpose; and then only for such time as such neglect or refusal shall continue.

NEW HAMPSHIRE CONVENTION.

New Hampshire then came, and her discussion upon this important subject dealt largely with this second part of the fourth section. That State only ratified the Constitution with the condition that her representatives should use every power to carry out that same view; and prescribing not only the striking out of the clause which gave that authority, but prescribing in words that it should never be exercised except in cases where a State should neglect or refuse to make the regulations.

New Hampshire ratified the Constitution on June 20, 1788, but recommended that the following alterations be introduced in said Constitution (I read from Elliot's Debates, volume 4, page 214):

That Congress do not exercise the powers vested in them by the fourth section of the first article, but in cases where a State shall neglect or refuse to make the regulations therein mentioned, or shall make regulations subversive of the rights of the people to a free and equal representation in Congress. Nor shall Congress in any case make regulations contrary to a free and equal representation.

SOUTH CAROLINA CONVENTION.

South Carolina then adopted the Constitution, and that State also passed resolutions of the same character. They, however, at the same time passed a resolution that it shall be the standing instructions of all such Delegates as may hereafter be elected to represent the State in the General Government to exert their utmost abilities and influence to effect an alteration of the Constitution conformably to the resolutions which the convention had adopted.

South Carolina was probably more emphatic than other States in expressing her views as to the importance of reserving entirely to the States the right of prescribing the time, place, and manner of holding elections of members of Congress.

In ratifying the Constitution, on May 23, 1788, that State insisted upon submitting the following recommendation, which I read from Elliot's Debates, volume 4, page 213:

And whereas it is essential to the preservation of the rights reserved to the several States and the freedom of the people under the operations of a general government that the right of prescribing the manner, time, and places of holding the elections to the Federal Legislature should be forever inseparably annexed to the sovereignty of the several States, this convention doth declare that the same ought to remain to all posterity a perpetual and fundamental right in the local, exclusive of the interference of the General Government, except in cases where the Legislatures of the States shall refuse or neglect to perform and fulfill the same according to the tenor of the said Constitution.

The convention was so earnest with regard to this important subject that the last action before adjournment was the adoption of the resolution which I read from page 214:

Resolved, That it be a standing instruction to all such Delegates as may hereafter be elected to represent this State in the General Government to exert their utmost abilities and influence to effect an alteration of the Constitution conformably to the aforegoing resolution.

This resolution immediately precedes the signature of the distinguished president of the convention, Hon. Thomas Pinckney.

THE VIRGINIA CONVENTION.

The Virginia delegates in the Constitutional Convention took the most emphatic grounds against the clause which we are now considering. Mr. Madison is said to have favored giving Congress the contingent power, but when you read all of his speeches on the subject you see that he was not in favor of the exercise of this authority except where the States have failed to exercise their rights in the election of Representatives. His argument was that it should be used only when necessary to prevent the disruption of our Government by the failure to elect a quorum in the National Legislature.

The Virginia convention met the 2d day of June, 1788, and Hon. Edmund Pendleton was elected president and Mr. Benja-

min Harrison was appointed chairman of the committee on credentials.

I can not pretend to give more than a cursory glance at the proceedings, but it is quite clearly shown that the convention did not favor those features which gave any power to Congress to in any event make regulations as to the election of its members.

On June 14 (I read from page 276, Elliot's Debates, volume 2):

Mr. Monroe wished that the honorable gentleman, who had been in the Federal Convention, would give information respecting the clause concerning elections. He wished to know why Congress had an ultimate control over the time, place, and manner of elections of Representatives, and the time and manner of that of Senators, and also why there was an exception as to the place of electing Senators.

Mr. MADISON. Mr. Chairman, the reason of the exception was that if Congress could fix the place of choosing the Senators, it might compel the State Legislatures to elect them in a different place from that of their usual sessions, which would produce some inconvenience and was not necessary for the object of regulating the elections. But it was necessary to give the General Government a control over the time and manner of choosing the Senators to prevent its own dissolution. * * * It was found impossible to fix the time, place, and manner of the election of Representatives in the Constitution. It was found necessary to leave the regulation of these, in the first place, to the State governments, as being best acquainted with the situation of the people, subject to the control of the General Government, in order to enable it to produce uniformity and prevent its own dissolution. And considering the State governments and General Government as distinct bodies, acting in different and independent capacities for the people, it was thought the particular regulations should be submitted to the former and the general regulations to the latter. Were they exclusively under the control of the State governments, the General Government might easily be dissolved. But if they be regulated properly by the State Legislatures, the Congressional control will very probably never be exercised.

It will therefore be seen that Mr. Madison contended that the only purpose of giving contingent power to Congress in this matter was to prevent a dissolution of the Government by the failure of the States to provide laws for the election of members of Congress.

I will dwell at some length upon the remarks of Mr. Nicholas, who strongly advocated the retention of the clause which gave Congress the secondary and contingent authority to make or alter regulations regarding the election of members of Congress.

MR. NICHOLAS DEFINES THE SCOPE OF THE CLAUSE.

There is another objection, which has been echoed from one end of the continent to the other, that Congress may alter the time, place, and manner of holding elections; that they may direct the place of elections to be where it will be impossible for those who have a right to vote to attend; for instance, that they may order the freeholders of Albemarle to vote in the county of Princess Anne, or *vice versa*, or regulate elections otherwise in such a manner as totally to defeat their purpose and lay them entirely under the influence of Congress.

I flatter myself that from an attentive consideration of this power it will clearly appear that it was essentially necessary to give it to Congress, as without it there could have been no security for the General Government against the State Legislatures.

It will be observed that Mr. Nicholas urges the retention of the clause upon the same grounds as Mr. Madison, that it might be necessary in case the States should neglect to make the needed regulations, or, to use Mr. Madison's words, fail or refuse altogether." Mr. Nicholas then proceeds:

What, Mr. Chairman, is the danger apprehended in this case? If I understand it right, it must be that Congress might cause the elections to be held in the most inconvenient places and at so inconvenient a time and in such a manner as to give them the most undue influence over the choice; nay, even to prevent the elections from being held at all, in order to perpetuate themselves. But what would be the consequence of this measure?

It would be this, sir, that Congress would cease to exist; it would destroy the Congress itself; it would absolutely be an act of suicide; and therefore it can never be expected.

This alteration, so much apprehended, must be made by law; that is, with the concurrence of both branches of the Legislature.

Will the House of Representatives, the members of which are chosen only for two years and who depend on the people for their reelection, agree to such an alteration?

It is unreasonable to suppose it.

Here we see this Virginian a century ago arguing with his fellow-delegates in convention assembled, and insisting that Congress would never even alter the time for holding elections for members of Congress. He then continues, page 39:

But let us admit for a moment that they will. What would be the consequence of passing such a law?

It would be, sir, that after the expiration of the two years, at the next election, they would either choose such men as would alter the law or they would resist the Government.

An enlightened people will never suffer what was established for their security to be perverted to an act of tyranny.

Mr. Nicholas then says:

It may be said, perhaps, that resistance would then become vain; Congress are vested with the power of raising an army. To which I say, that if ever Congress shall have an army sufficient for their purpose, and disposed to execute their unlawful commands, before they would act under this disguise they would pull off the mask and declare themselves absolute.

I ask, Mr. Chairman, is it a novelty in our Government? Has not our State Legislature the power of fixing the time, places, and manner of holding elections? The possible abuse here complained of never can happen as long as the people of the United States are virtuous.

As long as they continue to have sentiments of freedom and independence, should the Congress be wicked enough to harbor so absurd an idea as this objection supposes, the people will defeat their attempt by choosing other representatives who will alter the law.

HE CALLS THE LAW NOW UNDER DISCUSSION UNLAWFUL AND WICKED.

I call especial attention to the fact that this speaker—one of those who ratified the Constitution—refers to such a law as the one we propose to repeal as unlawful, and he speaks of an attempt on the part of Congress to enact such a measure as an unlawful attempt and he contends that Congress would not be wicked enough to harbor so absurd an idea. Mr. Nicholas continues:

If the State Legislature, by accident, design, or any other cause, would not appoint a place for holding elections, then there might be no election till the time was past for which they were to have been chosen; and as this would eventually put an end to the Union, it ought to be guarded against, and it could only be guarded against by giving this discretionary power to the Congress, of altering the time, place, and manner of holding the elections.

This language clearly shows that those who framed and ratified the Constitution never contemplated the exercise of any power whatever on the part of Congress except in the event that the power was not exercised by the States, and this is, if possible, more fully illustrated by the further remarks of Mr. Nicholas which I will read:

It is absurd to suppose that Congress will exert this power, or change the time, place, and manner established by the States if the States will regulate them properly, or so as not to defeat the purpose of the Union.

It is urged that the State Legislatures ought to be fully and exclusively possessed of this power.

Were this the case it might certainly defeat the Government. As the powers vested by this plan in Congress are taken from the State Legislatures, they would be prompted to throw every obstacle in the way of the General Government. It was, then, necessary that Congress should have this power.

Another strong argument for the necessity of this power is, that if it was left solely to the States there might have been as many times of choosing as there are States.

It will be noticed that Mr. Nicholas says it is absurd to suppose that Congress will exert this power if the States will regulate elections so as not to defeat the purposes of the Union, and that it was necessary in that event that Congress should have the power of regulating the time, place, and manner, as the States might certainly defeat the Government, because the power vested in Congress was taken from the States, and this fact Mr. Nicholas contended would cause the States to become jealous of the Federal Government.

BENJAMIN HARRISON, IN 1788, FOR LIBERTY AND THE PEOPLE.

It may not be amiss at this time to allude to the emphatic manner in which Mr. Benjamin Harrison insisted that this and other amendments should be made to the Constitution as a condition precedent to its ratification by Virginia. I read from the proceedings of June 25, 1788, volume 2, pages 457 and 458:

Mr. Benjamin Harrison said:

New Hampshire does not approve of the Constitution as it stands. They have refused it so. In Massachusetts we are told that there was a decided majority in their convention who opposed the Constitution as it stood, and were in favor of previous amendments, but were afterwards, by the address and artifice of the Federalists, prevailed upon to ratify it.

Rhode Island is not worthy the attention of this House. She is of no weight or importance to influence any general subject of consequence. New York, we have every reason to believe, will reject the Constitution, unless amendments be obtained. Hence it clearly appears that there are three States which wish for amendments.

In Maryland there is a considerable number who wish amendments to be had.

Virginia is divided; let this question be determined which way it will, one-half of the people at least wish amendments to be obtained.

North Carolina is decidedly against it.

South Carolina has proposed amendments.

Under this representation it appears that there are seven States who wish to get amendments.

It will be observed that after events showed that nine of the States demanded amendments.

Mr. Harrison continued in these words:

Can it be doubted, if these seven States insert amendments as the condition of their accession, that they would not be agreed to? * * *

I am not prejudiced against New England or any part. They are held up to us as a people from whom protection will come. Will any protection come from thence for many years?

When we were invaded, did any gentlemen from the Northern States come to relieve us? No, sir; we were left to be buffeted. Gen. Washington, in the greatness of his soul, came with the French auxiliaries and relieved us opportunely.

Were it not for this we should have been ruined. I call Heaven to witness that I am a friend to the Union, but I conceive the measure of adoption to be unwarrantable, precipitate, and dangerously impolitic. Should we rush into sudden perdition I should resist with the fortitude of a man. As to the amendments proposed by gentlemen, I do not object to them. They are inherently good, but they are put in the wrong place, subsequent instead of previous.

This speech shows the intensity of the convictions entertained by this illustrious ancestor of President Harrison. He insisted that the provision of the Constitution we are discussing should be struck out previous to the ratification of that instrument, or, as he expressed it, this should be demanded previous to ratification, as a condition precedent and not subsequent.

It will be observed that the argument of Gen. Harrison was that this amendment should be made so that the Constitution could not be ratified until it had been adopted.

VIRGINIA AGAINST CONGRESSIONAL INTERFERENCE.

The Constitution was finally ratified on Thursday, June 26, 1788, as shown by the Proceedings, page 483, but coupled with this ratification were certain recommendations, including the following, which I read from page 486:

That Congress shall not alter, modify, or interfere in the times, places, or manner of holding elections for Senators and Representatives, or either of

them, except when the Legislature of any State shall neglect, refuse, or be disabled by invasion or rebellion to prescribe the same.

And in the closing moments of the convention they enjoined upon their representatives in Congress to secure the alterations they recommended.

This invocation of the convention is in these words (I read from page 486):

And the convention do, in the name and behalf of the people of this Commonwealth, enjoin it upon their representatives in Congress to exert all their influence and use all reasonable and legal methods to obtain a ratification of the foregoing alterations and provisions in the manner provided by the fifth article of the said Constitution; and in all Congressional laws to be passed in the mean time, to conform to the spirit of these amendments as far as the said Constitution will permit.

RHODE ISLAND CONVENTION.

Rhode Island came on, although waiting two years, to adopt the Constitution. When she adopted it she put in the same proviso which Virginia had insisted upon. This plucky little State, after refusing to send delegates to the Constitutional Convention, and after refusing by an almost unanimous vote to entertain the question of ratification, finally reconsidered, and on the 29th of May, 1790, the convention affirmatively settled the question of ratification, to which they added the following (I read from page 225, volume 4, Elliot's Debates):

And the convention do, in the name and behalf of the people of the State of Rhode Island and Providence Plantations, enjoin it upon their Senators and Representative, or Representatives, which may be elected to represent this State in Congress, to exert all their influence and use all reasonable means to obtain a ratification of the following amendments:

That Congress shall not alter, modify, or interfere in the times, places, or manner of holding elections for Senators and Representatives, or either of them, except when the Legislature of any State shall neglect, refuse, or be disabled by invasion or rebellion to prescribe the same, or in case where the provision made by the State is so imperfect as that no consequent election is had, and then only until the Legislature of such State shall make provision in the premises.

THE MARYLAND CONVENTION.

It is asserted that the Maryland convention which ratified the Constitution also recommended that that part of the clause (Article I, section 4) be stricken out which gave secondary and contingent power to Congress to make regulations as to the time, place, and manner of holding elections for members of Congress.

I see that on August 21, 1789 (page 799, Annals of the First Congress), Mr. Smith stated that eight States had expressed that desire, and he enumerated New Hampshire, Massachusetts, New York, Pennsylvania, Maryland, Virginia, North Carolina, and South Carolina.

Mr. Smith stated that the convention of Maryland appointed a committee to recommend amendments, and among them was the one now under consideration, and he had certainly seen the resolutions.

At that time Rhode Island had not ratified the Constitution and was not represented in Congress; but I have already shown that when such action was taken by that State the following year, May 29, 1790, she emphatically demanded that this clause giving contingent power to regulate time, place, and manner of elections should be stricken from the Constitution.

We therefore see that nine States took that action, and it is worthy of note that, so far as we can learn, all of these nine State conventions were unanimous in this demand. The only States which took no action on this subject were Delaware, Connecticut, New Jersey, and Georgia.

THE FIRST CONGRESS.

With this condition of things it is very natural that a demand for constitutional amendment should have been made very early after the assembling of the First Congress. We have seen that the Constitutional Convention incorporated the clause which gives contingent powers to Congress in matters of election of members of Congress upon the ground that it was necessary to the existence of the Government. It will be remembered that during the Colonial Congress one of the great difficulties had been to maintain a quorum of members. It would naturally be supposed that this evil would have ceased upon the inauguration of the new government under the Constitution. One would have supposed that the States would have hastened to elect their Senators and Representatives, and that the persons so elected would have hastened to the seat of government for the purpose of establishing a government which seemed to promise great good to the country.

But in this the people were sadly disappointed. On March 4, 1789, but eight Senators were present. The members of the House were, if possible, even more derelict, as we see by the Journal that but thirteen members of that body had reported and taken their seats, and eleven of these thirteen were from the States of Massachusetts, Connecticut, and Pennsylvania. Not only was there no quorum in either body, but neither the House nor the Senate contained representatives from a majority of the States.

I read from the Journal of the first session of the Senate of the United States, page 3, as follows:

WEDNESDAY, *March 4, 1789.*

The following members of Senate appeared and took their seats:
From—
New Hampshire, the Hons. John Langston and Paine Wingate.
Massachusetts, the Hon. Caleb Strong.
Connecticut, the Hons. William S. Johnson and Oliver Ellsworth.
Pennsylvania, the Hons. William Maclay and Robert Morris,
Georgia, the Hon. William Few.

The number not being enough to constitute a quorum, they adjourned from day to day until—

WEDNESDAY, *March 11, 1789.*

The same members present as on March 4: Agreed that the following circular letter should be written to the absent members, requesting their immediate attendance:

"NEW YORK, *March 11, 1789.*

"SIR: Agreeably to the Constitution of the United States, eight members of the Senate and eighteen of the House of Representatives have attended here since the 4th of March. It being of the utmost importance that a quorum sufficient to proceed to business be assembled as soon as possible, it is the opinion of the gentlemen of both Houses that information of their situation be immediately communicated to the absent members.

"We apprehend that no arguments are necessary to evince to you the indispensable necessity of putting the Government into immediate operation; and therefore earnestly request that you will be so obliging as to attend as soon as possible.

"We have the honor to be, sir,"

Here followed the names of the eight Senators.

This appeal seemed to have no effect, as none of the absent members appeared, and there was apparently no reply to this urgent appeal of the eight Senators who were sitting without a quorum waiting for their absent colleagues:

I read on pages 4 and 5 the proceedings of March 18:

Agreed that the following circular letter should be written to eight of the absent members, urging their immediate attendance:

"NEW YORK, *March 18, 1789.*

"SIR: We addressed a letter to you the 11th instant, since which no Senator has arrived. The House of Representatives will probably be formed in two or three days. Your presence is indispensably necessary. We therefore again earnestly request your immediate attendance, and are confident you will not suffer our and the public anxious expectations to be disappointed."

Here followed the names of the eight Senators.

These eight Senators continued to meet and adjourn from day to day for a month and two days.

On April 6, having been reënforced by Senators Patterson and Elmer of New Jersey, Senator Bassett of Delaware, and Senator Richard Henry Lee, of Virginia, these twelve Senators constituting a quorum, elected a presiding officer, and then, according to the requirements of the Constitution, they proceeded to count the votes of the electors for President and Vice-President of the United States.

We see by the Journal that the Senate frequently found itself without a quorum, and was therefore unable to proceed to business.

I call particular attention to the fact that it was not until July 25 that New York had a representative on the floor of the Senate, Mr. Rufus King appearing on that day, and his colleague, Hon. Philip J. Schuyler, appearing two days afterwards.

With this condition of things it is very natural that the apprehensions which had existed regarding the establishment of the Federal Government would be somewhat intensified. With the fact staring them in the face that it took more than a month to get a quorum of Congress, particularly when that Congress was charged with the important duty of counting the electoral vote so as to make the inauguration of President Washington possible, it is very natural to suppose that Senators and Representatives would feel that the difficulties of getting a quorum would be even greater in future Congresses, and we find by reading the speeches that such feelings seemed to be strongly impressed upon the members of that body.

I find, page 424 of the Annals of the First Congress, that on June 8, 1789, Mr. Madison said he felt bound in honor to bring the subject of amendments of the Constitution before the House.

Page 425, Mr. Jackson of Georgia wanted the question of amendments postponed, and the Constitution as it then stood given a trial. He wanted Congress to proceed with the revenue bill.

Mr. Goodhue of Massachusetts said, page 426:

It is the wish of many of our constituents that something should be added to the Constitution to secure in a stronger manner their liberties from the inroads of power.

Mr. Burke of Georgia wanted the revenue bill passed and the Government fully organized.

Mr. Sherman of Connecticut said that the people expected more important matters attended to.

Mr. White of Virginia wanted the most pressing business attended to.

Mr. Smith of South Carolina said, page 429:

That however desirous this House may be to go into the consideration of amendments to the Constitution, in order to establish the liberties of the people of America on the securest foundation, yet the important and press-

ing business of the Government prevents their entering on the subject at present.

Mr. Page of Virginia (page 429) said:

I venture to affirm that, unless you take early notice of this subject, you will not have power to deliberate. The people will clamor for a new convention; they will not trust the House any longer.

Mr. Vining of Delaware opposed any action upon amendments. On page 430 he said:

For my part I do not see the expediency of proposing amendments.

Madison replied, page 431:

I will state my reasons why I think it proper to propose amendments, and state the amendments themselves, so far as I think they ought to be proposed.

* * * * * * *

I wish, among other reasons why something should be done, that those who have been friendly to the adoption of this Constitution may have the opportunity of proving to those who were opposed to it that they were as sincerely devoted to liberty and a republican government as those who charged them with wishing the adoption of this Constitution in order to lay the foundation of aristocracy or despotism. It will be a desirable thing to extinguish from the bosom of every member of the community any apprehensions that there are those among his countrymen who wish to deprive them of the liberty for which they valiantly fought and honorably bled.

I read further from Mr. Madison's speech, page 432:

There is a great number of our constituents who are dissatisfied with it; among whom are many who are respectable for their talents and patriotism, and respectable for the jealousy they have for their liberty, which though mistaken in its object, is laudable in its motive. There is a great body of the people falling under this description, who at present feel much inclined to join their support to the cause of Federalism, if they were satisfied on this one point. We ought not to disregard their inclination, but on principles of amity and moderation conform to their wishes, and expressly declare the great rights of mankind secured under this Constitution.

The acquiescence which our fellow-citizens show under the Government calls upon us for a like return of moderation. But perhaps there is a stronger motive than this for our going into a consideration of the subject. It is to provide those securities of liberty which are required by a part of the community; I allude in a particular manner to those two States that have not thought fit to throw themselves into the bosom of the Confederacy. It is a desirable thing, on our part as well as theirs, that a reunion should take place as soon as possible. * * *

I do conceive that the Constitution may be amended; that is to say, if all power is subject to abuse, that then it is possible that the abuses of the powers of the General Government may be guarded against in a more secure manner than is now done, while no one advantage arising from the exercise of that power shall be damaged or endangered by it. We have in this way something to gain, and, if we proceed with caution, nothing to lose.

On page 433 Mr. Madison continued:

I should be unwilling to see a door open for a reconsideration of the whole structure of the Government. But I do wish to see a door open to consider, so far as to incorporate those provisions for the security of rights, against which I believe no serious objection has been made by any class of our constituents?

Some were leveled against its structure because the President was without a council; because the Senate, which is a legislative body, had judicial powers in trials on impeachments, and because the powers of that body were compounded in other respects in a manner that did not correspond with a particular theory, because it grants more power than is supposed to be necessary for every good purpose, and controls the ordinary powers of the State governments. I know some respectable characters who opposed this Government on these grounds, but I believe that the great mass of the people who opposed it disliked it because it did not contain effectual provisions against the encroachments on particular rights, and those safeguards which they have been long accustomed to have interposed between them and the magistrate who exercises the sovereign power.

Mr. Madison then proceeded, pages 433–436, to read the amendments to the Constitution which he had prepared. They were as follows:

The amendments which have occurred to me proper to be recommended by Congress to the State Legislatures are these:

First. That there be prefixed to the Constitution a declaration that all power is originally vested in, and consequently derived from, the people.

That government is instituted and ought to be exercised for the benefit of the people, which consists in the enjoyment of life and liberty, with the right of acquiring and using property, and generally of pursuing and obtaining happiness and safety.

That the people have an indubitable, unalienable, and indefeasible right to reform or change their government, whenever it be found adverse or inadequate to the purposes of its institution.

Secondly. That in Article I, section 2, clause 3, these words be struck out, to wit: "The number of Representatives shall not exceed one for every thirty thousand, but each State shall have at least one Representative, and until such enumeration shall be made," and that in place thereof be inserted these words, to wit: "After the first actual enumeration there shall be one Representative for every thirty thousand until the number amounts to ——, after which the proportion shall be so regulated by Congress that the number shall never be less than ——, nor more than ——, but each State shall, after the first enumeration, have at least two Representatives, and prior thereto."

Thirdly. That in Article I, section 6, clause 1, there be added to the end of the first sentence these words, to wit: "But no law varying the compensation last ascertained shall operate before the next ensuing election of Representatives."

Fourthly. That in Article I, section 9, between clauses 3 and 4, be inserted these clauses, to wit: "The civil rights of none shall be abridged on account of religious belief or worship, nor shall any national religion be established, nor shall the full and equal rights of conscience be in any manner, or on any pretext, infringed.

"The people shall not be deprived or abridged of their right to speak, to write, or to publish their sentiments; and the freedom of the press, as one of the great bulwarks of liberty, shall be inviolable.

"The people shall not be restrained from peaceably assembling and consulting for their common good; nor from applying to the Legislature by petitions or remonstrances for redress of their grievances.

"The right of the people to keep and bear arms shall not be infringed; a well-armed and well-regulated militia being the best security of a free country; but no person religiously scrupulous of bearing arms shall be compelled to render military service in person.

"No soldier shall in time of peace be quartered in any house without the consent of the owner; nor at any time but in a manner warranted by law.

"No person shall be subject, except in cases of impeachment, to more than one punishment or one trial for the same offense; nor shall be compelled to be a witness against himself; nor be deprived of life, liberty, or property without due process of law; nor be obliged to relinquish his property, where it may be necessary for public use, without just compensation.

"Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted.

"The rights of the people to be secured in their persons, their houses, their papers, and their other property, from all unreasonable searches and seizures, shall not be violated by warrants issued without probable cause, supported by oath or affirmation, or not particularly describing the places to be searched, or the persons or things to be seized.

"In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, to be informed of the cause and nature of the accusation, to be confronted with his accusers, and the witnesses against him, to have a compulsory process for obtaining witnesses in his favor, and to have the assistance of counsel for his defense.

The exceptions here or elsewhere in the Constitution, made in favor of particular rights, shall not be so construed as to diminish the just importance of other rights retained by the people, or as to enlarge the powers delegated by the Constitution; but either as actual limitations of such powers, or as inserted merely for greater caution."

Fifthly. That in Article I, section 10, between clauses 1 and 2, be inserted this clause, to wit:

"No State shall violate the equal rights of conscience, or the freedom of the press, or the trial by jury in criminal cases."

Sixthly. That in Article III, section 2, be annexed to the end of clause 2 these words, to wit:

"But no appeal to such court shall be allowed where the value in controversy shall not amount to —— dollars; nor shall any fact triable by jury, according to the course of common law, be otherwise reëxaminable than may consist with the principles of common law."

Seventhly. That in Article III, section 2, the third clause be struck out and in its place be inserted the clauses following, to wit:

"The trial of all crimes (except in cases of impeachments, and cases arising in the land or naval forces, or the militia when on actual service, in time of war or public danger) shall be by an impartial jury of freeholders of the vicinage, with the requisite of unanimity for conviction, of the right of challenge, and other accustomed requisites; and in all crimes punishable with loss of life or member, presentment or indictment by a grand jury shall be an essential preliminary, provided that in cases of crimes committed within any county which may be in possession of an enemy, or in which a general insurrection may prevail, the trial may by law be authorized in some other county of the same State, as near as may be to the seat of the offense.

"In cases of crimes committed not within any county, the trial may by law be in such county as the laws shall have prescribed. In suits at common law between man and man, the trial by jury, as one of the best securities to the rights of the people, ought to remain inviolate."

Eighthly. That immediately after Article VI be inserted, as Article VII, the clauses following, to wit:

"The powers delegated by this Constitution are appropriated to the departments to which they are respectively distributed; so that the legislative department shall never exercise the powers vested in the executive or judicial, nor the executive exercise the powers vested in the legislative or judicial, nor the judicial exercise the powers vested in the legislative or executive departments.

"The powers not delegated by this Constitution nor prohibited by it to the States are reserved to the States respectively."

Ninthly. That Article VII be numbered as Article VIII.

Mr. Madison then proceeded (page 436 to page 431) to explain these proposed amendments.

Mr. Jackson of Georgia said, page 443:

I hold, Mr. Speaker, that the present is not a proper time for considering of amendments. The States of Rhode Island and North Carolina are not in the Union. As to the latter, we have every presumption that she will come in. But in Rhode Island I think the anti-Federal interest yet prevails.

Mr. Jackson continued, on page 444:

There are, Mr. Speaker, a number of important bills on the table which require dispatch.

I hope, therefore, the gentleman will press us no further; he has done his duty, and acquitted himself of the obligation under which he lay.

Mr. Elbridge Gerry, of Massachusetts, page 445, said:

I think with the gentleman from Delaware [Mr. Vining], that the great wheels of the political machine should first be set in motion, and with the gentleman from Georgia [Mr. Jackson], that the vessel ought to be got under way, lest she lie by the wharf till she beat off her rudder and run herself a wreck ashore.

I say I wish as early a day as possible may be assigned for taking up this business, in order to prevent the necessity which the States may think themselves under of calling a new convention.

Whatever might have been my sentiments of the ratification of the Constitution without amendments, my sense now is, that the salvation of America depends upon the establishment of this Government, whether amended or not. If the Constitution which is now ratified should not be supported, I despair of ever having a government of these United States.

Are gentlemen willing, then, to throw Rhode Island and North Carolina into the situation of foreign nations? They have told you that they can not accede to the Union unless certain amendments are made to the Constitution; if you deny a compliance with their request in that particular you refuse an accommodation to bring about that desirable event and leave them detached from the Union.

We appear afraid to exercise the constitutional powers of the Government, which the welfare of the State requires, lest a jealousy of our powers be the consequence. What is the reason of this timidity? Why, because we see a great body of our constituents opposed to the Constitution as it now stands who are apprehensive of the enormous powers of Government.

The ratification of the Constitution in several States would never have taken place had they not been assured that the objections would have been duly attended to by Congress. And I believe many members of these conventions would never have voted for it if they had not been persuaded that Congress would notify them with that candor and attention which their importance requires.

Mr. Livermore of New Hampshire opposed considering the amendments.

Mr. Sherman of Connecticut said, page 447:

I do not suppose the Constitution to be perfect, but my opinion is that we are not at present in circumstances to make it better.

Mr. Sumter of South Carolina was willing that the matter should be postponed, but said, page 448:

I consider the subject of amendments of such great importance to the Union that I shall be glad to see it undertaken in any manner.

I presume it is the intention of the House to take those applications into consideration as well as any other. If it is not, I think it will give fresh cause for jealousy; it will rouse the alarm which is now suspended, and all the people will become clamorous for amendments. They will decline any further application to Congress, and resort to the other alternative pointed out in the Constitution.

Mr. Vining of Delaware (page 449) said:

There were many things mentioned by some of the State conventions which he would never agree to on any conditions whatever.

The honorable gentleman from Virginia had not touched upon any of them; he referred to the mode of obtaining direct taxes, judging of elections, etc. He would declare he was against committing the subject to a select committee; if it was to be committed at all he preferred a committee of the whole, but hoped the subject would be postponed.

This was the 8th day of June. Some of the States had not provided for the election of Congressmen, and the great State of New York—the State in which Congress was holding its session—had not elected her Senators.

This, and the fact that the Senate and House were more than a month in getting a quorum, seemed to impress the Senators and Representatives that the States might, through neglect, and possibly by intention, fail to provide for elections of members of Congress, and if in such an event that power was not vested in Congress, the Government would cease to be operative.

Mr. Ames and Mr. Sedgwick of Massachusetts, Mr. Sherman of Connecticut, and Mr. Jackson of Georgia opposed considering the amendments.

Mr. Gerry asked, page 661—

whether the House had cognizance of the amendments proposed by the State conventions? If they had not, he would make a motion to bring them forward.

Mr. Tucker of Virginia urged consideration.

The House then voted that the proposed amendments be referred to a committee consisting of one member from each State.

The Speaker of the House, Mr. Muhlenberg, who was opposed to amendments, appointed the following committee:

Vining, Madison, Baldwin, Sherman, Burke, Gilman, Clymer, Benson, Goodhue, Boudinot, and Gale.

This committee was appointed especially in the interest of the Federal idea of strong government.

The chairman, Mr. Vining, had expressed himself emphatically against the amendments, and especially against the election clause.

He was very extreme and pronounced in his views upon that subject. He did not make the motion for the appointment of the select committee, but quite the contrary; he not only opposed considering the amendments, but also opposed appointing the select committee.

He said:

His constituents had prejudged the question by a unanimous adoption of the Constitution without suggesting any amendment thereto.

He had good reasons for opposing the consideration of even proper alterations at this time.

Proposing amendments at this time is suspending the operations of the Government and may be productive of its ruin.

Further on, it will be recollected, he stated that there were some things mentioned in the State convention which he would not agree to on any conditions whatever, and he spoke particularly of the sections of the Constitution which referred to elections.

It will also be recollected that but a few weeks previously he had declared he was against committing the subject to a select committee; but he hoped the subject would be postponed.

And yet, with these and other equally as strong utterances tingling in the ears of the Speaker of the House, he appoints Mr. Vining chairman of the committee to consider and report upon the amendments which that gentleman had repeatedly declared he desired to defeat.

Five other members of the select committee had been members of the Constitutional Convention, and could be relied upon by the strong-government men to sustain the work of the convention, in which they had taken great pride. Certainly they could not have been expected to declare by their actions that the instrument they had framed needed the changes which were indicated by the recommendations from nine out of thirteen of the States which had ratified the Constitution.

It will be recalled that only thirty-nine members of the convention, a little more than half, consented to sign the document. Not only did Mr. Muhlenburg select men who had been members of the Constitutional Convention, but he seems to have taken care to confine his selection to the thirty-nine who had signified their approval of it by attesting their names.

After the committee had made the report, which showed that they had ignored some of the more important demands of the State conventions, Mr. Elbridge Gerry, on August 18, moved:

That such of the amendments to the Constitution proposed by the several States as are not in substance comprised in the report of the select committee appointed to consider amendments be referred to a Committee of the Whole House, and that all amendments which shall be agreed to by the committee last mentioned be included in one report.

Mr. Tucker spoke in favor of the amendment.

Mr. Madison, though in favor of the amendments, thought it would be inconvenient to have them made up in one report.

Mr. Vining thought (page 759) that—

The order of the House was to refer the report of the committee of eleven to a Committee of the Whole, and therefore it was improper to propose anything additional.

Mr. Gerry's motion was lost.

Mr. Tucker (page 761) then presented a number of amendments, which he moved to have referred to a Committee of the Whole House. Among the amendments offered by Mr. Tucker was the following:

Sec. 4, clause 1: Strike out the words "But the Congress may at any time, by law, make or alter such regulations, except as to the place of choosing Senators."

The amendment does not show any debate or even a division upon Mr. Tucker's motion.

The record says (page 763):

On the question, "Shall the said propositions of amendments be referred to the consideration of a committee of the whole House?"

It was determined in the negative.

The speeches that I have already quoted in the First Congress show that it was an intensely Federal body. Most historians state that every one of the twenty-six Senators was elected as a Federalist.

Many historians divide the House into 53 Federalists and 12 Democrats.

And it was a Congress of this political complexion that was dealing with this important matter.

To illustrate their unanimity, I will proceed to recite three yea-and-nay votes upon questions which illustrated the preference for a strong central government on the one side, and a government in which the greatest power should be retained by the States upon the other.

The three yea-and-nay votes to which I refer were as follows:

First. The vote upon Mr. Gerry's amendment, which I have just read, to refer all amendments that had been proposed by the several States to a Committee of the Whole House.

It will readily be seen that the defeat of this proposition was a denial on the part of Congress to give any hearing whatever to the amendments which were proposed by States and which Mr. Vining's committee had failed to consider.

Second. The next yea-and-nay vote was on Mr. Gerry's proposal to insert the word "expressly" after the word "not," in Article X, so that it would read:

The powers not expressly delegated by the Constitution nor prohibited to the States, are reserved to the States, respectively, or to the people.

Third. The third yea-and-nay vote was upon Mr. Burke's proposition to add to the articles of amendment the following:

Congress shall not alter, modify, or interfere in the times, places, or manner of holding elections of Senators or Representatives, except when any State shall refuse or neglect, or be unable, by invasion or rebellion, to make such election.

I have placed the votes on these three propositions in parallel columns.

State.	Yea vote on Gerry's motion to insure consideration of all amendments proposed by States.	Yea vote on Gerry's motion to insert the word "expressly" in Article X.	Yea vote on Burke's amendment to restrict the power of Congress regarding elections.
South Carolina	Burke	Burke	Burke.
Virginia	Coles	Coles	Coles.
New York	Floyd	Floyd	Floyd.
Massachusetts	Gerry	Gerry	Gerry.
Do	Grout	Grout	Grout.
New York	Hathorn	Hathorn	Hathorn.
New Hampshire	Livermore	Livermore	Livermore.
Virginia	Page	Page	Page.
Do	Parker	Parker	Parker.
New York	Van Rensselaer	Van Rensselaer	Van Rensselaer
Maryland	Stone	Stone	Stone.
North Carolina	Sumter	Sumter	Sumter.
South Carolina	Tucker	Tucker	Tucker.
Georgia		Jackson	Jackson.
Massachusetts		Partridge	Partridge.
South Carolina		Smith	Smith.
Massachusetts		Thatcher	Thatcher,
Virginia	Griffin		Griffin.
Pennsylvania			Heister.
Georgia			Matthews.
Virginia			Moore.
Maryland			Seney.
New York			Sylvester.
Connecticut	Sherman		
Do	Sturgis		

State.	Nay vote upon the above proposition.	Nay vote upon the above proposition.	Nay vote upon the above proposition.
Massachusetts	Ames	Ames	Ames.
New York	Benson	Benson	Benson.
New Jersey	Boudinot	Boudinot	Boudinot.
Virginia	Brown	Brown	Brown.
New Jersey	Cadwalader	Cadwalader	Cadwalader.
Maryland	Carroll	Carroll	Carroll.
Pennsylvania	Clymer	Clymer	Clymer.
Do	Fitzsimons	Fitzsimons	Fitzsimons.
New Hampshire	Foster	Foster	Foster.
Do	Gilman	Gilman	Gilman.
Massachusetts	Goodhue	Goodhue	Goodhue.
Pennsylvania	Hartley	Hartley	Hartley.
New York	Lawrence	Lawrence	Lawrence.
Virginia	Richard Bland Lee.	Lee	Richard Bland Lee.
Do	Madison	Madison	Madison.
Pennsylvania	Muhlenberg	Muhlenberg	Muhlenberg.
New Jersey	Schureman	Schureman	Schureman.
Pennsylvania	Scott	Scott	Scott.
Massachusetts	Sedgwick	Sedgwick	Sedgwick.
New Jersey	Sinnickson	Sinnickson	Sinnickson.
Georgia	Baldwin		
Maryland	Smith	Smith	Smith.
Connecticut	Trumbull	Trumbull	Trumbull.
Delaware	Vining	Vining	Vining.
Connecticut	Wadsworth	Wadsworth	Wadsworth.
Pennsylvania	Wynkoop	Wynkoop	Wynkoop.
Maryland		Gale	Gale.
Connecticut	Huntington	Sherman	Sherman.
Do		Sturgis	Sturgis.
Pennsylvania	Heister	Heister	
Virginia	Moore	Moore	
Maryland	Seney	Seney	
New York	Sylvester	Sylvester	
Massachusetts	Thatcher		
Do	Partridge		
South Carolina	Smith		

I want to call special attention to the vote upon Mr. Gerry's motion to insert the word "expressly" in what is now the tenth amendment of the Constitution, so that it would read:

The powers not expressly delegated by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

The vote was 17 for inserting the word "expressly" and 32 against it.

This certainly indicates that there was no disposition on the part of the first Congress to place a strict construction upon the Constitution, so far as it prohibited the exercise of implied powers. What makes this view more apparent is that this proposed amendment was considered by the Senate and the conference committee, and although changed in phraseology, the word "expressly" was not incorporated. The tenth amendment, as finally adopted, was in these words:

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

It might be well here to call attention to the fact that the Articles of Confederation contained the word "expressly" where that instrument used language similar to the above.

I have already recited the amendments which Mr. Madison presented and read to the House on June 8. I will now read the seventeen amendments as they were reported on August 21 by the select committee of which Mr. Vining was chairman. I read from the House Journal of the First Congress, Friday, August 21, 1789, page 85:

The House proceeded to consider the original report of the committee of eleven, consisting of seventeen articles, as now amended; whereupon the first, second, third, fourth, fifth, sixth, seventh, eighth, ninth, tenth, eleventh, twelfth, thirteenth, fourteenth, fifteenth, and sixteenth articles being again read and debated, were, upon the question, severally put thereupon, agreed to by the House, as follows, two-thirds of the members present concurring, to wit:

1. After the first enumeration there shall be one Representative for every 30,000, until the number shall amount to 100; after which the proportion shall be so regulated by Congress that there shall be not less than 100 Representatives, nor less than one Representative for every 40,000 persons, until the number of Representatives shall amount to 200, after which the proportion shall be so regulated that there shall be not less than 200 Representatives, nor less than one Representative for every 50,000 persons.

2. No law varying the compensation of the members to Congress shall take effect until an election of Representatives shall have intervened.

3. Congress shall make no law establishing religion, or prohibiting the free exercise thereof, nor shall the rights of conscience be infringed.

4. The freedom of speech, and of the press, and the right of the people peaceably to assemble and consult for their common good, and to apply to the Government for redress of grievances, shall not be infringed.

5. A well-regulated militia, composed of the body of the people, being the best security of a free state, the right of the people to keep and bear arms shall not be infringed, but no one religiously scrupulous of bearing arms shall be compelled to render military service in person.

6. No soldier shall, in time of peace, be quartered in any house without the consent of the owner, nor in time of war, but in a manner to be prescribed by law.

7. No person shall be subject, except in case of impeachment, to more than one trial, or one punishment for the same offense, nor shall be compelled in any criminal case to be witness against himself, nor to be deprived of life, liberty, or property, without due process of law, nor shall private property be taken for public use, without just compensation.

8. Excessive bail shall not be required, nor excessive fines imposed; nor cruel and unusual punishments inflicted.

9. The right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures, shall not be violated, and no warrants shall issue but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched and the persons or things to be seized.

10. The enumeration of this Constitution of certain rights, shall not be construed to deny or disparage others retained by the people.

11. No State shall infringe the right of trial by jury in criminal cases, nor the rights of conscience; nor the freedom of speech, or of the press.

12. No appeal to the Supreme Court of the United States shall be allowed, where the value in controversy shall not amount to $1,000, nor shall any fact triable by a jury according to the course of the common law be otherwise reexaminable than according to the rules of common law.

13. In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial; to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor; and to have the assistance of counsel for his defense.

14. The trial of all crimes (except in cases of impeachment, and in cases arising in the land or naval forces, or in the militia when in the actual service in time of war or public danger) shall be by an impartial jury of the vicinage, with the requisite of unanimity for conviction, the right of challenge, and other accustomed requisites, and no person shall be held to answer for a capital or otherwise infamous crime, unless on a presentment or indictment by a grand jury; but if a crime be committed in a place in the possession of an enemy, or in which an insurrection may prevail, the indictment and trial may by law be authorized in some other place within the same State.

15. In suits at common law, the right of trial by jury shall be preserved.

16. The powers delegated by the Constitution to the Government of the United States shall be exercised as therein appropriated, so that the legislative shall never exercise the powers vested in the executive or judicial, nor the executive the powers vested in the legislative or judicial, nor the judicial the powers vested in the legislative or executive.

The seventeenth article, in the words following, to wit: "The powers not delegated by the Constitution, nor prohibited by it to the States, are reserved to the States respectively," being under debate; a motion was made, and the question being put to amend the same by inserting after the word "not" the word "expressly,"

It passed in the negative—ayes 17, noes 32.

After voting to exclude the word "expressly," the seventeenth article was agreed to by the House.

The Senate rejected several of the proposed amendments, a conference was requested; and Mr. Vining, Mr. Madison, and Mr. Sherman were appointed the conferees on the part of the House.

The amendments agreed upon in the conference report were submitted to the States, and this action resulted in the adoption of the first ten amendments to the Constitution, which are as follows:

THE FIRST TEN AMENDMENTS OF THE CONSTITUTION AS FINALLY RATIFIED BY THE STATES.

[ARTICLE I.]

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

[ARTICLE II.]

A well regulated militia, being necessary to the security of a free State, the right of the people to keep and bear arms, shall not be infringed.

[ARTICLE III.]

No soldier shall, in time of peace, be quartered in any house, without the consent of the owner, nor in time of war, but in a manner to be prescribed by law.

[ARTICLE IV.]

The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

[ARTICLE V.]

No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a grand jury, except in cases arising in the land or naval forces, or in the militia, when in actual service in time of war or public danger; nor shall any person be subject for the same offense to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.

[ARTICLE VI.]

In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law, and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor, and to have the assistance of counsel for his defense.

[ARTICLE VII.]

In suits at common law, where the value in controversy shall exceed $20, the right of trial by jury shall be preserved, and no fact tried by a jury shall be otherwise reexamined in any court of the United States, than according to the rules of the common law.

[ARTICLE VIII.]

Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted.

[ARTICLE IX.]

The enumeration in the Constitution, of certain rights, shall not be construed to deny or disparage others retained by the people.

[ARTICLE X.]

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

It will be seen from the record which I have recited that Mr. Madison only proposed to Congress a portion of the amendments demanded by the States, and that Mr. Madison's propositions were very much changed before being incorporated into the fundamental law.

They were first materially changed by the committee of the House; again, they were further modified by the Senate, and then, again, a further modification was made by the committee of conference.

This matter was not allowed to rest where it was left by the First Congress.

ELECTION CLAUSE IN FOURTEENTH CONGRESS.

I will now read from the Annals of Congress, December 17, 1816, page 301, Fourteenth Congress, second session:

The proposition made by Mr. Pickens to recommend to the States an amendment to the Constitution, to establish an uniformity of the mode of election (by districts) in all the States of Representatives to Congress and electors of President and Vice-President, was read.

In discussing the proposition Mr. Pickens said:

Another objection I have heard to one branch of this amendment is that Congress already possesses the power of regulating the elections of Representatives. It is a sufficient answer to say that Congress never has yet ventured to touch the subject, so extremely delicate is it viewed.

On page 694, same volume, I find that on January 21, 1817, Mr. Pickens laid before the House proceedings of the Legislature of North Carolina, which it was stated were the same as those presented by the Legislature of Massachusetts, the purpose being to secure an amendment to the Constitution requiring members of Congress to be elected by districts.

BENTON AND M'DUFFIE VS. CONGRESSIONAL INTERFERENCE.

On page 32, Annals of Congress, Eighteenth Congress, first session, I find that on December 11, 1823, Senator Thomas H. Benton introduced a resolution to amend the Constitution. The purpose of the amendment was—

First. To divide the United States into electoral districts.

Second. To discontinue the use of intermediate electors.

Third. To commit the election to a direct vote of the people. That is to say, the people in each Congressional or electoral district should vote directly by name for a candidate for President and Vice-President, and the candidate for each office receiving the greatest number of votes in any district should be entitled to the one vote of that district.

It will be seen that the material difference in this plan consists in the fact that the vote would be by district instead of by State, and the names of the candidates for President and Vice-President, instead of the name of an elector, would be on the ballot.

Senator Benton spoke in advocacy of the measure on February 3, 1824.

In this speech, in discussing the meaning of the word "manner" as used in the Constitution, Mr. Benton says (page 171):

The word "manner" can imply nothing but form, as the mode of conducting the election, certifying the returns, etc.

On December 22, 1823, Hon. George McDuffie, a member of Congress from South Carolina, made reports recommending an amendment to the Constitution regarding Presidential and Congressional elections.

The plan contemplated the division of the country into districts, from each of which an elector and member of Congress should be elected. One of the reports was very elaborate, occupying the record from pages 850 to 866, and his speech on the resolution occupies the record from pages 1067 to 1082.

I read from McDuffie's report, Annals of Eighteenth Congress, pages 852 and 853:

It has been said that the times, places, and manner of electing the members of this House are now liable to be prescribed by the Legislatures of the several States, subject to the controlling and superseding power of Congress.

* * * * * * *

If it should happen to this, as it has happened to all other free countries, that the administration of the Republic should fall into the hands of a faction of men who, having acquired power by corrupt combinations, would be disposed to retain it in opposition to the will of the people, the power in question would become exceedingly dangerous. * * * The committee therefore feel the deepest conviction that the power now vested in Congress of controlling the election of its own members is utterly inconsistent with every just conception of constitutional liberty, and ought no longer to exist.

In some of the prints the report reads, "It has been seen," but in others and the latest prints it reads, "It has been said," and it is thus quoted by Mr. Clifford, page 349, Twenty-seventh Congress.

Mr. McDuffie was a very distinguished man. He served for fourteen years in this House, was governor of South Carolina, and an honored Senator from that State.

In 1842, in the Twenty-seventh Congress, a clause was inserted in the apportionment bill in these words, which I read from volume 11, part 2, page 348:

That in every case where a State is entitled to more than one Representative the number to which each State shall be entitled under this apportionment shall be elected by districts composed of contiguous territory equal in number to the number of Representatives to which said State may be entitled: no one district electing more than one Representative.

JUSTICE NATHAN CLIFFORD, IN 1842.

Quite an animated discussion was provoked, many able men of that time contending that it was a gross infraction of the Constitution.

It would be profitable to review the entire discussion, but I must content myself with some reference to the remarks of Hon. Nathan Clifford, of Maine, afterwards for a period of twenty-three years a distinguished justice of the Supreme Court of the United States.

Justice Clifford commenced his speech as I will read from page 347:

I consider the proposition involved in the amendment now under consideration one of the most alarming in principle that has been brought forward since I have had a seat in this House, not only on account of the Federal encroachment immediately proposed, and which it is designed to carry into effect, but more especially on account of the danger to be apprehended from its influence as a precedent, if it should be adopted, for future outrage upon the sovereignty of the States. Perhaps in this instance the precedent is more to be dreaded than the act.

Mr. Clifford said this might be a small matter, but he warned Congress of the effect of any, even slight, departure from the true spirit of the Constitution, and said:

If the decision which is now made should not hereafter be regarded as the settled exposition of the Constitution, at all events it may be drawn into precedent to influence the deliberations of our successors touching the power of Congress to regulate the time, place, and manner of holding elections for the choice of Representatives on this floor, even to the most unimportant detail of the system.

Mr. Clifford then urged Congress to take care and not allow expediency to induce action on questions of doubtful constitutionality, and continued:

It is obvious, if the doctrine is once asserted that Congress has the discretionary power to supersede the regulations of the States as a question of expediency, merely because they are not calculated to promote the party views of a majority for the time being, that one encroachment will follow another, until the local governments will be stripped of every vestige of authority over all branches of the subject.

Mr. Clifford said his objection to the law was not that he opposed the method of election it proposed, but he said:

The real ground of opposition to the proposition is, not because it asserts either the expediency or propriety of separate districts, or in the preference given to that mode of election over a general ticket, but because the power is claimed, for the first time in the history of the Government, to enforce a system upon the States by Federal command.

The odious character of the amendment consists in the startling power which it assumes, to give directions to the members of the State Legislatures as to the manner in which they shall discharge their high functions as representatives of the people.

Mr. Clifford repeated that he favored the plan provided for by the bill, but he discountenanced interference by Congress and such encroachments upon the sovereign rights of States, and he said:

The power vested in Congress by the Constitution was conferred as an extreme right, indispensably necessary as a self-preserving principle in the Government, in case of the inability or refusal on the part of the States to obey the injunction imposed upon themselves by the compact, to prescribe the time, place, and manner of holding elections; and as such is as much a power of legislation whenever the contingency shall happen to call for its exercise as any grant to be found in the instrument.

Mr. Clifford argued that Congress had no right to enact laws on this subject unless States were invaded by a foreign foe so as to be unable to provide for elections, or they should refuse or fail to make such provision, and he continued:

But the framers of the Constitution never designed this extreme power for any such occasion as the present. Far from it; it was conferred for a different purpose; and it would be a perversion of the grant—a high-handed outrage—to call it into exercise in a time of profound peace and general repose, to override the laws of the States, which have been in existence from the foundation of the Government, and have been practiced upon through a period of fifty years, without excitement or complaint.

Mr. Clifford then argued that the fact alone that no change had been made for fifty years and no inconvenience had resulted was sufficient reason of itself to make the proposed action unadvisable, and said (page 348):

In the view which I take of the question it is wholly unnecessary to inquire whether the right of supervision in the premises, if it exists in any case, is derived from the words "manner" or "place" in the article so frequently cited from the Constitution, as it is my purpose to prove that nothing can justify Congressional interposition in any way but an uncontrollable necessity, growing out of the actual refusal or positive inability of the States to act for themselves. Of course, that inquiry becomes immaterial, though I think it would not be difficult to demonstrate that the "manner of holding elections" has reference exclusively to the regulations at the polls, as by ballot, etc.

Mr. Clifford then illustrates the inexpediency and impropriety of the proposed law, and says:

After mature deliberation upon this point, I am prepared to lay down this general proposition: That all power over the subject of time, place, and manner of holding elections is expressly vested in the States, in the first instance; and that they are under the solemn obligations of duty, arising out of their own compact, to make all needful and suitable regulations to secure a full representation on this floor; and that it is not competent for Congress to interfere so long as the States shall continue, as they have heretofore done, to perform that duty.

And it is equally clear to my mind that in the possible contingency—which

is not very likely to occur—of neglect or refusal of the States to perform this high duty, which they owe to the Constitution and to the country, Congress does possess the power, as a self-preserving principle of the compact of union, to supply all such needful regulations in the premises as may become necessary in consequence of the omission of the States to exercise their own rightful jurisdiction upon the subject.

Mr. Clifford then discusses the matter at great length, and reviews the proceedings of the Constitutional Convention of 1787 and the speeches in the State conventions which ratified the Constitution, and says (page 349):

I have examined this question with some care, and the result of that examination has led me to the following conclusions, which, it seems to me, are fully sustained by the language of the Constitution and by the history of the debates when it was ratified:

1. That the power in the States to prescribe the time, place, and manner of holding elections is exclusive, so long as they continue to perform the duty imposed upon them by the Constitution.

2. That, if the States neglect or refuse to make regulations, Congress has full power over the subject, as a self-preserving principle in the Government; and may rightfully exercise it, so far as it may be necessary to supply the omission of the States.

3. That the power to supply such omissions confers a right to legislate, and not of enforcing legislation, on the part of the State.

4. That any attempt at jurisdiction over the subject, till the States shall have omitted or become unable to act for themselves, is a positive violation of the true intent and meaning of the Federal compact, and can not have any binding effect upon the people or the States.

The above remarks of Justice Clifford ought to profoundly impress every member of Congress and every citizen of the United States.

Mr. Clifford refers to the report made by Mr. McDuffie in the Eighteenth Congress, and quotes a paragraph of this, a portion of which I have read from pages 852 and 853, Annals of Eighteenth Congress.

I will now call attention to an extract from Mr. John P. Kennedy's speech, of April 27, 1842, which I read from the Congressional Globe, page 317:

But it is contended that this enormous districting power is contained in and covered up by the word "manner." Now, I beg gentlemen to mark the connection, and see to what this word "manner" refers. The "manner" of what? Of districting the States, and prescribing what number of citizens shall vote in one district and what portion in another? No, sir. It is the "manner" of holding the elections. What is holding the elections? It is prescribing the mode in which the voter shall exercise the right of suffrage—whether he shall vote by ticket or *viva voce;* whether the ticket shall be put into a hat or into a box.

SIEBOLD CASE IN SUPREME COURT.

The Siebold case is invoked by those persons who insist upon the continuance of this dangerous power, which authorizes Federal interference in election of members of Congress.

The decision was rendered by Justice Bradley and concurred in by a bare majority of the court, and was dissented from by those able jurists Justice Field and Justice Clifford, and yet there is nothing in the opinion of the court as rendered by Justice Bradley to justify the assertion that the court decided that the Constitution authorizes Congress to pass a law to take control of elections of members of Congress.

The Siebold case was a decision as to the constitutionality of the acts of Congress of May 31, 1870, and February 28, 1871, codified in certain sections of Title XXIV of the Revised Statutes, which provide (see sections 2011 and 2012) that upon application duly made, the judge of the United States circuit court shall appoint two supervisors of election for every election district in cities of upwards of 20,000 inhabitants at any election at which a Representative or Delegate in Congress is to be voted for, in order that the registration and election may be guarded and scrutinized by them.

Sections 2016, 2017, 2021, and 2022 provide for the appointment of deputy marshals, and authorize the supervisors to scrutinize the registration and the conduct of the election, but do not pretend to give any further force or effect to their reports than to regard them as memoranda of evidence in case of a contest before Congress.

The headnote numbered 8 contains the gist of the opinion on that subject. It says:

In making regulations for the election of Representatives it is not necessary that Congress should assume entire and exclusive control thereof. By virtue of that clause of the Constitution which declares that "the times, places, and manner of holding elections for Senators and Representatives shall be prescribed in each State by the Legislature thereof; but the Congress may at any time by law make or alter such regulations, except as to the place of choosing Senators," Congress has a supervisory power over the subject, and may either make entirely new regulations, or add to, alter, or modify the regulations made by the State.

It will be observed that it only refers to regulations and does not refer to control.

It is true the opinion says (page 382):

The counsel for the petitioners, however, do not deny that Congress may, if it chooses, assume the entire regulation of the election of Representatives.

Even suppose this to be correct, which I do not admit, can not the court see a difference between enacting a law to regulate an election and enacting a law to take possession of and control it?

It is only necessary to refer to our ordinary dictionaries to learn how this word "manner" is defined.

Worcester gives this definition:

The mode in which anything is done; method; habit; custom; fashion; form; way.

Webster's definition is:

Mode of action; way of performing or effecting anything; method; style; form; fashion.

Certainly there is no definition here to justify the assumption that power to regulate the manner of doing a thing includes power to do the thing.

JUSTICES FIELD'S AND CLIFFORD'S OPINIONS.

The opinions of Justice Field and Justice Clifford most emphatically negative any such assumption as is contended for. I read from page 418, the dissenting opinion being applied to the Clarke as well as to the Siebold case:

The power vested in Congress is to alter the regulations prescribed by the Legislatures of the States, or to make new ones, as to the times, places, and manner of holding the elections. Those which relate to the times and places will seldom require any affirmative action beyond their designation. And regulations as to the manner of holding them can not extend beyond the designation of the mode in which the will of the voters shall be expressed and ascertained.

Is it not going beyond such designation to appoint the officers of election and take control of the subject-matter?

The opinion proceeds in these words:

The power does not authorize Congress to determine who shall participate in the election or what shall be the qualification of voters. These are matters not pertaining to or involved in the manner of holding the election, and their regulation rests exclusively with the States. And whatever regulations Congress may prescribe as to the manner of holding the election for Representatives must be so framed as to leave the election of State officers free, otherwise they can not be maintained.

Justice Field and Justice Clifford also say (page 416) that the clause we are considering—

was designed simply to give to the General Government the means of its own preservation against a possible dissolution from the hostility of the States to the election of Representatives or from their neglect to provide suitable means for holding such elections. This is evident from the language of its advocates, some of them members of the Convention when the Constitution was presented to the country for adoption.

Here are two eminent judges of the Supreme Court denying with emphasis that Congress has any right to enact a law which supervises election of Congressmen. But Justice Field and Justice Clifford do not stop there in their expressions; on page 414 they say:

In my judgment, and I say it without intending any disrespect to my associates, no such advance has ever before been made toward the conversion of our Federal system into a consolidated and centralized government.

I can not think that those who framed and advocated, and the States which adopted the amendments, contemplated any such fundamental change in our theory of government as those decisions indicate.

ABHORRENT EFFECT OF THE LAW.

The laws of 1870 and 1871 and the opinion of Justice Bradley sustaining their constitutionality were so abhorrent to these jurists as to impel them to assert that—

no such advance has ever before been made towards the conversion of our Federal system into a consolidated and centralized government.

In answer to our arguments that officers may control the election of State officers who are in most States elected at the same time as members of Congress, we are told that the States may change the times of electing their State officials, and in that connection I will read a paragraph from Judge Bradley in the Siebold case, page 393:

In what we have said it must be remembered that we are dealing only with the subject of elections of Representatives to Congress. If for its own convenience a State sees fit to elect State and county officers at the same time and in conjunction with the election of Representatives, Congress will not be thereby deprived of the right to make regulations in reference to the latter. We do not mean to say, however, that for any acts of the officers of elections, having exclusive reference to the election of State or county officers, they will be amenable to Federal jurisdiction; nor do we understand that the enactments of Congress now under consideration have any application to any such acts.

And in their anxiety to disclaim any indorsement of the principles contained in the law the court says, page 393:

It must also be remembered that we are dealing with the question of power, not of the expediency of any regulations which Congress has made.

Justices Field and Clifford are emphatic upon this point, and show that, if on no other ground, such interference would make the law unconstitutional. They say, pages 412, 413:

So far as the election of State officers and the registration of voters for their election are concerned, the Federal Government has confessedly no authority to interfere. And yet the supervision of and interference with the State regulations, sanctioned by the act of Congress, when Representatives to Congress are voted for, amount practically to a supervision of and an interference with the election of State officers, and constitute a plain encroachment upon the rights of the State.

CONCLUSIVE GROUND OF UNCONSTITUTIONALITY.

Admitting that it is possible for States to change the time of electing their governors, judges, and many other State officials, there are other important officials which the Constitution requires them to elect and which the law of the United States re-

quires them to elect on the same day that Congressmen are elected. The Constitution says, Article II, section 1:

Each State shall appoint, in such manner as the Legislature thereof may direct, a number of electors, equal to the whole number of Senators and Representatives to which the State may be entitled in the Congress; but no Senator or Representative, or person holding an office of trust or profit under the United States, shall be appointed an elector.

The Congress may determine the time of choosing the electors, and the day on which they shall give their votes; which day shall be the same throughout the United States.

Section 25 of the Revised Statutes provides that members of Congress shall be elected on the Tuesday next after the first Monday in November, and section 131 of the Revised Statutes provides that—

The electors of President and Vice-President shall be appointed in each State on the Tuesday next after the first Monday in November.

The law of Congress is therefore imperative that Presidential and Congressional elections be held upon the same day. Here are officers with whose election Congress has no right whatever to interfere, and yet the law we are seeking to repeal just as effectually controls the election of these officials as it does that of members of Congress. The registration lists are the same, the polls are the same, the marshals have the same influence over the one as over the other, and the law as it stands, in direct violation of the Constitution, supervises and controls the election of electors for President and Vice-President of the United States. If there were no other ground, this is an imperative reason for its repeal. There is no duty more evidently imposed upon the Democratic party than to wipe from the statute books every vestige of these unconstitutional and un-American laws. [Applause.]

Bankruptcy.

SPEECH

OF

HON. DAVID B. CULBERSON,

OF TEXAS,

IN THE HOUSE OF REPRESENTATIVES,

Monday, October 30, 1893.

The House being in Committee of the Whole, and having under consideration the bill (H. R. 139) to establish a uniform system of bankruptcy throughout the United States—

Mr. CULBERSON said:

Mr. CHAIRMAN: Whatever of consideration the Committee on the Judiciary, of which I have the honor to be a member, may have given to the measure under consideration occurred during my absence from the House on account of illness in my family. I shall therefore not attempt to discuss the details of the bill at any great length.

Besides, when this measure was before the House of the Fifty-first Congress I submitted my views upon it at some length, and I do not care to repeat what I then said.

It is true, Mr. Chairman, that the measure now before the House differs in some respects from the bill as it was introduced originally in the House of the Fifty-first Congress, but the changes, for the most part, relate to the administrative features of the bill; all the essential and fundamental principles upon which the original bill was constructed are carefully preserved and retained in the measure under consideration.

I shall therefore content myself with giving some of the reasons which constrain me to oppose the measure as now presented.

I am not now nor have I ever been opposed to a bankruptcy law which would provide a cheap, inexpensive, and just method by which honest and deserving insolvents might be relieved of the burden of debt. I think such a law would be both a blessing and a benefaction.

There are, Mr. Chairman, as we all know, many good and honest men who are hoplessly insolvent, totally unable to discharge the load of debt resting upon them, and I believe it is the highest duty of Congress to provide a law by which such men may be relieved and enabled to again enter business life unfettered and unrestrained.

The provision of the Constitution which authorizes Congress to establish a uniform system of bankruptcy was doubtless inspired, in the main, by a humane consideration of that kind.

But I do not believe that Congress, with all its intelligence, can under existing conditions establish a uniform system of bankruptcy which shall combine voluntary and involuntary bankruptcy that will be approved by the country. The difficulty is that a system of involuntary bankruptcy can not be constructed without serious conflicts with the rights of individuals arising under the laws of forty-four States. The interests of the country are so diversified and the laws of the States so various, that uniformity in the operation of an act for involuntary bankruptcy can not well be secured, nor can the possibilities and opportunities for oppression, fraud, and injustice be provided against.

The imperious creditor class, it seems, will not assent to a system of voluntary bankruptcy unless it is combined with an involuntary system, and since it is impossible to establish a dual system which will meet the approval of the people, Congress would do well, in my opinion, if it refuses to attempt to exercise the power to establish a uniform system of bankruptcy at this time.

There is nothing in the history of our former bankruptcy legislation to encourage the hope that Congress can establish a system of voluntary and involuntary bankruptcy that will be acceptable to the people.

All efforts in that direction heretofore have proved disastrous failures, disastrous to the best interests of the country—to debtor and creditor alike. Since the organization of the Government we have had only three bankruptcy laws, and each of them was of short duration.

The first act was passed in 1800, and though limited in duration to five, it was repealed in less than three years. In 1841 Congress passed the second act and it did not long survive. Popular indignation, aroused by the oppression, perjury, and fraud perpetrated under it, compelled Congress to repeal it in less than four years after its passage.

The last act was passed in 1867, and if there ever had been a time in our history when a bankruptcy law seemed to be needed and when distressing financial conditions would justify such a system, it was during that period. The great and exhaustive war between the States had just closed, and thousands of good and honest men in the North and in the South had been made the victims of its cruel financial results. Yet, Mr. Chairman, the oppression and fraud which attended its operation compelled Congress to repeal it; and in less than four years after its passage the House of Representatives, representing a great popular demand, twice voted for its repeal.

While, in the eloquent language of the gentleman from Louisiana [Mr. BOATNER], that act of 1867 came to hopeless insolvents in the South as a white-winged messenger of peace, good will, and charity, yet to those amenable to its cruel involuntary provisions it appeared in quite a different form. On the one hand it scattered blessings and benefactions upon hopeless insolvents; on the other it sowed broadcast the seeds of vice and immorality, and reduced to slavish vassalage the entire debtor class.

It was followed by such oppressive and such criminal waste that the people turned from it with loathing and disgust.

I believe, Mr. Chairman, that our bankruptcy laws have resulted disastrously because Congress attempted in each of them to construct a complex system of involuntary bankruptcy, designed to aid the creditor class in the collection of debts, instead of providing a fair and just method by which hopeless insolvents might be relieved of their debts.

Mr. BOATNER. Will the gentleman at this point yield for a question?

Mr. CULBERSON. I would rather not.

Mr. BOATNER. Just one question.

Mr. CULBERSON. Excuse me, please; I am afraid our colloquy would disperse the audience.

Mr. BOATNER. There is no danger of driving the audience away from the gentleman from Texas.

Mr. CULBERSON. I trust the gentleman will not insist, as my time is limited.

Mr. BOATNER. I submit to the gentleman that he has made an onslaught on the law, to which in justice I think I should have a chance of calling his attention. When I had the floor I was continually interrupted, not by one, but by a half dozen of the opponents of the bill.

Mr. CULBERSON. The gentleman, however, certainly did not fail to observe that I had too much respect for the argument he was making in favor of the bill to interrupt it by questions.

Mr. BOATNER. I do not believe the gentleman did ask me a question during the delivery of my remarks. I did not suppose, however, that the question I wanted to ask would interfere with your remarks.

Mr. CULBERSON. I will hear your question.

Mr. BOATNER. I wish to ask if the gentleman finds in the bill under consideration similar provisions for the administration of bankrupt estates to which he has referred, and which provisions were so much abused under the old law of 1867? In other words, do you not find that under this bill now pending the administration of estates is left practically to the creditors, while under the old law it was practically in the hands of the officers of the court almost entirely?

Mr. CULBERSON. I have already said, Mr. Chairman, that

the administrative features of this measure differed in some respects from the Torrey bill as originally introduced, and also in that respect from the act of 1867, and to that extent the measure under consideration was preferable to either. The trustees who are to administer bankrupt estates are elected by the creditors. Under the act of 1867 they were usually appointed by the court.

Mr. WILLIAM A. STONE. And also elected by the creditors.

Mr. CULBERSON. Yes, but they rarely ever acted promptly, and the court appointed.

Mr. BOATNER. If the creditors did not act promptly and avail themselves of their right under the law on notice the judge had authority to appoint trustees, or rather assignees. They practically had charge of the entire estate.

Mr. WILLIAM A. STONE. But that was never done with us.

Mr. BOATNER. It was done almost entirely in our part of the country under the act of 1867.

I do not think, however, Mr. Chairman, that there is any material difference in the manner of the appointment of trustees under this measure and the appointment of assignees under the act of 1867. Under the act of 1867, if the creditors failed to elect an assignee to take charge of an estate, the court appointed.

Under this bill, if the creditors fail to appoint a trustee, the court has authority to appoint.

Doubtless the practice under this measure, if it becomes a law, will be the same as obtained under the act of 1867. Creditors will take little interest in the matter of appointment of trustees, and the courts will select them from the usual material that infest the bankrupt court. This was the old practice in the Southern States.

Mr. CULBERSON. We are now asked, Mr. Chairman, to repeat the folly of our predecessors and sow broadcast over the country the seeds of vice, perjury, oppression, and tyranny.

In my opinion the act of 1867 was far more humane and just and more consistent with our various codes of State laws than the measure under consideration.

It seems strange to me that gentlemen can affirm that this measure is designed as a benefaction to the unfortunate and hopeless insolvents, and just and fair to those who are made amenable to its harsh provisions in respect of involuntary bankruptcy.

It is true, Mr. Chairman, that some, perhaps many, deserving and unfortunate debtors may avoid the danger and perils of a conviction and sentence to a penitentiary and obtain a discharge in bankruptcy under the provisions of this bill, if it should become a law, but the evil which will flow from it, as under the act of 1867, will far outweigh and overshadow all the benefits we can hope to derive from it.

It can not be disguised or denied that this measure was framed originally in the interest of the opulent creditor class; that the sole moving cause for the construction of this measure was the establishment of a great Federal machine by which the collection of debts might be enforced without regard to the laws of the several States, and all power over debtors concentrated in the Federal judiciary. Because there are many good and deserving insolvents who can never hope to discharge their debts, a pretext is given for a bold and audacious movement on the part of the creditor class to secure the passage of a bankrupt law which will place every debtor, whether merchant, trader, or farmer, in absolute financial bondage. It is no answer to say that farmers are exempted from the involuntary provisions of the bill, because their indebtedness to the retail merchant will be dragged into the bankrupt courts and their mortgages will be foreclosed with merciless promptness by the officers of the bankrupt courts.

We have before us a bill with nearly a hundred pages, while scarcely five pages of it are necessarily devoted to the highest office of true bankruptcy legislation. The whole of it, or nearly so, is devoted to the construction of an ingenious and complex system of involuntary voluntary bankruptcy, designed to encompass, terrorize, and hedge about the debtor with limitations, restrictions, and menaces that can not fail to enslave his faculties and energies.

Mr. Chairman, this bill is not by any means a newcomer. It is an old citizen. An old Republican cast-off measure, dyed and patched up with new cloth and now paraded before the House as a Democratic measure.

Where did this bill originate? Who were its authors and promoters outside the halls of Congress? Why, sir, it had its birth in a convention assembled on the 3d and 4th of September, 1889, at the great city of Minneapolis. The Democrats had received notice of a Republican majority in the House. The Senate was Republican and the President as well, and this convention assembled for the express purpose of producing a bankruptcy bill to be submitted to the Fifty-first Congress, Republican in both branches. And I may as well say here, that while it passed the House under the business methods then prevailing, it failed to pass the Senate.

Mr. OATES. Let me ask the gentleman if that bill was not a very different one from that which is now before us?

Mr. CULBERSON. I have already said that the bill under consideration differs in its administrative and executive features from that measure; but I affirm and can show that the essential principles upon which the Torrey bill was constructed are substantially the same as those on which the bill now before the House rests.

Mr. OATES. Some of them are, necessarily; but they were largely taken from the Lowell bill, I apprehend, which preceded it in a Democratic House, under the charge of Mr. Collins, from Massachusetts. I spoke against the Torrey bill, as did my friend from Texas; but I am in favor of this bill now as modified.

Mr. CULBERSON. I understand that, and I hope my friend from Alabama will understand that I am not criticising his relation to this measure. Yet I am frank to confess that I am unable to see how Democrats can support it in view of the paternalism and favoritism to classes which must follow its enactment.

I desire now, Mr. Chairman, to call attention to the celebrated convention to which I have referred, which was called the "National convention of the representatives of all the commercial bodies in the United States."

Who composed that convention? Rich, opulent merchants, capitalists, and lawyers, representing corporations, boards of trade, merchants' exchanges, wholesale grocers, and commercial associations generally; and to show exactly the character of interests solely represented in that body I read from my remarks made upon this measure in the Fifty-first Congress.

I have before me the proceedings of the last meeting of that convention, and I desire to call attention to the class of interest represented in it by reading the names of a few of the bodies represented. They are as follows:

Bodies.	Addresses.
Board of Trade	Gallipolis, Ohio.
Board of Trade	Minneapolis, Minn.
Board of Trade	Jersey City, N. J.
Real Estate Exchange	St. Louis, Mo.
Vice-President	St. Paul, Minn.
Stationers' Board of Trade	New York, N. Y.
Board of Trade	Newark, N. J.
Grocers and Importers' Exchange	Philadelphia, Pa.
Board of Trade	Burlington, Iowa.
Board of Trade and Merchants' Exchange	Buffalo, N. Y.
New York Board of Trade and Transportation	New York, N. Y.
Legal Protective Association of Cigar Manufacturers of New York City.	New York, N. Y.
Chamber of Commerce	Helena, Ark.
Mechanics' Exchange	St. Louis, Mo.
Chamber of Commerce	Richmond, Va.
Grocers' Association	Galveston, Tex.
Jewelers' Board of Trade	New York, N. Y.
Chamber of Commerce	Chattanooga, Tenn.
Jobbers' Union	St. Paul, Minn.
Board of Trade and Citizens' Association	Saratoga, N. Y.
Merchants' Association	Boston, Mass.
Board of Trade	Minneapolis, Minn.
Wholesale Grocers and Manufacturers' Association.	Kansas City, Mo.
Board of Trade	Wilkesbarre, Pa.
Member of the Executive Committee	St. Paul, Minn.
Board of Trade	Hannibal, Mo.
Merchants' Exchange	St. Louis, Mo.
American Association Flint-Lime Glass Manufacturers.	Pittsburg, Pa.

It will be observed that there was no representative in that august assembly of the retail dealers and traders. And it is a significant fact that not a single farmer or a representative of farmers appeared in that convention.

The published proceedings of the convention show that the "Torrey bill" was considered section by section and approved.

Several committees were appointed or organized by that convention. I will notice only two of them. One of them was appointed for the purpose of conveying to Washington the "bankruptcy bill," printed, indexed, and analyzed, to be laid before the President with the view of obtaining a recommendation to Congress for its adoption. Those of us who were about Washington in those days will remember with what pride and pomp and circumstance of glorious wealth that committee performed its duty. It was brought over to the House of Representatives and placed in the hands of a distinguished Republican, who introduced it into the House and engineered its passage.

A committee on finance was organized. Its duty was to gather up the funds necessary to launch this great bankruptcy enterprise in a becoming manner. The records of the convention fail to show how much money had been up to that time collected, nor have we any means of knowing how much has been collected since then to promote the passage of a bankrupt bill. It would

doubtless be a matter of profound interest to the "hopeless insolvents" to know how much money the rich and powerful corporations and commercial agencies had expended to secure a beneficent system of bankruptcy, to enable them to discharge their burdens of debt and enter again into business. They have some estimate of the tears which have been shed and the lamentations which have gone forth over their forlorn condition, but they will never know the amount of money that has been furnished in their behalf.

As a slight indication of the probable amount, I call attention to the fact that one of the delegates in the convention stated that the Board of Trade of New York had already expended the sum of $150,000 in printing alone in connection with this bankruptcy enterprise. What amount had been expended by other great centers of wealth for that and other purposes the proceedings do not disclose.

I find in a Senate document, No. 48, Fifty-second Congress, printed at the request of Senator Perkins of Kansas, the following:

The wholesale grocers of St. Louis hereby give formal expression to the gratification they feel that their representative at the first and second sessions of the national convention of the representatives of the commercial bodies was made the president of that organization. They express the pride they experience by reason of the fact that the bankrupt bill as prepared by their representative and counselor was amended, adopted, and recommended to Congress for enactment.

We all know who the representative and counselor of the wholesale grocers of the city of St. Louis is.

Why, his name is indelibly blown into the very title of the bill, and all efforts to disguise the parentage of it have proved futile.

And now, Mr. Chairman, when the bill is about to fail; when the Democratic party, in view of the hazardous risks it has already taken during this session, recoils from the peril involved in this enterprise, to whom does its author and promoter appeal for help?

I read from a telegram dated October 25 (the great speech of my friend from Alabama [Mr. DENSON] against the bill had been made):

Torry wires bill in danger. Approved by commercial bodies here, and ask your assistance for measure.

This telegram is signed by the president of a board of trade.

Why not appeal for aid to the "hopeless insolvents" over whom so many crocodile tears have been shed and so many lamentations have gone forth.

It seems to me, Mr. Chairman, that nothing more is needed to show that this measure was inspired and is alone promoted by the money power and creditor class; and if that be true, it follows that the interests of that class was and is the chief concern of this proposed legislation.

I desire to call attention to some of the provisions of the bill for the purpose, first, of adding to the evidence already presented of the chief object and motive of the measure; and, secondly, to show what injustice, what possibilities for oppression, and what opportunities for perjury and other crimes may follow the passage of this bill. The second section of the bill is the key which unlocks the "morgue" prepared for retail dealers and exposes the unjust and oppressive purposes of the entire scheme.

This section enumerates sixteen specific and independent causes or acts of involuntary bankruptcy.

The gentleman from Alabama [Mr. OATES] called attention to the number of acts of bankruptcy and stated there were only ten. As he reads the bill, that is true. They are numbered ten. But as the author of the measure wrote them they number sixteen. This discrepancy arises from the fact that in some instances several acts of bankruptcy, disjunctively connected, are grouped under one number. There are, therefore, as I read them, sixteen specific, distinct acts or causes, for each of which a debtor may be adjudged a bankrupt, and his property turned over to the officers of a bankrupt court.

Ten of these so-called acts of bankruptcy are not sufficient, standing alone, to support an adjudication of bankruptcy, but the acts must have been committed while the debtor was insolvent.

Six of the enumerated acts of bankruptcy are sufficient to support an adjudication of bankruptcy, whether committed by the debtor when insolvent or not.

Let us take the act of bankruptcy numbered one in the bill. It will be observed, however, that there are three specific acts embraced by No. 1: First, if the debtor conceals himself; second, if the debtor departs; third, if the debtor remains away from his place of business with the intent to avoid the service of civil process and to defeat his creditors.

The bill declares that the word "defeat," as used in this section, includes defraud, delay, evade, hinder, and impede; so that if a debtor conceal himself, depart, or remain away from his place of business with intent to avoid the service of civil process, and to defeat or defraud or delay or evade his creditors, he is liable to be adjudged a bankrupt. The opportunity for oppressive and gross injustice will now appear.

Bear in mind that for the commission of either of these three acts I have mentioned a debtor may be adjudged a bankrupt, without reference to his solvency or insolvency. He may be worth a million or more of dollars over and above his liabilities, but still is liable to be adjudged a bankrupt and deprived of the use of his property.

Suppose that a debtor, with the intent to avoid the service of civil process and to defeat his creditors, concealed himself, departed, or remained away from his place of business, but before his creditor or creditors knew that he had committed either of these acts of bankruptcy he had returned to his place of business, and being amply solvent, was conducting his affairs in the usual way, openly and notoriously, ought one creditor or three, as the case may be under the bill, be authorized to have him adjudicated a bankrupt and deprived of the control of his property? Yet under the provisions of this bill such an outrage is authorized, legalized, and permitted.

Gentlemen may deny that such oppression is possible under the provisions of the bill, but the language of the creditor class used in the bill is too plain for doubt.

Let us see. The bill provides that if within six months prior to the filing of the petition for involuntary bankruptcy the debtor has committed either of the acts of bankruptcy specified he shall be adjudged a bankrupt upon petition of one creditor holding a claim of $500 if the number of creditors be less than a dozen, and if more than a dozen, then by not less than three creditors holding claims which in the aggregate amount to $500.

In the case I have supposed a creditor files a petition for involuntary bankruptcy and alleges that the debtor committed the act of bankruptcy complained of within six months prior to the filing of the petition. The debtor appears and admits that he did commit the act of bankruptcy as alleged, but that he returned to his place of business and has remained at it for five months openly and notoriously since the commission of the act of bankruptcy; that he is amply able to pay all his debts, but can not control his money. Would the petition be dismissed? Certainly not; but he would be adjudged a bankrupt and deprived of his property.

You can not fail to observe, Mr. Chairman, that the question in a proceeding in bankruptcy under this bill will be, not whether the debtor committed the act of bankruptcy immediately before the filing of the petition and if the act must be accompanied with insolvency whether the debtor was insolvent at the time of filing the petition, but the creditor is permitted to prove an act of bankruptcy or a condition of insolvency at any time within six months prior to the filing of the petition.

And thus, Mr. Chairman, a solvent debtor may be adjudged a bankrupt, his business character destroyed, and his property devoured by the hungry officials of a bankrupt court.

It is no answer to this objection to the bill that such a case would not arise or that the debtor could avoid such a calamity by paying the debt. Such cases have arisen under former laws, and will doubtless arise under this measure should it become a law, and such an opportunity for oppression ought not to be created by an act of Congress. The debtor may be able to pay his debts and entirely willing to do so, but his money may be locked up in a national bank and withheld from him for the patriotic reasons referred to by the gentleman from Louisiana [Mr. BOATNER]. Why force the solvent debtor into bankruptcy and exempt from the provisions of the law the banks which may have withheld his money and thus compelled him to make default in the payment of his debts?

The reason assigned by the advocates of this bill for such glaring favoritism is that the creditor of a bank has his remedy at law against the banks, and may proceed to enforce the collection of his debt by the process of the law. Has not the creditor who who would seek to have a solvent debtor adjudged a bankrupt the same remedies at law for the collection of his debt?

Mr. OATES. Would it not be a question triable by the court or jury whether the debtor was actually insolvent at the time of filing the petition?

Mr. CULBERSON. If I represented the complaining creditor, I would insist that the question of the commission of the act of bankruptcy or the condition of insolvency should not be confined to the time of filing the petition, but, as the bill provides, the creditor has his election over a period of six months prior to the filing of the petition.

Mr. OATES. Perhaps not if you were his lawyer, but if I were the judge I would hold that it was.

Mr. CULBERSON. Pardon me; I regret that you are not a judge, for if this measure should become the law, we shall need lawyers upon the bench who would resist the oppression and injustice made possible by the letter of the law.

But, Mr. Chairman, it is too plain for dispute. No lawyer who reads the second section can have any doubt of the correctness of my construction of it.

Take the fourth act of bankruptcy specified in the second section of the bill, which reads as follows:

Made an assignment for the benefit of his creditors.

Of course within six months prior to the filing of the petition. If a debtor should desire to surrender all of his property to his creditors without reservation or preference he will not be permitted to do so if this measure becomes a law, except through the bankrupt courts. This provision of the bill seems to have been framed in the interests of the officers of the bankrupt courts.

I have always understood that one of the objects of a bankrupt law was to secure fair dealing between the debtor and his creditors to prevent preferences, either by deeds in trust, assignments, judgment, or attachment liens. I have always favored a bankrupt law that would relieve insolvents; but I would vote for no measure, even of that kind, that would permit a debtor to be discharged in bankruptcy who had made a preference between his creditors, either by assignment, by deed in trust, or collusive attachment suits. Yet this provision of the bill subjects the honest debtor, who would make an absolute assignment to his creditors of all his property, to the pains and penalties of bankruptcy.

Mr. OATES. If the gentleman will allow me, I will tell him all the reason I know for that provision. It is to secure the administration of the property assigned, so as to give the same class of creditors equal shares therein, and to give to the man who made the assignment a discharge from his liabilities. Like other provisions of the bill, it is subject to amendment, and I expect amendments to be offered in the House when the merits and demerits of this particular ground will be discussed. I have not tried to discuss the merits of particular provisions in my general remarks.

Mr. CULBERSON. My friend is very generous in invitations for amendments to this bill.

Mr. OATES. I will state that this is only in accordance with what has been stated by gentlemen opposed to the bill, that in the Committee on the Judiciary, when I was temporarily presiding during the absence of the gentleman from Texas, there was an agreement that we would not consume any more time in the committee, but that full opportunity for debate and amendment should be allowed in the House.

Mr. CULBERSON. I do not complain at the conduct or management of the bill by the gentleman from Alabama [Mr. OATES]. But I may be permitted to show that the reason he gives for the insertion of this act of bankruptcy is not exempt from just criticism.

It is now said that the reason for inserting this provision is to secure the administration of the property in such a manner as that the different classes of creditors shall receive their proper proportion of the assets and to give to the debtor a discharge. Let us see. The so-called act of bankruptcy is as follows: "Made an assignment for the benefit of his creditors." What kind of an assignment? Any sort of an assignment. All of the debtor's creditors may be of one class, yet the assignment conveying all his property, exempt and unexempt if you please, to his creditors, share and share alike, is made a cause of bankruptcy.

It seems, therefore, that the first reason assigned by the advocates of the bill for this provision is not the true one. Now, as to the second or additional reason, namely, "and to give to the man who made the assignment a discharge from his liabilities." Indeed, suppose he does not desire a discharge? Perhaps the property assigned may be sufficient to pay all his debts. If he is insolvent he can avail himself of the voluntary provisions of the bill. Such paternal solicitude on the part of creditors for their debtor, which would force him into bankruptcy after he had given up all his property, in order to give him a discharge would be a redeeming feature, if true, of the harsh and cruel provisions of the bill.

The true reason for the insertion of this provision in the bill is to wrest from the State authorities the jurisdiction over the administration of the estate and to cover it by the Federal machinery provided by this bill. And why? Because the end to be reached by bankruptcy proceedings as disclosed by the bill is the reduction of the assets into money. All obstructions, all impediments are put out of the way, and the end is reached by the most expeditious methods.

It is impossible within the ordinary limits of an argument to review all the causes of bankruptcy enumerated in the second section of the bill, and I shall not further trespass upon the patience of the House in this respect. But I desire to address myself to the condition of insolvency as employed in the bill. It is declared in the bill that a person is insolvent when his property is not sufficient in amount, at a fair valuation, to pay his debts.

[Here the hammer fell.]

Mr. BAILEY. I ask that my colleague be allowed time to conclude his remarks.

The CHAIRMAN (Mr. OUTHWAITE). Is there objection to the request of the gentleman from Texas [Mr. BAILEY]? The Chair hears none.

Mr. CULBERSON. I am obliged by the kindness of my colleague [Mr. BAILEY], and I thank the House for its courtesy. I promise not to weary its patience.

I was about to remark, Mr. Chairman, that if the amount of the debts of a person exceeds by any amount, however small, the amount of his property at a fair valuation, he is insolvent within the meaning of this bill. Thus the business life of a debtor, his right to the custody of his property and the application of it to the maintenance and comfort of himself and his family, hang suspended upon the appraisement of the value of his property, and less than a dollar may make him eligible for a bankrupt victim. The court has no discretion. If the proof shows that the property is of less value at a fair valuation than the amount of the debts, the act of bankruptcy committed while the debtor was thus insolvent becomes vitalized and the bankrupt court wrests from his custody his estate.

You will remember that six of the acts of bankruptcy enumerated in the bill are insufficient to support a judgment of bankruptcy, unless committed by the debtor "while insolvent."

What is the meaning of the phrase "at a fair valuation"? I assume that it means what the property would bring at a cash sale under an auctioneer's hammer. If any other meaning was intended by the author of the bill, it should have been stated; otherwise the courts must construe the words according to their ordinary acceptation.

Mr. OATES. Is the gentleman aware that that provision was not originally in the Torrey bill, but some member of the committee introduced it as an amendment?

Mr. CULBERSON. I am sorry that possibly, in this respect, the bill is worse than the original bill.

Mr. OATES. They made it more favorable to the debtor than the rule laid down in the original bill. I see that the gentleman contends that the proper construction of that language is what the property would bring under the auctioneer's hammer.

Mr. CULBERSON. Yes, sir.

Mr. OATES. Why, sir, that rule does not apply. The same rule applies as where appraisers of a decedent's estate are appointed. They pass upon what their judgment tells them is the fair valuation of the property, not what it would sell for under the auctioneer's hammer.

Mr. CULBERSON. The bill does not so provide. There is no provision for the appointment of appraisers to be guided by the laws of the State in which the case is pending, as in decedents' estates. But if a controversy arises over the question of the solvency of the debtor at a given time, perhaps five months before the filing of the petition, it must be determined by the court or the jury, if one be demanded, by the evidence of witnesses called to testify as to the fair valuation of the debtor's property. The gist of the controversy is whether the amount of the property, at a fair valuation, exceeds the debts, or rather would the property, reduced to cash, extinguish the debts? The object of bankrupt proceedings in the main is to reach the money—and credit values are not encouraged.

There is, however, one exception provided for by this measure. Perhaps it has escaped the attention of the advocates of the bill. The judge of a bankrupt court is authorized to appoint receivers to conduct the business of the debtor after he is ousted.

Mr. OATES. In what contingency?

Mr. CULBERSON. If it is for the best interest of the estate. But who is to decide that question? I understand that the district judge decides that question. Are railroad companies and some other corporations liable or amenable to involuntary bankruptcy under the provisions of this bill? Is not a receivership for such corporations ordinarily very desirable? How long may they continue? While in such condition are they amenable to the process of the courts? These and other like questions might be profitably investigated.

I submit, to return to the condition of insolvency, that if this measure were now the law and it became necessary to apply the cash valuation rule to the property of debtors, say fixed securities and Government bonds, manifest and irreparable injustice and wrong would be inevitable. For reasons which would perhaps be irrelevant to this discussion there exists throughout the country a money famine without parallel in our history. While the volume of money is greater than at any former period of our history, there is less of it in circulation than was ever known.

The result is that trade is stagnant. Prices of all property have fallen and they continue to fall. When these conditions are to expire, when they are to change, no one is bold enough to hazard an opinion.

For myself, Mr. Chairman, I am frank to confess that the gloom of the future has no silver lining for me, and I fear that an era of protracted liquidation is now upon us. The business of a country must conform itself to the financial policy of the Government, and whether the immense business of our country can adapt itself to the financial policies which our Government has entered upon without universal liquidation, is the great unsolved problem which now confronts the people of the United States.

In view of these extraordinary conditions, whose duration can not be foretold, it would be an unforgivable crime for a Democratic Congress to test a debtor's solvency by the rule set up in this bill.

Mr. OATES. Would not this be a good time to pass the largest part of this bill, the provisions for voluntary bankruptcy?

Mr. CULBERSON. It might be. I would gladly vote for a measure of that kind. But I believe the hopeless insolvents would be willing to worry along for awhile with their load of debts upon their shoulders rather than have their neighbors and friends who would be amenable to the involuntary provisions adjudged bankrupts and their property devoured by the officials of bankrupt courts.

Mr. Chairman, every individual whose honor and credit are impeached, and whose custody over his property is imperiled by a judicial proceeding, ought to have the privilege to make full and fair defense.

If the proceeding is wrongful—inspired by whatsoever motive—the defendant should have recourse for his damages. This measure permits a debtor to be arraigned in a Federal court upon allegations that involve his honor and imperil his custody over his property, and no opportunity is provided for a full and fair defense, and no remedy is given by which the creditor who wrongfully institutes the proceeding may be required to respond in damages.

I have thought, Mr. Chairman, that the best way in which I could illustrate the injustice and wrong that will arise out of sections 17 and 18 would be for me to proceed against my friend OATES and have him adjudged a bankrupt in the presence of the House, notwithstanding he is abundantly solvent, so that he and all of us might see just how this great Federal machine which he advocates will operate.

Mr. OATES. Proceed. [Laughter.]

Mr. CULBERSON. I shall have to forbear. He and I are on the shady side of life, and he could not hope to outlive the stigma of a bankrupt court.

Let us see, however, how these sections of the bill may operate. A petition in involuntary bankruptcy must be filed in a district court of the United States in the judicial district in which the debtor resides, etc. There is but one district court and one district judge in each judicial district. In some, perhaps all, of the States this court is held at more than one place in the district, and in some instances the district is divided into divisions.

This bill permits a creditor to institute proceedings in bankruptcy against his debtor in the district court of the district in which the debtor resides, at any place in the district where by law the court is required to be held. Whatever may be the motive which may inspire the creditor to institute such proceedings, he will avail himself of any advantage that the law may give him to accomplish his purpose. In many districts the courts are held at places more than one hundred miles distant from each other. A debtor may be proceeded against at either place, when the court is held, and in order to place him at a disadvantage, to make it difficult and expensive for him to make a defense and remove him as far away as possible from his friends and neighbors, the place most distant from his residence will usually be selected. Are there no opportunities offered by such provisions to harass, vex, and wrong an honest debtor?

In all the States in which the judicial districts are divided into divisions a defendant can not be sued in the court held outside the division of the district in which he resides.

After a debtor is summoned to a Federal court, whether it be far from or near his residence, he is required to plead in ten days, or failing to do so, he is to be adjudged a bankrupt by default. If the defendant can reach the court and prepare his defense in ten days, the judge is to determine the issue, with or without a jury, and either dismiss the petition or adjudge the debtor a bankrupt.

When is the trial to take place? Not in thirty, sixty, or ninety days, giving time for the defendant to obtain his witnesses, but the bill provides that it shall take place "as soon as may be." What that means is left to the unfettered discretion of the district judges.

If the defendant desires a trial by jury he must file with his answer an application for a jury to try the case. If there be no jury in attendance, and regular jurors are not summoned but twice in each year, the district judge is authorized to summon a jury on the spot without delay. In 1879 Congress passed an act requiring jurors to be drawn from a box by the clerk of the court and a reputable citizen of opposite politics, called a jury commissioner. This statute is to be annulled so far as bankruptcy proceedings are concerned.

All the ordinary safeguards by which a defendant may shield himself against oppression and wrong are swept away or minimized by the provisions of the bill.

A defendant can not demand that these proceedings shall be instituted in the district court which may be held nearest his residence. The time for filing his answer and securing his evidence is a travesty upon judicial procedure.

The trial by jury, so dear to all American citizens, the great bulwark of individual liberty and rights against tyranny, oppression, and wrong, is reduced by this measure to a sham and a fraud. He is compelled like a mendicant to supplicate a district judge for a trial by jury. A great constitutional right is to be enjoyed only after petition to a district judge. And what kind of a jury trial may be granted the defendant?

He must or may be required to submit his cause in which his honor is imperiled and the custody of his property endangered to a jury summoned on the spot from the professional jurors who invest the bankrupt courts. Such a trial, I repeat, would be a travesty on justice, and yet just such proceedings are admissible under the provisions of this bill.

It may be said that the judge is clothed with discretion to soften the harshness of the provisions of this measure and give to a defendant a fair judicial trial.

In some degree that is true; but why should not the law itself thrust its shield against oppression and wrong over a defendant, instead of compelling him to rely upon the limping discretion of a district judge for protection? Again, Mr. Chairman, by this measure the State, Territorial, and national judiciary are consecrated, so to speak, to the business of collecting debts and incarcerating dishonest debtors in the penitentiaries.

In term time and in vacation the doors of every district court in the United States are to be held open for all bankrupt proceedings. The time in which to plead is shortened, regular juries may be dispensed with, trials are summary, the time in which to appeal in ordinary cases is abridged, and cases are advanced on the dockets. Every preparation is made to hurry along the sacrifice of the struggling and unfortunate debtor. Four thousand new officers, half of whom are to be inferior judges to be appointed by the courts and who are to be paid out of the assets of the bankrupt estates, are provided for. And the pay allowed these officers is so inadequate and insignificant that integrity and intelligence will be practically excluded. Why, Mr. Chairman, the Supreme Court is now more than two years behind the business on the docket.

The courts of appeal are clamoring for nine additional circuit judges. Many States in the Union are demanding additional judges. The Territorial court in the Indian Nation is wholly unable to dispose of the business before it. The Territory of Oklahoma is demanding two more judges. Yet, sir, in the face of these conditions we are asked to open up a flood gate and turn into these courts a stream of litigation which can not fail to embarrass the interests of the people whose causes are now depending in the courts.

And are we to be told, Mr. Chairman, that the extraordinary powers conferred upon the district courts and judicial referees provided for in this measure will not be abused?

The abuse of just such provisions, somewhat modified, in the act of 1867 made that statute a scourge and curse to the people. And they tell us, Mr. Chairman, that this is a Democratic measure. When did the Democratic party become the advocate of paternalism and legislative favoritism to classes or individuals? When did the Democratic party cease to be the party of the people and become the party of a class?

Mr. OATES. I will say to the gentleman just there——

Mr. CULBERSON. I hope not. I can not yield. When, may I ask finally, did the Democratic party become the sponsor of judicial despotism, of individual persecution, and legalized wrong?

I had always understood that the grandest achievements of our party, now more than a century old, were in behalf of individual rights, individual liberty, and constitutional government; and can it be possible that the first Democratic Congress assembled since the war with all the lawmaking power can find no higher or loftier work to do than enacting a law which will further enslave the plain people of the United States to the money power? [Applause.]

Remonetization of Silver.

SPEECH

OF

HON. JOHN P. JONES,

OF NEVADA,

IN THE SENATE OF THE UNITED STATES,

October 14, 16, 21, 23, 24, 27, and 30, 1893.

The Senate having under consideration the bill (H. R. 1) to repeal a part of an act approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. JONES of Nevada said:

Mr. PRESIDENT: The question before the Senate, broadly considered, involves all the varied interests of this Republic. Every concern of our people, financial and industrial, religious and moral, political and social, come within its all-embracing scope. Upon a proper solution of the problem of money in a country depends the decision of the question whether there shall be in that country more poverty or less, more crime or less, more insanity or less; whether among its people there shall be more employment or more idleness, more happiness or more misery—indeed more liberty or more slavery—for it must be borne in mind that men may be as thoroughly enslaved by unfavorable industrial conditions as by positive legal enactment.

No matter under what form of government a people may live, whether the irresponsible despotism of a military autocrat or a constitution carefully framed to permit the widest play of political action, the table from which Hunger rises unsatisfied will have no seat reserved for Freedom. Surely a subject that affects so vast a range of topics deserves serious consideration. Yet we have been told that upon assembling here in response to the call of the Executive we had nothing to do but to vote, or, at most, to vote first and deliberate afterward. What a travesty upon a republican form of government! What a plain confession of preference for the methods of despotism! "Vote first and deliberate afterward!" It is the echo of the command given by the first Napoleon to the representatives of the Allied Powers assembled in Italy. That was a command worthy of a tyrant; but the boundaries of this vast Republic are not broad enough to give it place. If a lawmaking body has but to act first and deliberate afterward, there is no necessity for parliamentary government. What is needed is a Man on Horseback.

A grave subject, sir, needs grave deliberation. In the Senate of France, upon a discussion of monetary standards, Senator Dumas well said:

> Those who approach these questions for the first time decide them at once; those who study them with care hesitate; those who are obliged practically to decide, doubt and stop, overwhelmed with the weight of the enormous responsibility.

The very essence of deliberation is—time. This debate, we know, has been most impatiently borne by a small but powerful coterie of men who meet in bank parlors in the great money centers in all the countries of the world, and who, whether residing in the United States or elsewhere, have a profound distrust of popular government and an admiration for Napoleonic methods. The discussion here has been conducted under great disadvantages. The speeches of Senators who favor the gold standard demonstrate that the necessity for protracted sittings in a close atmosphere every working day and many nights during the most enervating season of the year is not conducive to the careful study or painstaking analysis of a great question. Neither is it conducive to clearness of thought or accuracy of expression, without which no complex subject can be intelligently or logically discussed. The total disregard of economic truths and of correct definitions on the part of those Senators demonstrates that they have not had the leisure—for it is not to be conceived that they did not have the desire—to bring to bear upon the subject the learning and ability of which they are in an eminent degree possessed.

To discuss this question in all its broad aspects and implications would require a treatise on political and social economy. The subject must be examined with the laborious methods of the student, and every proposition subjected to the test of reason.

Let us be candid, Mr. President, with reference to the question before the Senate. It is not a question of mere expediency; it is one of principle. It is not merely the repealing of a clause of a law already on the statute books, with a view of providing a substitute for that clause. Were that the intention no man can justify a departure in this instance from the unvarying and immemorial custom of legislative bodies, to embrace in the repealing measure the remedy for the evil sought to be corrected. Yet the gold standard press protests that the object is not to place the country upon that standard. The very vehemence with which this statement is made is of itself suspicious. "The lady doth protest too much methinks."

No impartial mind can fail to see that in its way the proposition before the Senate is a repetition of the tactics of 1873. The attempt is to place the country on the single gold standard before the people have opportunity to speak. Deeming the question in all its implications the most momentous which has ever come before the American people, I shall ask the indulgence of the Senate while I attempt, to the best of my ability, to present the subject somewhat broadly.

PREVALENT MISCONCEPTIONS REGARDING MONEY.

In all attempts at fundamental discussion it is necessary first to clear the ground of such obstacles as tradition or ignorance may have placed in the pathway of progress. We know that before men came to understand the forces by which the earth is held in its orbit it was to them inconceivable that a body could exist in space without physical support. Hence in the most ancient of cosmologies the earth—which was supposed to be flat—was conceived to be held in position by pillars, upon which it rested. For, as was argued by the primitive mind, it must rest on something!

While such a belief existed it was in vain to expect any direct progress to be made toward a true science of astronomy. Every phenomenon observed was attributed to a cause wholly removed from the real one; every inference drawn was distorted to fit into the framework of the preconceived theory and to accord with the established opinion. Thus causes were mistaken for effects and effects for causes. In the slow course of ages, as astronomical phenomena multiplied and each newly discovered fact came to be compared with the facts already accumulated, certain anomalies, inconsistencies, and incongruities were revealed, and it was in the effort to reconcile those that it began by degrees to dawn upon mankind that the discrepancies may have had a common origin in some fundamental misconception affecting the entire hypothesis by which the phenomena had been interpreted.

Now, it is not too much to say that the world is to-day more instructed in at least the rudiments of astronomy than in those of monetary science. So far as concerns the ordinary facts of every-day observation those affecting astronomy are much better understood than those affecting money. People will give an intelligible and uniform explanation of the causes even of an eclipse, but a hundred differing and contradictory accounts of the genesis of a panic. Every school boy knows that the apparent movement of the sun and stars around the earth as a central body is a mere optical illusion; and that, contrary to the ancient belief, the earth is not a flat surface. Yet, with reference to money, fallacies equally gross command the unquestioning faith, not of the masses merely, but of men of the highest intelligence in other departments of human knowledge. While those fallacies are accepted as fundamental truths, it is in my opinion impossible to arrive at correct conclusions concerning any question arising in any department of monetary science.

But in the nature of things the errors must have been plausible or they would not have so long survived. Hence their dislodgment can not be effected by mere denial of their truth. The denial must be accompanied by proofs, and those can be derived only from an analysis that shall go to the root of the questions involved, by an appeal to reason in the effort to arouse thought and awaken reflection.

The silver question can not be intelligently discussed without entering upon the entire subject of money, and inasmuch as one of the contentions of the gold-standard advocates is that silver is losing its "intrinsic value," it is necessary for us to investigate the subject of value and ascertain if we may how value, especially the value of money, arises; from what source or sources it is derived: how far the value of money is dependent upon the cost of production of the material of which it is composed, and whether in fact there is really any such thing as "intrinsic value." So also it is necessary to investigate the essential nature of money, the function it performs, and the phenomena connected with the increase and the decrease of its quantity.

We are told that silver is no longer fitted for the full money use because it has less "intrinsic value" than formerly—because the standard dollar of that metal is no longer, in "intrinsic value," the equivalent of the gold dollar at the ratio of 16 to 1. This is regarded by the advocates of the gold standard as an argument of unanswerable force. When they have stated it they deem the discussion closed. Yet, like the pillars which were believed to support the earth, this intrinsic value whether of gold or silver is purely imaginary. Notwithstanding the rejection of the theory by all well-informed economists, it continues to be a refuge for ignorance and sciolism.

In the whole history of time there has been no error in any

department of thought that, in the degree of contribution to the martyrdom of man, can compare with this notion of "intrinsic value." Fully refuted and rejected by science, the theory had well nigh disappeared from economic literature until the discovery was made that the hold which, like a blighting superstition, it had obtained on the ignorance of men could be utilized to discredit silver and to plume the single gold standard. Immediately the teachings of science are set at naught, and "intrinsic value" is declared to be the determinative factor in the discussion.

I wholly deny the existence of intrinsic value, whether in gold or any other object. I base the claims of silver, as I have always based them, on the indispensable necessity for some money material acceptable to our people and especially adapted to the money use—a material which shall exist in quantity sufficient to furnish to a rapidly increasing population such number of monetary units (dollars) as shall keep pace with the constantly-growing demands of a country whose development has hardly yet begun.

WHAT IS VALUE?

In order intelligently to determine how far it may be incorrect to say that money or any other object should possess "intrinsic value," we must have a correct conception of the meaning of the term "value."

There is no word in the entire vocabulary of political economy that is so much, and so variously, misunderstood, yet of which it is so essential to have an exact apprehension.

Bailey, in his celebrated work on The Nature of Value, says:

In the examination of the present subject, as discussed by those writers on whose doctrines I have ventured to animadvert, I have been forcibly struck with the vagueness, the inconsistencies, and the errors which have arisen from speaking of value as a sort of general and independent property; and I can not too strongly recommend the student of political economy never to let the word value pass before him without putting the question, "value in what?" or "in relation to what?" The value of a commodity must be its value in something, and whenever the term is used with any definite meaning, that something may be assigned. If it can not be assigned, the reader may rest assured that the author, whoever he be, is writing without any determinate ideas.—*Nature of Value*, pages 34 and 35.

And by way of emphasizing the importance of correct definitions in economic argument, Bailey, quoting another writer, very appropriately says:

To discover error in axioms, or in first principles grounded on facts, is like the breaking of a charm. The enchanted castle, the steep rock, the burning lake disappear; and the paths that lead to truth, which we imagined to be so long, so embarrassed, and so difficult, show as they are, short, open, and easy.

A point always to be borne in mind about value is that it is not an independent entity, nor quality inhering in an object. It is not a material thing, nor can it even exist in the substance of a material thing.

In his Essay on the Value of Gold Prof. Jevons calls value "an impalpable relation;" and in his celebrated work on Money and the Mechanism of Exchange, he says of it:

Value, like utility, is no intrinsic quality of a thing; it is an *extrinsic accident* or relation.

The same author, in his work upon Political Economy, says:

Value implies, in fact, a relation; but if so, it can not possibly be *some other thing*. A student of economy has no hope of ever being clear and correct in his ideas of the science if he thinks of value as at all a *thing* or *object*, *or even as anything which lies* IN *a thing or object*—*The Theory of Political Economy*, page 82.

And again, in the same work, Prof. Jevons says:

Value in exchange expresses nothing but a ratio, and the term should not be used in any other sense. To speak simply of the value of an ounce of gold is as absurd as to speak of the *ratio of the number 17*. What is the ratio of the number 17? The question admits no answer, for there must be another number named in order to make a ratio.—*The Theory of Political Economy*, page 83.

John Stuart Mill, in defining "value," says:

The word "value," when used without adjunct, always means, in political economy, *value in exchange*.—*Political Economy*, Book 3, chapter 1.

Prof. Francis A. Walker says:

Value is not a property of any thing. It arises wholly out of relations which exist between things.—*Money in its Relations to Trade and Industry*, page 32.

Prof. A. L. Perry, of Williams College, in his work on Political Economy, speaking of value, says:

Value, then, is not a quality of single things, belonging to them as if by nature, as hardness is a quality of a rock or gravity is an attribute of gold; because all physical qualities in physical things, all that which makes or helps to make anything such as it is, may be learned by a study of the things themselves, by themselves. A careful examination and analysis of the mechanical and chemical properties of any physical thing will discover all its distinguishing characteristics, all that makes it that particular thing in distinction from all other things; but it is plain already that the value of anything (if it have value) can not be found out by studying that particular thing by itself alone; the questioning of the senses, however minute, the test of the laboratory, however delicate, can never determine how much anything is worth, because that always implies a comparison between two things or more strictly a comparison between two renderings in exchange. Value is not an attribute of single things; not even if the things be physical and tangible.—*Principles of Political Economy*, page 34.

Numberless other citations could be made from writers of the first rank to prove that value is not a property residing in any object, and that therefore it can not by any possibility be "intrinsic."

A correct definition of value I conceive to be: Human estimation placed upon desirable objects whose quantity is limited.

There are then two factors, and two only, which constitute value—two elements entering into its structure: first, human desire for an object, and secondly, limitation of the number of objects of the class to which the desired object belongs. If men have no desire to obtain an article, no value will attach to it. If, on the other hand, men esteem an article highly, then value will be predicated of it in proportion to the degree of scarcity of articles of its class, modified, or, as the economists say, "corrected," by the degree of estimation which, on the average, men place upon articles of that class.

In order that value may exist, there must be not only an object, but a subject; there must, on the one hand, be a human being, and on the other something of which he desires the possession, and of a class the quantity of which is limited. Value therefore is subjective, not objective; and not being objective it can not be "intrinsic."

Limitation of quantity implies greater or less sacrifice to reduce to possession. Hence every expression of value is an expression of degree. It is a quantitative expression of the degree of desire for an object, corrected by the average degree of sacrifice necessary to obtain it. This sacrifice will not be made except in response to desire. Hence value can exist only by reason of demand.

The reason *why* demand exists is not important. It is of no consequence to know *why* men esteem an object or invest it with value; nor does it matter whether the esteem grows out of a use which men find for qualities that inhere or exist in the object itself, or whether, in aid of the ordinary evolution of society, and the development of institutions, they see fit to *confer* upon an object a use or function the exercise of which they find indispensable to their progress, prosperity, and happiness.

NO SUCH THING AS INTRINSIC VALUE.

Qualities may be said to be inherent or intrinsic in objects, but value, being a conception of the mind, can not be intrinsic or inherent. This can not be difficult to perceive when we bear in mind the teaching of science, that color does not reside in the object in which we appear to see it, but is an attribute of the eye itself, and that sound is not a quality of bodies, but a property of the human ear.

If value were intrinsic, if it resided in the article, it could not be taken from it, and it could not be changed by changes in the number of the objects of which value is asserted, or with modifications in the desire of men to become possessed of such articles. Qualities that are inherent do not vary with the shifting degrees of estimation in which they may be held by mankind. Hardness in a stone, gravity in lead, do not suffer either augmentation or diminution by reason of any increase or reduction of the appreciation of men. If value were intrinsic in articles it would remain intrinsic whether people wanted them or not. But things can have no economic properties by and of themselves; those properties exist only because there are people. A thing can have no use unless some one wants to use it; it can have no value unless, in addition to being wanted, some one is willing to incur sacrifice to obtain it.

Suppose a metal to have more value at one time than at another. We know that at both times it has the same specific gravity, the same density, the same ductility, the same tensile strength. These qualities being intrinsic, can not be removed without destroying the object.

If an article had intrinsic value, such value in its entirety would at any given time be 100 per cent. The intrinsic value of gold in 1873 was therefore 100 per cent; it is still, and must always be, 100 per cent. But we know that in comparison with all other things—and value, as already shown, is a matter of comparison—gold to-day has a value 50 per cent greater than it had in 1873. Has it to-day, then, 150 per cent of intrinsic value, or 50 per cent more than it is possible for it to have?

Suppose a new and extensive use to be discovered for silver, and a large demand to spring up in consequence, resulting in an increased price (stated in terms of gold) for silver bullion. It would then be said that a new value had arisen for silver. Would that new value be intrinsic? When silver fell 20 cents an ounce in one day, on the issue of the Indian order in council, was that a loss of 20 cents' worth of intrinsic value? And when it rose again, was that rise a recovery of so many cents' worth of intrinsic value?

If all the world should remonetize silver it is admitted by all the advocates of the gold standard that silver would have a much

higher value than it now has. Would this *added* value be "intrinsic"?

AUTHORITY EMPHASIZES THE TEACHING OF REASON—THAT THERE IS NO INTRINSIC VALUE.

On this subject of intrinsic value what do the leading authorities say?

"There is no such thing," says Prof. Jevons, "as intrinsic value." (Essay on value of gold.)

John Stuart Mill says:

There can not, in short, be *intrinsically* a more insignificant thing in the economy of society than money.—(*Principles of Political Economy*, volume II, page 23.

Prof. Perry, while a most ardent champion of the gold standard, is compelled to admit the absurdity of the expression "intrinsic value," and to deny such value to gold as well as to everything else. In reviewing the statements of another writer on the subject of money, who had used that term, Prof. Perry says:

This author is led astray by the worse than useless adjective "intrinsic," having never yet learned that there is only one kind of value in economics, namely, purchasing power.—*Principles of Political Economy*, page 341.

Mr. Macleod, in his elaborate treatise upon the "Theory and Practice of Banking," speaking of the expression "intrinsic value," says:

This unhappy phrase meets us at every turn in economics, and yet the slightest reflection will show that to define value to be something *external*, and then to be constantly speaking of *intrinsic* value are utterly self-contradictory and inconsistent ideas. Thus over and over again it is repeated in economical treatises that money has intrinsic value, but that a bill of exchange or bank note is only the representative of value.

Money no doubt is the produce of labor, but, as Adam Smith observed, if it would exchange for nothing it would have no value; so, M. Say says, that the value of gold and silver consists only in what they will buy. How then can its value be intrinsic? How can anything have intrinsic value unless it has the things it will exchange for *inside itself*? "Money has intrinsic value!" Has a piece of money got the merchandise, and all the other things it will purchase, inside itself? Money will exchange for anything—corn, houses, horses, carriages, books, etc., and each of these is the value of the money with respect to that commodity. But which of these is its intrinsic value? The incongruity of these ideas is so glaring that it is only necessary to call attention to it for it to be perceived at once. Yet from the very beginning of the science this phrase has infested it.—*Theory and Practice of Banking*, page 48.

In extending the discussion Mr. Macleod says:

Moreover, we see on considering the term value that it is nonsense to speak of the *representative* of value. Value is a *ratio*—an external relation. What can be the *representative of a ratio*, or of an external relation? To say that money, because it is material and the produce of labor, has intrinsic value, and that a bank note is only the representative of value, is just as absurd as to say that a wooden yard measure is *intrinsic* distance, and that the space of 36 inches between two points is *representative* distance. It is of the first importance to economic science to exterminate this unhappy phrase "intrinsic value," which is clearly shown to be a contradiction in terms.—*Macleod, Theory and Practice of Banking*, 1, 50.

Ricardo (than whom no financial authority stands higher) lays down the principle that even paper money, having not a shred of what the gold-standard advocates call "intrinsic value," will have real value equal to that of gold money, provided the number of the notes be sufficiently limited in quantity.

Speaking of uncovered paper money, he says:

By *limiting its quantity* its value in exchange is as great as an equal denomination of coin, or of bullion in that coin.—*Political Economy and Taxation*, chapter 27.

After further discussion of the subject he continues:

On these principles it will be seen that it is not necessary that paper money should be payable in specie to secure its value; it is only necessary that its *quantity* be regulated according to the value of the metal which is declared to be the standard. (Same work and chapter.)

In other words, Ricardo's statement here is, that if the amount of irredeemable paper money in a country were just equal to the amount of gold which would form that country's distributive share of the gold money of the world, the paper money would have precisely the same value, dollar for dollar, as would an equal amount of gold in that country.

All these writers and many others declare that the value of money—other things being equal—depends on its quantity and not on its material. It is therefore absurd to claim that silver has ceased to be adaptable for the money use because it is said to have lost some supposed attribute that neither silver nor gold nor anything else ever possessed, namely, intrinsic value.

But we have an authority outside the line of writers on political economy, whose words, nevertheless, will attract the attention, if not of the bankers and champions of the gold standard, certainly the attention of the plain people of the United States—the words of one of whom it is written: "And they sent unto him certain of the Pharisees and Herodians, that they might catch him in his talk." Clearly, he was not a believer in the theory that money must have "intrinsic value." His simple inquiry as to coin was: "Whose *image and superscription hath it?*" That was nearly two thousand years ago, yet we find the Pharisees and Herodians of the present time attempting to confuse the public mind with demands for intrinsic value—something that has never existed.

What becomes of the argument for the intrinsic value of money when we see silver money doing a large portion of the business of the western world at a valuation 40 per cent higher than its so-called value measured in gold?

One would suppose that the universal acceptance of token coins as good money by all the people within the boundaries of the largest countries—coins notoriously wanting in so-called intrinsic value—would have long since exposed the entire fallacy of the idea that it is the bullion value that constitutes the money value of the metals. The money for the masses of the people, it appears, does not need to have the full quota of "intrinsic" value—it may be "short" in weight, but for bankers and bondholders money must be of full weight. On this point Gen. F. A. Walker, in his work on Money, says:

A laborer who is paid on Saturday 22 coined shillings for his week's work, in reality gets less than a sovereign's (20 shillings) worth of silver; the girl who is nominally paid 10 pence for her day's work in the mill, gets only about 8 pence worth of copper. Here, it is said, is a manifest injustice. The wealthy and well-to-do receive their incomes in the principal coin of the country, which is of full weight and fineness; the poor are paid in coins which contain only a part, and perhaps only a small part, of the metal which would be worth the sum for which they are made a tender by law. This complaint, sometimes heard among laborers, was recently given a wider hearing through Col. Tomline, a member of the British Parliament.

The answer of Mr. Hubbard appears to be conclusive, so long as such billion or token money is not issued in excess. It is quite true, says Mr. Hubbard, that silver, rather than gold, is *the medium through which the wages of the laboring classes are paid*; but to show that the laboring classes are injured by the mint regulations it must be demonstrated that the shilling they now receive commands a smaller quantity of the necessaries of life than would a shilling coined as an integral measure of value. The shilling now circulating derives its purchasing power, not from the silver it contains, but from its being by law a twentieth part of a pound—the golden standard. All prices, wholesale or retail, whether of a bullock or a beefsteak, of a quarter of wheat or a loaf of bread, are computed upon a gold valuation. The artisan's shilling is intrinsically the twenty-second [instead of the twentieth] part of a pound, his penny but the four hundred and eightieth [instead of the two hundred and fortieth] part of a pound, but how do these facts affect his interest if he can always, with 20 shillings, or 240 pence, secure the value of a pound?—*Money*, pages 219 and 220.

So long, Mr. Hubbard thinks, as a laboring man can secure the *value* of a pound with his token coinage, matters are all right. Why should the laborer demand intrinsic value? Of course, the proposition changes when it is not a laborer, but, say, a lord, who is to receive money. Then the money must have "intrinsic value."

DOES THE VALUE OF MONEY DEPEND ON THE COST OF PRODUCTION OF THE MATERIAL OF WHICH IT IS COMPOSED?

From the fallacy lurking in the idea of "intrinsic value" is derived the further fallacy that the value of money depends on the cost of production of the material of which the money may be composed.

This is an attempt to apply to money the principle of cost of production (or, as some economists have it, of reproduction), admitted to govern the prices of commodities. But the cases are not parallel. Money, properly considered, is not a commodity. On the very contrary, it is the polar opposite of commodities. Admitting that gold and silver, when not coined, are commodities, yet their value as money is affected by issues of uncovered paper money, so that the law of cost of production, if it is to be applied to the metals as money, must be corrected by allowing for the influence of such paper issues. In countries having a "mixed currency," composed of either or both of the metals in conjunction with paper, the value of the metallic money is diminished—population and demand remaining unchanged—by every increased issue of paper, and, conversely, is increased (*ceteris paribus*) by every withdrawal of the paper from circulation.

If it be sought to avoid the force of this contention by denying that anything can be money except the metals (as, from and after the passage of the bill now before the Senate, it will doubtless be insisted that nothing can be money except gold), I reply that it is too late in the century for that. The leading writers on political economy unite in the declaration that when duly limited in quantity paper money has all the value of gold money, and if sufficiently limited may even have much more value than gold and rise to a premium above it. Our leading American writer on money, a writer recognized in every gold-standard country, and among the leading economists of the gold-standard school in all countries, as one of the most distinguished authorities on monetary science, Gen. Francis A. Walker, whom I have just quoted, defines money as follows:

Money is to be known by its doing a certain work. Money is not gold, though gold may be money; sometimes gold is money and sometimes it is not. Money is no one thing, no group of many things having any material property in common. On the contrary, *anything may be money;* and anything, in a given time and place, is money which then and there performs a certain function. *Always and everywhere, that which does the money work is the money thing.*—*Money Trade and Industry*, chapter 1.

And in order to show that he means precisely what he says, Gen. Walker says:

> The claim that greenbacks are not money in the fullest sense of that term: that they can not do all in the way of measuring values, so called, which gold or silver may do is untenable, and it can be of no advantage to any really sound cause to seek to maintain it.—*Money in its Relations to Trade and Industry*, preface.

Gen. Walker does not approve of Government paper money, because of the danger of overissues of such money, but neither he nor any other leading writer on the subject of money denies that with proper limitation of quantity so-called irredeemable paper money maintains itself, and when so limited in quantity has historically maintained itself, without the slightest difficulty at a par with gold. With more than 25 per cent of all the money of the world uncovered paper money, costing nothing to produce—though costing each man who possesses it *as much to acquire* as if it were so much gold—how absurd it is for anyone to claim that the value of money is determined, as in the case of commodities, by the cost of production of the material. *The value of money, no matter of what material made, is determined by the cost of obtaining it after such material has been made into money; and this value is expressed in the general range of prices of commodities.*

But leaving paper money wholly out of view, and looking even at gold and silver merely as commodities, we shall see that they constitute a category wholly by themselves, and that so far as the law of cost of production applies to them, it applies under circumstances totally different from those under which it applies to commodities in general.

As to all other commodities, the supply is each year consumed by the time the next year's production becomes available; that is to say, at the expiration of a year from the date of production practically little or none of a particular commodity remains to lap over on the new supply. Owing to the indestructibility of the precious metals, however, there is an enormous stock of them always in existence; so that the new supply of each year, whether costing little or much, is so slight in proportion to the quantity already existing that it can exercise but an infinitesimal influence on the value of the total supply in the market.

It is not like the case of a thing of which there may be a surplus. A surplus of anything is such portion of it as is left over after the satisfaction of all demands. Of a metal transmutable into money at will there can never be a surplus. There is demand, and instant demand, for the entire production. The influence of accumulation in steadying the value of the monetary metals has been likened to the effect of an enormous balance wheel in modifying the action of machinery—protecting it from those extreme variations of speed which would otherwise be the instant effect of varying degrees of steam pressure.

Let us suppose, as to any ordinary commodity, say wheat, that there were six months' supply of it in the world at a given time. It is readily conceivable that in a single year that supply might be doubled. But to double in one year the amount of gold and silver which is already in use as money throughout the world would require the production in that year of the enormous sum of over $7,500,000,000. The largest amount ever hitherto produced in one year of both metals combined is only $325,000,000, so that, in comparison with the stock coming over from the past, the new supply of each year is trifling. With all other things the case is reversed; it is the stock coming over that is trifling in comparison with the new supply.

Taking into account the rapid and enormous yield of gold in California and Australia in the middle of the century, if the value of the product had been governed, as in the case of ordinary commodities, simply by the cost of production at the time the discoveries were made, the value of the metal would have fallen enormously and at once; whereas the change that did occur was slight and gradual, the value of money not falling, according to the best authorities, more than 18 or 20 per cent, and that fall spread out over a period of twenty years.

But there is another reason why the precious metals as commodities constitute a category by themselves, namely, that the pursuit of mining is one into which the speculative element enters in a degree wholly unknown in other fields of production.

In all other departments of production the result of effort can be measureably foreseen. That result will usually bear some approximate degree of relation to the amount of labor exerted and capital employed. Even in agricultural production, the result of which depends in large measure on contingencies of weather, if there be planted an increased acreage there will be expected an increased crop. In fact, crops may, according to demand, be increased practically without limit; soil is always accessible. Not so the precious metals. There is an impassable barrier opposed by nature to the unlimited production of those.

Unlike the products of agriculture, men can not at will deposit in the soil seeds of gold and silver to multiply many fold, and bring forth a great crop.

Unlike the products of manufacture, gold and silver can not be made to order. Mines are discovered not made; and at this stage of the world's progress can be discovered only after long, tedious, and, on the whole, very expensive search. When so discovered in nine cases out of ten, after absorbing large amounts of capital they have to be abandoned, as of not sufficient fertility to defray running expenses. In the occupation of mining, therefore, the question of what quantity of metal shall result from a given quantity of labor and a given expenditure of money, counting the long enduring search and the profitless exploitation, is so much a matter of mere chance that no intelligent calculations or predictions can be made on the subject.

In the manufacture of ordinary commodities, on the contrary, while there is always the question of what price can be obtained for the products when made, there is at least assurance that by the application of a certain amount of capital and the employment of a certain number of men something approaching definite computations can be made in advance as to the number of articles of a given character which may be expected to result. The larger the amount of labor and capital applied the greater on the average is the result expected. With mining it is altogether different. The hazard is so great as to 99 per cent of the "prospects" that men who succeed in realizing any considerable sum of money in the occupation almost always put the money back into the ground—that is to say, invest it in "promising" ventures which never become anything but promises.

In discussing the cost of production of silver, the operations of the most successful and productive mines only are taken into account. No note is taken of the fact that mining is a lottery and that thousands of ventures are total failures. Many millions of dollars have been expended in sinking shafts, boring and blasting tunnels, erecting hoisting works, creating plants, and constructing mills that have never returned to their projectors the value of one dollar. Yet so-called statisticians and statesmen who know absolutely nothing of the subject, and many of whom have never even seen a mine in their lives, treat us to long disquisitions upon the cost of mining silver. My word will be sustained by that of every experienced miner in this country, as well as in the world, when I assert that taking as a whole the business of silver-mining, for every dollar produced more than a dollar has been actually expended.

For reasons which must be satisfactory to themselves the statisticians and statesmen who are careful to give us their abortive and absurd computations as to the cost of producing silver, do not appear to be equally solicitious to instruct the world as to the cost of producing gold. Perhaps they entertain some fear that investigation as to the cost of gold would show that in proportion to coining value it has, in the main, cost very much less than silver.

It is the belief of well-informed scientists that in the case of gold, the element of cost of production bears much smaller proportion to the money value of the metal than is the case with silver. After an exhaustive investigation covering a series of years, Prof. Suess, of the University of Vienna, perhaps the most distinguished of living geologists, declares in his work on the Future of Gold that nine-tenths of the gold of the world has been obtained from the gravel deposits of old river beds ("placers"), in which work, as a matter of course, the labor cost was the veriest trifle in comparison with the money value of the product.

I will illustrate this by reading a brief extract from a letter written in 1848 by the late distinguished General of the Army, Gen. William T. Sherman, then a captain, stationed at Monterey, Cal. This letter appeared in the New York Tribune of April 7, 1892, as having been read in public by the honorable Senator from Ohio [Mr. SHERMAN] to whom it had been written. After referring to the inconvenience to which the officers of the Army had been subjected by reason of the excited rush of the people, including the private soldiers of his command, to the newly-discovered gold fields, Capt. Sherman said:

> This gold is found in the beds of streams, in dry quarries, in fact mingled with the earth over a large extent of country. * * * Men are now getting from their individual labor from $5,000 to $8,000 a month. This is not fiction. It is the truth. I went with Governor Mason and saw the evidence of it myself.

When an ordinary unskilled laborer, without capital, could make $8,000 a month, an amount sufficient to buy a good house in any city in the United States, the argument from cost of production can not be very strong.

The influence of these discoveries began to be felt only by slow degrees as the new money came to be distributed over the world, and it was because of the increase of the *quantity* of

money, and not from any consideration arising from cost of production of its material, that its value fell—not the value of gold alone, though it was gold alone that increased in quantity. The value of silver money also fell, for the metals being freely interchangeable in one country or another at a ratio established by law, both felt the depreciating effects of the increased quantity.

Even now, when the placers seem to be exhausted, and gold is to be obtained only from veins, involving the use of capital and machinery, there is far greater steadiness in the cost of production of silver than of gold, and the gold mines are relatively much the less expensive to work. A plant that will crush 100 tons a day of gold ore can be built for $25,000; whereas one that will crush 100 tons a day of silver ore instead of costing less will cost approximately $100,000. It is the experience of all miners that, once found, gold mines can be worked at a relation of profit over silver mines much greater than a ratio of 1 to 16; but the difficulty is that the mines are not to be found.

Owing then to the special category in which gold and silver must be placed by reason of the special circumstances affecting them the influence of the cost of production on the value of those metals is very greatly overrated. This is fully recognized by the economists who admit that this influence is not direct in any sense as in the case of commodities, and that it is only over long periods of time that it tends to affect the value of money, by affecting the quantity produced.

THE LEADING WRITERS—ON THE INFLUENCE OF COST OF PRODUCTION ON THE VALUE OF MONEY.

On this point Mr. Henry Sidgwick, professor of political economy in the University of Cambridge, England, says:

In consequence of the great durability of gold, together with the fact that *nearly all the gold used as money is practically in the market at any given time*, any change in the cost of production is likely to take a long time to produce its full effect on value. Hence the effects of all changes in the conditions of production of the precious metals are at first, and continue to be for many years, *questions of quantity only, with little reference to cost of production.*—*Principles of Political Economy*, by H. Sidgwick, page 250.

On the same point, Prof. Francis A. Walker, in his work on Money, says:

Again, it is said, it is the cost of production which determines value. *But it is always and everywhere the relation of the supply to demand that determines value. Cost of production only affects value by affecting the actual or potential supply.*—*Money*, page 245.

And Prof. Jevons says:

Labor once spent has no influence on the future value of an article.—*Theory of Political Economy*, page 159.

In a further discussion of this subject, Prof. Jevons says:

The great principle of cost of production fails us, because in the case of such durable commodities as gold and silver the accumulated stock on hand is immensely greater than the annual production or consumption.—*Contemporary Review, May, 1881.*

With reference to the influence of cost of production on the value of the metals, John Stuart Mill says:

From their durability, the total quantity in existence is at all times so great in proportion to the annual supply that the effect on value even of a change in the cost of production is not sudden; a very long time being required to diminish materially the quantity in existence, and even to increase it very greatly not being a rapid process.—*Political Economy*, Book III, chapter 7.

And he adds:

Alterations, therefore, in the cost of production of the precious metals do not act upon the value of money except just in proportion as they increase or diminish its quantity, which can not be said of any other commodity.—*Same*, Book III, ix, 3.

An acute writer, F. W. Bain, M. A., of Oxford, England, says:

Cost of production, so important and decisive as to the value of commodities bought with money, is, in the case of money itself, of no account whatever. For, any particular commodity we can do without; and so if it costs too much to produce no one will buy it, but money must be had at all costs, for without it no commodities can be procured at all. And be it observed, money is comparatively permanent. It is not, like commodities in general, consumed in the use. Consequently there is a great and even enormous difference between it and things produced to be consumed. It is, as a rule, the rapidly perishing commodity whose value depends mainly on its cost of production. Each time it is wanted it must be made again. But money, once made, is there for almost any length of time, for though it wastes a little, yet not much; its value, therefore, can be hardly, if at all, appreciably dependent on its cost of production.—*The Principle of Wealth-Creation*, page 101.

In a more elaborate discussion of this question of cost of production, Prof. Francis A. Walker quotes the dictum of Prof. Price to the effect that exchanges are effected by comparing "the cost price of the goods with the cost price of the gold" for which they are exchanged. From this view the American author wholly dissents. Gen. Walker says:

What is in fact the method by which the ratios of exchange between the piece of metal and equal quantities of [commodities] A, B, and C are determined?

Let us bring the matter down to its pure elements by supposing that in a given community where gold has been and still is of such universal acceptability as to become the general medium of exchange, there exist a million pennyweights of this metal; that the country itself yields no gold; that intercourse with foreign countries is, for the time, cut off so that none can be imported; and lastly, that gold is used solely as money and not at all in the arts. Under such conditions—

Prof. Walker says—

articles will be exchanged for pennyweights of gold *without the slightest reference to the cost of producing the metal.* It is literally true, without the smallest qualification, that, in the words of Prof. Jevons, "Labor once spent has no influence on the future value of any article." How, then, can the gold measure the value of the commodities produced within the community?

Here Gen. Walker enters upon an analysis of the process:

The answer is, it does so in the only way in which money ever measures values. Each producer will strive to bring to market that commodity which will command for him the greatest number of pennyweights of gold for a certain exertion and sacrifice on his part; and through the operation of this principle and of this principle alone, the relative worth of all commodities will be determined; *not through a comparison of the amount of labor required for the production of each by turns, with the amount of labor required for the production of the gold, but through a comparison of the amounts of labor severally required to renew and keep up the stock of the different commodities themselves.*—*Money, Trade, and Industry*, page 33.

And he adds:

It is in this way that products are differentiated in exchange *according to the cost of renewing the stock.*

Not the stock of money, but the stock of products to be exchanged. Hence, this author styles money "a common denominator in exchange," in terms of which denominator the mutual relations of all commodities and services are expressed, and by means of which, as he says, "all commodities are placed, one above another, on a scale of prices." It was for this reason that Sir James Stewart long ago called money "a scale of equal parts."

If, therefore, there were no money except money of gold and silver, these authorities show that the theory of cost of production, which is made so much of in discussing the silver question, is for the purposes of discussion of no avail whatever.

All our gold monometallists admit that if Great Britain and Germany should remonetize silver the United States could go to free coinage with entire safety and propriety. What, then, becomes of the theory of cost of production? The cost of production of silver would be precisely the same whether those countries declared for its free coinage or not.

There is a feature of this question which the economists never touch, but which, it appears to me, must be one of the first considerations to occur to a practical man. That feature is this: If the cost of producing silver has been so slight as to make the profits of silver-mining higher than the average return to capital, why is it that so few have engaged in the business? Is it not open to all the world? Do we not know that, from all the countries of Europe, capital in large amounts has sought investment here? Do we not perceive the keenness with which all men of capital and energy search for profitable investments? Can we, therefore, help inquiring why this field, which many appear to think so profitable, is so neglected?

Do not their acts, Mr. President, belie their words? If they were not satisfied that mining investments were on the whole and on the average unprofitable investments, should we not find millions upon millions of dollars from Wall street and Lombard street rushing to the mining regions for investment? But we must do credit to the acumen of the investors of capital. They well know how and where to invest. Instead of putting money into mining enterprises, they put large sums into bank stocks, because they have observed that no matter what other industry may languish, banks pay high dividends. Investors also put large sums into gilt-edged railroad bonds, because they know that such bonds are obligations to pay fixed sums of money at a future time, and that those sums will be paid in dollars of increasing value.

Besides, if they really believed as they pretend to believe, in the theory that the cost of production is the element that determines the value of money, how is it possible that they can at the same time believe, as they profess to do, that gold never varies in value? Do they suppose that during a period extending over hundreds of years the cost of mining gold has remained to the fraction of a cent absolutely the same?

The separation between gold and silver does not result from any change in the cost of production of silver, nor does it result from any change in the purchasing power of silver money. Neither does the enormous increase which has taken place in the value of gold during the last twenty years, an increase of which there is no denial, arise in the slightest degree from any increase in the cost of production of gold. Every man who knows anything on the subject knows that there has been no such increase.

IS MONEY THE COMMODITY-EQUIVALENT OF THE COMMODITIES FOR WHICH IT IS EXCHANGED?

It is the pernicious theory of intrinsic value that has led to the equally absurd idea very generally entertained that money is the equivalent as a commodity of the other commodities for which it is exchanged. With the destruction of the idea of intrinsic value must go also this idea of commodity equivalence.

It is persistently asserted that gold bullion does not derive its value from the money use to which the metal is put, but from the value of the bullion as a commodity.

This claim, though held throughout the ages, will not stand the investigation of reason.

Were gold demonetized to-morrow, so enormous is the amount of it in existence compared with the demand for commodity purposes, that an ounce of it, instead of being worth $20.67, as at present, would not be worth perhaps the one-hundredth part of that sum.

In order to ascertain what the commodity value of gold would be were the metal confined to commodity uses, we must suppose it to be made entirely dependent for its value upon the demand for it in the arts—that is to say, we must conceive it to be demonetized and relegated to a commodity. In other words, let us judge of the commodity value by the commodity use, and of the money value by the money use.

Let us inquire what would be the quantity of gold which would be suddenly thrown on the market as a commodity in case that metal were deprived of the money function.

Our Treasury Department reports that the amount of gold money in existence in the world is $3,600,000,000.

As to the amount which is annually withdrawn from the money-use for the purposes of the arts and manufactures, there are no figures which can be absolutely relied upon. Mr. Giffen, the statistician of the London Board of Trade, has stated that in his belief, practically, the annual yield from the mines was absorbed for nonmonetary purposes; and in this estimate I believe he is right. Sir Lyon Playfair estimated the amount consumed in the arts at not less than 75 per cent of the total annual yield. As long ago as 1873, Mr. W. L. Fawcett, in his interesting work on "Gold and Debt," made a careful estimate based on the researches of Mr. J. R. McCulloch, the distinguished English economist, and states the then annual consumption of gold in the arts and manufactures at $110,000,000, and the amount must have annually increased rather than decreased.

But casuistical statisticians, who wish to show that some of the annual yield is available as money, profess to believe that the amount consumed in the arts is only $60,000,000 per annum. If my estimate be correct, then in case of the demonetization of gold and its relegation to commodity purposes exclusively, there would be on hand in the market at the time of demonetization, available for the purposes of the arts, not less than thirty-six years' supply of the metal.

With the competition between its owners for the disposition and sale of so enormous a sum, for commodity purposes, what would be its value? What price would an ounce of gold bring in the market, if there were available for purchase at any given moment a supply sufficient to carry the world along for thirty-six years?

No one being any longer obliged to have gold in any country of the world in order to pay debt or otherwise utilize it as money, who can suppose that an ounce of such discarded metal would bring $20.67?

If, however, we accept the figures of the statisticians—and they are all devoted admirers and adherents of the gold standard—the quantity of gold used annually in the arts is about 3,000,000 ounces. What would be the value of gold per ounce for use in the arts when there were available for that purpose at any given moment the enormous amount of 180,000,000 ounces, or a supply sufficient to meet all demands for the metal as a commodity, not for two years or ten years, but for sixty years?

We know that of wheat and other commodities there is never more than a few months' surplus on hand at a time. Yet the slightest addition to that surplus produces a lowering of the price altogether out of proportion to the quantity of the surplus. How trifling would not the value of wheat be, if, after taking out the quantity needed for the current year's consumption, there remained on the market enough to meet all demands for even two years additional! And even supposing that science and invention should furnish a method of preserving wheat indefinitely in all its original efficiency and purity as an article of human consumption, to what an utterly insignificant price would it not descend if instead of two years or five years' additional supply there were enough to meet all demands for sixty years?

But in our estimate of the amount of the metals that would be thus available, we should be warranted in going beyond even the figures indicated. The estimation in which gold is held in at least that department of the arts which contributes to decoration, and for purposes of ornament, is derived almost wholly from the awe with which it is regarded by the great body of mankind from the fact of its extended use as money. This is what Ruskin very appositely describes as "the effect upon the imagination." Deprived of the imperial money-use and relegated to commodity-uses only, there can not be a doubt that much of the metal now existing in the shape of trinkets would find its way to the secondhand shop.

Whichever of these estimates we adopt, even the least of them, in my humble judgment, constitutes a perfect mathematical demonstration, "strong as proof of Holy Writ," that, deprived of the money function, there would be practically no value whatever in gold bullion.

It surpasses my comprehension, therefore, how men can argue otherwise—especially men who profess to be political economists with, as is supposed, a faculty for exact reasoning.

Let us apply to the question the definition I have given of value: "Human estimation placed on desirable objects whose quantity is limited."

There are in this definition, as I have said, two factors: Human desire for the object, and limitation of the quantity of like objects.

With gold as at present in full and universal use as money, these two factors have full play. As money men esteem gold, and, considering the universal demand for money, the quantity of the metal is limited—so limited, indeed, that no Senator asserts that there is enough of it.

Both conditions, therefore, unite to establish the present value.

But with gold demonetized—with gold deprived of the imperial prerogative of money—one of these factors of value would be wanting to it. No matter how highly esteemed for commodity purposes, it could no longer be said that its *quantity was limited*. Limitation of quantity can not be predicted of an article the stock of which in the market at a given moment is sufficient to supply all demands for half a century to come.

THE AUTHORITIES SUSTAIN THE THEORY THAT IT IS THE MONEY USE THAT GIVES VALUE TO GOLD AND SILVER AS COMMODITIES.

With reference to the share of value which is contributed to gold by the money use, as distinguished from the commodity use, Mr. Macleod says:

It is in fact the peculiar qualities which render gold so useful as a currency that give it the greater portion of its value.—*Elements of Banking*, ed. 1858, page 133.

Says Thorold Rogers, professor of political economy at Oxford University, England:

The fundamental cause of value in the precious metals is *their use as currency*. This conclusion is not so obvious as it might appear. Up to recently ordinary political economists have been accustomed to accept Mr. Senior's dictum, that the measure of value in the precious metals is their use in the arts. It is very possible that this view is still accepted, notwithstanding the experience of the last fifteen years, during which events have occurred which would, one might think, induce these people to reconsider their conclusion.—*Industrial and Commercial History of England*, page 324.

"The experience of the last fifteen years," to which Prof. Rogers here alludes, is the experience under the demonetization laws by which silver ceased to have free access to the mints. He perceived clearly that the fall in the gold price of silver was due to the denial of unrestricted coinage of silver, and not to any question of cost of production or of so-called intrinsic value. Sir David Barbour, in his Theory of Bimetallism, says:

Gold and silver owe almost the whole of their value to the fact that they can be converted into and used as money. If gold and silver were absolutely excluded from the currency of the world their value would be greatly reduced, if it did not almost entirely cease to exist: and if either gold or silver were largely excluded from the currency of the world the value of the metal so excluded would experience a very great fall.—*The Theory of Bimetallism*, chapter 2.

In the same work, Sir David Barbour, dealing with this point more at length, says:

The value of gold and silver is almost entirely due to their use as money and consequently the relative value of gold and silver depends upon the extent to which the different nations of the world use these metals as currency. If one nation after another decided to demonetize silver and to sell the silver contained in its currency, the value of silver relatively to commodities and still more so in comparison to gold, could be made to fall to a very small fraction of its present value.

On the other hand, if the nations of the world demonetized *gold* and sold their gold, the value of gold in relation to silver would experience a very great fall.

In short, we see that the demand for gold or silver is due mainly to the extent to which the legislatures of the different countries decide to use these metals as money, and therefore their relative value is and must continue to be regulated by legislation.—*Theory of Bimetallism*, page 34.

In a letter to the London Times May 7, 1881, Lord Bramwell, speaking of the money value and the so-called intrinsic value of gold and silver, said:

Gold and silver have real and artificial values—real and natural, as for gilding, for use in surgical appliances, forks, spoons, and other things; artificial, for money for circulating mediums. * * *

This artificial value is much greater than the real [value]. If some substitute for gold and silver were found which could be used more advantageously as money and displace them, their exchangeable values would be vastly less than at present. That is, if an ounce of gold exchanges for 3 quarters of wheat now anywhere, it would, if it ceased to be used as money, exchange for much less—how much is beyond speculation.

John Ruskin, who thought deeply and acutely on all questions with which he dealt, says:

In so far as it (gold) has *legal exchangeable value* its worth as a commodity is increased. We want no gold in the form of dust or crystal; but we seek for it *coined*, because in that form it will pay baker and butcher. And this worth in exchange not only absorbs a large quantity in that use, but greatly increases the effect on the imagination of the quantity used in the arts.—*Munera Pulveris*, page 83.

In stating that the exchange value, or money value, of gold "greatly increases the effect on the imagination of the quantity used in the arts," Ruskin means that the estimation in which gold is held for the purposes of decoration is heightened by the fact that it is in use as money, and that while in such use it is a universal order for goods.

In a very recent French publication on political economy, by a professor of high standing, Prof. Gide, I find the following unequivocal and outspoken declaration on this subject:

No doubt, if gold and silver were demonetized in every country, metallic money would lose the greatest part of its value. We must not deceive ourselves as to this matter, and the present fall in silver, caused by its demonetization in some countries, only too fully proves the fact. Yet many authors do harbor this illusion, or at any rate do not put their readers on their guard against it. Most of them seem to say that the government seal stamped upon gold and silver coins merely states their actual value, just as the tickets tradesmen put on their goods. But the declaration that the six-gramme gold piece is worth 20 francs is not only *declaratory*, but is also *determinative* of value. It is because the will of the legislator or, if it is preferred, the agreement of men, has chosen gold and silver as money, that these metals have acquired the larger part of their value, and they would lose it as soon as this agreement or this law happened to cease to exist. Aristotle, too, had perceived this very clearly. Says he in the Ethics, book V: "It was through a voluntary agreement that money became the instrument of exchange. It is called *nomisma* (from *nomos*, law) because money is not a natural product, but exists only through law, and it lies with us to change it and rob it of its utility as we will."—*Political Economy*, page 216.

From any point of view it is absurd to suppose that the money value of gold is derived from the value of bullion. The effect has been mistaken for the cause. The bullion gets its value from the fact that gold from the moment it leaves the mine is potentially money. Gold bullion deprived of accessibility to the mints might drop to the value of copper, with which, for utility (unless some new uses shall be discovered for gold) it is not for a moment to be compared.

The statement that it is not from bullion that gold money derives its value receives support from considerations growing out of the very nature of the case.

From the earliest ages gold and silver were held in high esteem even among savage tribes, because of their adaptability for purposes of ornament. At first, and doubtless for a long period, exchanged as mere commodities, against other commodities, they came by degrees, as their quantity increased, to be used as common media of exchange.

But one of the most important functions of money came to be the function of registering or recording values for the purpose of permitting men to enter into time contracts—what some economists call a "standard for deferred payments." This was a function which could not be fulfilled by a small supply of the money material. For this exceedingly important purpose not until a vast stock had been accumulated were the metals fitted to be clothed, in the interest of society, with the function and office of money. Should transactions and values be based on them as money while yet the stock of the metals was extremely limited, it is obvious that a slight increase of yield from the mines in any one year would create ruinous variation in the unit of value, so that it would be unsafe for men to enter into obligations except those for immediate fulfilment.

It was, therefore, only by very slow degrees that the system of barter, having the precious metals on one side of the equation, gave way to the commercial system in which, from those metals as commodities, by gradual and insensible degrees, was evolved the system of money. Before this evolution could be made perfect, before the metals could have acquired fitness for the money function, there would be needed, and there must have been in existence a stock so enormous as, by its quantity, to insure society against violent and sudden jars in the value of the monetary unit. This stock must have been equivalent to the yield of the mines for a great stretch of time, probably hundreds if not thousands of years.

It must in any case have been such a stock as, in comparison, to have reduced to a point of utter insignificance the mere commodity demand for the metals in any one year.

Testing gold and silver, then, as *commodities* by the same law of supply and demand that is applied to other commodities we find that neither of the metals was wholly fitted to be vested with the money function until by the enormous accumulation of its quantity it was stripped of almost every vestige of commodity value. This was the condition-precedent to the crowning of the metals for the higher and nobler function of money, the imperial function.

If it be the bullion or commodity use that gives gold its value, why do people expect the variations of gold to be less than those to be seen in the value of other things?

It is no unusual thing to see a variation of 10 per cent, for example, in the value of wheat in the course of two seasons, 10 per cent in the value of brass, and similar variations in the value of other things. Why is it that gold should be expected to remain steady in value if the legal-tender function has no influence? Is it possible that throughout all the years of its production, with the wages of labor and the price of machinery constantly changing, the cost of mining gold has remained absolutely stationary—neither increasing nor decreasing in the slightest degree?

WANT OF INTRINSIC VALUE IN BANK "MONEY."

When the silver question is not under discussion the bankers and their allies are only too ready to acknowledge that it is the function and not the material that creates the value of the dollar. Indeed, the very impalpability and intangibility of the dollar is *then* set up as its principal recommendation to favor, because it is supposed to establish the peculiar merit of the banking system. When engaged in lauding the advantages of that system they maintain that bank deposits are money, although having no more material existence than the ink with which the entries are made on the books.

Bank deposits are not concrete things. If anything can be called intangible and immaterial, it is surely an entry in a book. We know that the bank deposits of the country exceed several times over the money in the country, especially if we regard as money only the things having what the bankers call "intrinsic value." Yet there are some books on political economy by writers of respectable position that treat such deposits as money. Prof. Sidgwick says of them:

In such a country as England, where deposit banking is fully developed and payment by checks customary, the greater part of such money must consist of what has been called "money of account," that is, of bankers' liabilities or obligations to pay in coin on demand, not "embodied" or represented otherwise than by rows of figures in their books.—*Principles of Political Economy*, page 233.

Hence it appears that when the bankers can make a profit on dollars, they are willing that the dollars may be immaterial and intangible; but the dollars on which they can not make profit, the dollars in the hands of the people, must have "intrinsic value!" No matter how numerous the dollars on the books of the banks; no matter how intangible or immaterial, so long as the banker is receiving interest on them and they yield him a revenue, although their so-called "intrinsic value" be no greater that the little speck of ink necessary to make the entry and the equally little speck of paper on which the entry is made, they are lauded as equal to the best dollars. They are even declared to be better dollars than the dollars of so-called intrinsic value.

Sycophantic writers and so-called statisticians fill the columns of the press with articles to show how near perfection our money system is, because, as they declare, it is no longer necessary for it to have an existence outside the pages of bank ledgers. But the moment the silver question is under discussion all these admissions are ignored, even wholly denied, and intrinsic value in dollars is insisted on as an absolutely essential factor of money. Consistency is not a jewel for which the bankers and their friends have any special regard, except in so far as it ministers to the pecuniary profit of the banks.

The theory of intrinsic value comes to us from the dim ages of the past, and is indebted for its survival to that blind and unquestioning regard for dogmatic authority which characterized the childhood of our race. Science has discarded some of the errors of those times; reflection has compelled the rejection of others. But so slowly do the forces of truth operate through time that we find the President of the United States, adopting this solecism, taking up his position as a student of political economy with those who lived and wrote in the period when men believed the universe to be confined to the planets constituting our solar system, and that of those the earth was the center.

The geocentric theory made as hard a fight for existence as the theory of intrinsic value has made, but in the light of advancing civilization it was forever discarded. Perhaps I go too far in this statement, as we have lately had a pronunciamento from Brother Jaspar reviving it in the somewhat celebrated declaration that "the sun do move." I would commend to the attention of the President the following statement of one of the most distinguished of economists, one who has distinctly declared that there is no such thing as intrinsic value. He says:

In the physical sciences—authority has greatly lost its noxious influence. Chemistry, in its brief existence of a century, has undergone three or four complete revolutions of theory. In the science of light, Newton's own authority has been decisively set aside, after it had retarded for nearly a century the progress of inquiry. Astronomers have not hesitated,

within the last few years, to alter their estimate of all the dimensions of the planetary system and the universe, because good reasons have been shown for calling in question the real coincidence of previous measurements. In science and philosophy nothing must be held sacred.—*The Theory of Political Economy*, by W. S. Jevons, page 236.

Nothing is sacred, Mr. President, but truth. It is the mission and the merit of civilization to discover truth in all departments of human endeavor, and when discovered to maintain and perpetuate it. In none is this more imperative than in the department of money, the department which has to do with the measurement of human sacrifice, with the adjustment of the equity that forms the basis of all equities.

The fundamental idea at the bottom of the theory of intrinsic value is that money is not a societary instrumentality, but an instrumentality appertaining to man as an individual, standing single and alone, without knowledge of or participation in society or civilization. In accordance with this idea it is said that in exchanging a commodity for money men must get *as money* another commodity which, in and of itself, shall be the equivalent of the commodity given in exchange. In other words, it is contended that the process is precisely as if the money and the commodity were simply the commodity equivalents of each other.

This implies that society as an aggregation, society as contradistinguished from the individuals or separate units composing it, is no factor in civilization, and that a thing which subserves an indispensable societary function, a thing without which it would be impossible for civilization to exist or for the powers of man to develop and expand, becomes the object of no greater esteem by reason of performing the societary function than it would be if it were the possession of solitary man; of man as the wild and imbruted denizen of the primeval forest.

In a word, the theory of intrinsic value is based on the idea that a thing without which it would be impossible for men to dwell together in unity—the very crown and symbol of their progress from barbarism to civilization—can have no value which the individual man is bound to respect.

This is contrary to the whole spirit of institutional existence. It is contrary to all the facts on which our civilization is based and all the inferences derivable from that civilization.

Let us examine for a few moments the process by which money came to exist.

THE EVOLUTION OF MONEY FROM BARTER.

The idea of money arose insensibly out of the custom of barter. As commodities came to be exchanged for one another some were naturally designed for immediate consumption; others to be retained until necessity should compel their use. Of the two classes of commodities indicated, those which should eventually become general media against which all other commodities might be exchanged would naturally be such as could be longest retained without deterioration.

A long list of materials have at various times in the history of the world been used as money. It has always been a question for separate nations or peoples according to the exigencies of their own situation to decide for themselves as to what material would most advantageously serve them for the purposes of money. That which was suitable for the people of one country might not necessarily be suitable for those of other countries. In primitive times it is noticeable that the materials selected by each people were always such as were not only plentiful when and where selected, so as to guard against present deprivation of money, but being natural products of the country, either indigenous to the soil or resulting from the prevailing occupations of the people, insured them against a prospective deprivation of money through tribal onslaughts or the sinister machinations of enemies.

This is a point of great importance in the history of money as indicating an intuition among the masses of mankind, in all ages and countries since the origin of civilization, that the material of money should be not only abundant, but continue through time to be abundant in the place or country in which it was thus selected to fulfill the monetary function. In this intuition we perceive indications that for the purpose of knitting themselves together in the great web called society, men were thus early reaching out after something more than a mere temporary medium of exchange—that they were aspiring to the discovery of some method of estimating or computing, and as it were recording, in terms of this common denominator the mutual sacrifices involved in their exchanges, so that they might no longer be confined to the transactions of a day—no longer restrained by the limitations of barter—so that they might dispense with those limitations and restraints and avail themselves of the benefits of time contracts, without at the same time parting company with equity and justice.

The desire to make preparation for the future constituted the first definite aspiration toward civilization. To enable this aspiration to be realized, it was necessary for men to provide some method by which they could arrange for an exchange to take place, as it were, by installments, so that a transaction begun today might remain in abeyance, to be completed next week or next year, as might be agreed upon, without involving loss to either of the parties to the exchange by reason of its division into two or more transactions instead of being completed in one.

While mankind was still occupied in hunting, it is manifest that the flesh of animals captured in the chase would serve for immediate consumption, while the hides, dried and retained in the form of fur or leather, would serve for a future exchange.

When hunting ceased to be the principal occupation, and men came to settle into the pastoral condition, in which they tended flocks, the most convenient media of exchange came naturally to be live sheep and cattle—those being then the most numerous and most readily transferable, and not so liable as other commodities to deterioration of quality.

In the poems of Homer oxen are repeatedly referred to as something against which other commodities were exchanged, and also as an expression or estimate of value—what has come to be denominated a measure of value. Thus the value of the arms of different warriors were estimated in oxen—those of Diomed being held worth nine oxen, those of Glaucus one hundred.

In the agricultural stage of civilization which succeeded the pastoral, different products of the soil (and, in maritime countries, of the sea) were used as money. In India, rice; in China, tea; in various parts of Europe, wheat, barley, and oats; in Iceland, dried fish; in Norway and Greenland, seal skins and blubber; in the countries surrounding the Mediterranean, olive oil—an article very plentiful in production and consumption in those parts, and having the advantages of durability and divisibility. In Central America different kinds of nuts were used as money; in Mexico, coca beans.

In the Colonial period of North America various products of agriculture were not only used as general media of exchange, but in time came to be legal tender. In several colonies tobacco, corn, and a variety of other articles, including the skins of beavers, were lawful tender in payment of debts. In Newfoundland dried codfish was used.

The benefits to be derived from a circulating medium in aiding the civilization of man was illustrated even in the earliest period of the Colonial settlements. The new settlers, in their dealings with the aborigines, found a tribe on Long Island which proved to be far more civilized than those of other parts of the country. Investigation as to the source of their superiority developed the fact that while other tribes had no money, and relied on barter for the satisfaction of their wants, these Long Islanders had certain small cylindrical shells which they polished to a high degree of luster, and, by drilling them lengthwise, formed them into beads, which they used as money. The beads they strung upon threads and made into belts. This form of money was what was known as wampum, of which there were two qualities, black beads and white—one of the black being held to be equal to two of the white. The colonists, who had brought with them very little gold or silver from Europe, utilized this wampum as money in their dealings with the savages; and in Massachusetts it finally became legal tender even for the planters. "It was good money," says Gen. Walker. It was better money than articles of food or fur, because, by not having such immediate utility as a commodity, it was not so likely to be suddenly withdrawn from the money use.

In all instances the articles selected to perform the function of money were such as had at first been exchanged by barter, as commodities, against other commodities, and by degrees came to be used as articles against which all others were exchanged. Commodities that were not readily perishable, thus insensibly developed into money. But while infinitely better than barter, such commodities could never be relied upon to serve in the most efficient manner all the purposes of money, owing to the fact that notwithstanding their comparatively nonperishable character they were so useful as to render society constantly exposed to the danger of being deprived of money by reason of the consumption (and consequent destruction) as commodities of the very material constituting the money of the community.

Thus, where articles of food were used as money, it was impossible to say how long they would be permitted to play the monetary role. In severe climates, in which furs were money, there was no surety how long they would be allowed to remain in the monetary condition. No complicated chemical or mechanical process being necessary to turn them to commodity-use, a piece of fur which in the morning was money, might before evening be an article of apparel. Hence with the development of the art of mining it was perceived that the metals offered better media than any that had been theretofore used as materials of money.

While other commodities answered sufficiently the purposes of exchange in the primitive condition of society, whether as instruments of barter destined to immediate consumption or even as media of exchange when both sides of a transaction were to be made on the spot, they were not so well adapted as the metals to be instruments of so-called measurement or expressions of value, when on one side nothing was *immediately needed* for consumption, and when, therefore, one-half of the exchange was necessarily relegated to a future period. The more useful and necessary an article was as a commodity, that is to say, the more important it was as an article of food or clothing for the comfort and sustenance of man, the greater the probability that it would shortly be consumed, and thus be removed altogether from the monetary use.

As society advanced, although still restricted to primitive labor, people came to have a larger variety of occupations. Thus, a greater number of exchanges became necessary, the disposition to accumulate—to provide for a rainy day—became more and more developed; and men did not at once consume all the products of their labor. As wealth grew and exchanges multiplied, it became more and more difficult to retain without deterioration the articles exchanged. Hence a great increase took place in that class of transactions which, on one side at least, did not demand the immediate consumption of the articles forming the subject of exchange. With a constantly growing division of labor those who were producers were making more of one class of articles than they could themselves either consume or dispose of; other men therefore became *traders*, whose business it was to lay in a stock of articles for future exchange.

Some instrumentality was then needed by which the degree of mutual sacrifice incurred by the parties to an exchange could be estimated, or, as it is usually called, measured, and a definite expression or record of such measurement secured. How should such an instrumentality be secured?

All classes of objects or materials that before the birth of mining could be accumulated in sufficient quantity to serve for money were in the nature of the case more or less perishable. It was only with the discovery of the art of mining that it was possible to effect any great degree of accumulation of material adopted for the money use.

The indestructibility of the metals and their universal acceptability for purposes of ornament pointed to them as the best materials for accumulation. Gold and silver, by their ready divisibility, noncorrosiveness, and susceptibility to luster, naturally lent themselves to the process. Their high esteem constituted them in all parts of the world the prime articles of barter, against which any other articles at any time could be exchanged.

In the slow process of the ages the metals were being gradually withdrawn from the commodity use and applied to use as money. During this period the demand for them for purposes of ornamentation and as commodities became insensibly merged in the demand for them as money. Notwithstanding the universality of the desire for ornament there is a desire more universal and more urgent—the desire for articles of absolute necessity, for such as will sustain life. In the form of commodities the utility of the metals was limited to the satisfaction of one want and that not an indispensable want, but a want likely to be experienced only after indispensable wants were supplied, a want felt most among the rich or the well to do.

When they became money instead of supplying one want they would supply *all* wants. Their use instead of being confined to the rich would extend to every class of the community. He who should possess them would possess not merely an ornament, he would possess *all things;* not merely a ring to adorn his finger (a trifling want at the best), but clothing to protect him from the inclemencies of the weather, a bed in which to rest, a house in which to find shelter (wants of the most material character); above all, food to sustain life, and what will not a man give for his life!

As the quantity of the metals, then, increased, the very act of increase which by degrees was rendering them of less and ever lessening value as commodities, was at the same time, and by the same process, rendering them valuable as money. So that the demand for the metals for purposes of ornamentation became insensibly and by degrees merged and absorbed in the greater and more exigent demand for them as money. And although the process was a gradual one, the time finally arrived when, owing to the prodigious stock on hand, they no longer owed to the commodity demand any portion of their value. But this took no value from the metals. It was a mere transference, by slow and imperceptible degrees, of the cause or source of their value.

By this transference the metals *lost no dignity;* on the contrary, they enormously gained dignity. It would be an impeachment of the judgment and penetration of mankind to suppose that it could more highly esteem or value an article for the degree of utility which it may be supposed to possess in the tawdry trappings of apparel—a function of mere ostentation, in which the king may be emulated and outdone by the clown in the circus—than for the immeasurably greater degree of utility which it must possess for mankind as money—as the great instrumentality which delivers men from savagery, admits of their aggregation in communities, renders possible a division of labor suited to the aptitudes of each and the needs of all, develops skill of hand and brain, feeds the hungry, clothes the naked, shelters the homeless, educates the ignorant, uplifts the humble, refines the gross, and gives heart and hope and happiness to all who are weary and heavy laden.

In all of these capacities money not only possesses value, but value so inestimable that civilization could not exist without it. Is not this the test of the highest value? What difference does it make what the reason of its value is, if we only recognize that it has value, and that changes in its value are fraught with most serious consequences, whether for good or ill, to the human family.

The service which money performs is one wholly of a societary character. Without a group, without an aggregation of people, there is no office which it could fill. To a man in isolation it would be utterly useless; in fact for him it could not exist. Having no one with whom to exchange anything there would be no necessity for any instrumentality of exchange. Having no one to whom to give, or from whom to receive, he would have no need to compute or record the degree of sacrifice involved in any of his labors.

MONEY ESSENTIALLY A FUNCTION RATHER THAN A MATERIAL.

Money is not, therefore, a natural production, but a creation of society, and can be created only by society. The metals are natural substances, that is, they are products of physical nature. Money is not such; not an emanation of the earth, but of the mind of man, not the work of his hands, but of his brain. Essentially money is a function rather than a material, an intangible yet most palpable and mighty power, as superior to the material which clothes it, the agent endowed with the money function, as the spiritual nature of man is superior to his physical nature. The relations are more nearly parallel indeed than upon a cursory glance would appear.

In its essence money can not be a material thing any more than a function of the brain can be so. As civilization develops functions are differentiated from the things with which, in the rude original of society, they have been identified. Nothing better illustrates this than a glance at the origin of civil society.

As men emerged from savagery, the strongest among them, who in personal combat subjugated all others in his environment, became ruler or governor of the community. He ruled by right of animal strength.

Thus in physical force had government its origin. But as civilization advanced and the tribe of twenty or fifty developed into the nation of millions, one man could no longer cope with his environment. One was not equal to all. Why, then, did society tolerate him; why did it retain him as governor? Was it still for his physical qualities? By no means. Society had made a great discovery—namely, that the function was more important than the person. However unwelcome might be the individual, even though despotic, he fulfilled an indispensable function, and as society became stronger, and the ruler, as an individual, relatively weaker, the function did not lose, but on the contrary *gained* strength.

No country in the world better exemplifies this than the United States, in which the person who presides over the Government is only the principal servant of the people, and (except when the silver question is under discussion) is recognized to be merely a servant. From age to age, through unbroken centuries of time, the *function* has been recognized as indispensable to the existence of society. Whatever the name, nation, or title of the person, he takes his place at the appointed time, in the interest of society, and although, looking to the traditions of a distant past, he may ascribe his elevation to inherent qualities of his own, yet the philosophy of history should admonish him that he is mistaken. And when, in time, the inevitable call comes, and the final accounting is made, he passes away and his place is filled by another. The individual is dead; the function never dies. "The king is dead; long live the king."

As men began to reason it was seen that without the existence and exercise of this function of what in monarchies is called the king, and in republics the chief magistrate, the social relations could not endure; men could not, so to speak, cohere in communities, and would again be relegated to primitive individualism—in other words to barbarism. Without this function society would be separated into its component elements—to individual and fragmentary existence, to isolation and impotence. At all hazards this was to be avoided. Not thus was the destiny of man

to be fulfilled. So the institution of government, which, in the crude beginning, was created by an individual from motives altogether personal, and by no better right than that of the strong over the weak—was continued by society as the very quintessence of its own existence.

But what a transformation in the agency by which this is accomplished! The work of the bludgeon, even of the bullet, is performed by the ballot—how much better it is not necessary to suggest. The material of the bludgeon may be stronger than the material of the ballot, but the *function* of the ballot is as strong as that of the bludgeon.

It is, after all, for their functions that all things are esteemed, for their services to mankind that all things are valuable. An Indian gets a bright new rifle from a passing trader. It is the most beautiful thing the Indian ever saw. He understands firearms, and can use them well, but he has never seen anything so beautiful as this. He prizes it beyond anything he ever possessed. Not only has it great beauty, but the trader informs him that it has great "intrinsic value." It is of the utmost service to the Indian in procuring food and for self-defense. One day it gets out of order. He can not use it. He is obliged to go without food and without defense. It has lost none of its weight, its polish, its material. Its so-called "intrinsic value" still exists. It is simply incapable of performing its function, and it is wholly valueless.

In a few months, the trader, repassing that way and finding no serious derangement in the parts of the rifle, is able in five minutes to restore its function. Immediately it is as valuable as before, yet there has been no addition to its "intrinsic value." The only change is that its *function* has been restored. Which factor was it that contributed most to the value of the rifle, the material of which it was composed or the function which it served? While it was out of order—while deprived of its function—the rifle was no better than so much old iron, worth perhaps a cent a pound. When the function was restored I suppose it will be said that again it had great "intrinsic value."

Let us take another illustration:

Suppose a great painter to produce a picture which extorts favor from the critics and commands the admiration of the world of art. The multitude flocks to see it. Shortly it is stated that the picture has been sold. It has been bought by the governors of the academy, to adorn one of the beautiful galleries of that beautiful structure. The question is asked how much was paid for the picture. No one knows; but it must be a great sum.

What are the elements that determine the value of a picture? Is it the labor involved or the length of time taken to produce it? Some men, good artists, might work hard for a lifetime without rivaling it. Is it the value of the pigments consumed or the brushes used in its production? Surely not. Is it the first cost of the canvas? Not at all. What, then, is the source of its value? To answer this question we must ask, "What is the *function* of a picture? What office does it fulfill? What service does it render?" Is it not to gratify the artistic taste? To whatever degree it serves that purpose the picture will have value without reference to the labor bestowed upon it, the length of time taken to produce it, the cost of the colors used in the embellishment of the canvas, or the cost of the canvas itself.

Would anyone say that the perfect performance of the function is not sufficient to give value to the picture? It can be nothing else, inasmuch as the purchaser does not expect to put it to any use except the gratification of the sense of sight. Is it not enough that by its beauty it contributes to the delight of the beholder? What other function could a picture perform? If it did not perform that function to the degree that it does would its value have been so great, even had the painter expended on it twenty times the labor and had the materials cost a thousand times as much?

Everything, then, in its place; everything to its use. The beauty of this picture is not a concrete thing. It can not be handled. The canvas may be handled, the pigments may be touched, but the beauty is an immaterial and intangible quality. Yet the beauty—the intangible and immaterial factor—not the concrete object *on* which, nor the concrete instrumentality *by* which the embellishment is effected, determines the value of the picture.

So it will be found, as I have said, as to all things that aid the advancement and progress of man. For him, whatever the material composition may be, the essence of the article, and the source of its value, is and must always be the use it subserves, the service it performs, the function it fulfills.

One further illustration as to the importance of the function in contradistinction from the material by and through which it may be exercised. Suppose we bring together in a large receptacle 96 pounds, by weight, of water, 10 pounds of pure glue, 3 pounds of white of egg, 34 pounds of fat, 8½ pounds phosphate of lime, 1 pound carbonate of lime, 3 ounces of sugar and starch, 7 ounces fluoride of calcium, 6 ounces phosphate of magnesia, and a little ordinary table salt. Now, what have we? One hundred and fifty-three pounds of chemical ingredients. What are they worth? What is their "market value"? Excluding the water, which may cost nothing, they can be bought in a village store (combined drug store and grocery) for $2 or $3.

In this list we have all the constituent elements that, taken together, constitute the average physical man; weight 153 pounds. From a material point of view the man is complete. Why does he not arise and walk? What is it that constitutes the difference between this body of matter and the man of whom it is the corporeal equivalent? The function of life! In comparison with the distance between that mass of inert material and the living man of the same weight, it is not too much to say that the distance from the earth on which we dwell to the farthest of the fixed stars is but as the elemental point—which geometry declares to have neither length, breadth, nor thickness.

However necessary then a material may be as the bearer of a function—the instrumentality by which it is given effect—it is not the material that gives value to the function, but the function that gives value to the material. Considering the function which money subserves, can it be necessary to supplement with commodity value (a value derived from a trifling and frivolous use) the far nobler value, which, in the nature of the case, must be conferred on the material by the imperial and unapproachable money function?

For men in the societary condition this function is well described by Hobbes in his Nutrition of a Commonwealth. He characterizes it as a measure—

by means of which measure—

he says—

all commodities, movable and immovable, are made to accompany a man to all places of resort, within and without the place of his ordinary residence, and the same passeth from man to man within the Commonwealth, and goes round about, nourishing as it passeth every part thereof, insomuch as this concoction is as it were the sanguinification of the Commonwealth. * * * By concoction I understand the reducing of all commodities which are not presently consumed, but reserved for nourishment in time to come, to something of equal value.

Would time permit, a further consideration of the essential nature of money would but strengthen the demonstration that the intricate relations of society, which, at every turn, cross and interlace and superimpose, can only be maintained in all their vigor and efficiency—in all their harmony and beauty—in all their strength and complexity—by means of money. What heat is to the physical universe money is to the universe of industry and commerce. It is the great resolvent and analyzing agency of human effort. A sufficiency of it maintains the warm glow of life in all parts of the system: an insufficiency chills the business currents, and if the insufficiency be progressive, results in the congelation of all energy.

In rendering possible a division of labor, by means of which men become skilled in the separate departments of industry and even in special lines of each department, money divides and subdivides all things into infinitesimal fractions and renders the exchange of each fraction as practical and as advantageous as the exchange of the integral articles of which these fractions form a part.

Aristotle well understood this function of money and well expressed it in the following paragraph in the Ethics:

Intercourse takes place between people having different objects of desire. In order that they may be exchanged with each other it is necessary that they should be compared, for which purpose money came forward, and is as it were a medium, for it measures everything, both the excess and the defect; as, for instance, how many pairs of shoes will be equal to a house or to food; for if this is not done there will be no exchange or intercourse. All things, therefore, must be measured; but it is, in truth, want—

That is to say, demand—

which holds all things together, for if persons wanted nothing from each other, or not equally, there would be no exchange. Money, then, has been made, by agreement as it were, a substitute for demand, and is so called because it exists not by nature but by law, and it is in our power to change it and make it useless for the purpose. If it were not possible to exchange there would be no commerce. If a man requires nothing at the present time money is, as it were, a surety to him for a future exchange that it shall be made when he wants it. But money itself is not always of the same value, but yet it has more tendency to remain fixed, wherefore everything ought to be appraised, for so there will be exchange. Money, *like a measure, makes things equal;* for if there were no exchange there would be no intercourse, nor any exchange if there were no equality, nor any equality if there were no common measure. In truth, it is impossible that things differing so much should be commensurate, but for practical use it is sufficiently possible. Money makes all things commensurable, *for all things are measured by money.*

The frequent references of Aristotle to money as a "measure," his saying that it "measures" everything, and that it makes things "equal," show that even in his time money was well understood to be rather a measure of value than a mere medium of exchange, and that its greatest function was as such measure. However useful as a commodity might be the material of which

it was composed, it was impossible for it to be so valuable for any commodity-use as for that supreme use which consists in measuring and adjusting the mutual relations of men in the work of producing and distributing wealth, by which not only is life sustained but by which the physical, intellectual, and moral development and elevation of man is made possible.

MONEY COMPARED WITH LETTERS.

In the ninth chapter of his history of the Decline and Fall of the Roman Empire the historian Gibbon compares the invention of money with that of letters, and adds that both of these institutions, by giving a more active energy to the powers of human nature, "have contributed to multiply the objects they were designed to express."

Nothing can be more correct than this statement. No invention of man, with perhaps the single exception of the invention of letters, is to be compared with that of money—if money may be called an invention.

The indications of history are that money preceded the invention of letters; for in all the oldest writings that have been discovered money is mentioned. It is certain that letters could have been of but very limited utility to men until they had learnt to use some article for money. Next after spoken language, money is the great instrument of association. Without it, men would have found difficulty in achieving such a degree of association as to invite or demand the invention of letters.

As without some considerable development of language men must have remained savages, so without the invention or evolution of money they could have lifted themselves but little above the savage condition. As Gibbon says, both money and letters have contributed to *multiply* the objects they were designed to express. All thinkers agree that language is not a mere instrument for giving expression to thought; much more than that, it is also an instrument for the development—the creation—of thought.

Without the faculty of "thinking out" a subject by the differentiation or modification of old words, or the invention of new, the powers of the human mind would be torpid and inert.

The function of language, therefore, in the advance of man has been to supply the tools with which to analyze and synthesize thought, to subdivide it into its component elements—its separate ideas—and to arrange or rearrange those ideas in orderly sequence and juxtaposition. Thus only could the great chasm between concrete things and abstract conceptions have been bridged.

But the work of money even in these respects was hardly inferior to that of language. Since the dawn of creation the wants of man have been extending. The satisfaction of physical wants begets mental wants, which in turn operate as incentives to the further increase of the range of wants both physical and mental. Man may be distinguished from the remainder of creation by describing him as the unsatisfied animal. His wants are insatiable. That which was yesterday the goal of his ambition is to-day but the starting point for some new want. It is the paradox of his many-sided nature that it finds repose only in eternal activity.

The tools which language has supplied to man for the development and multiplication of thought, money has supplied to him for the development and multiplication of things—*without which thought could not be.*

The absence of all means of specialization, and of the power of training and developing aptitudes among men, would constitute society a gathering of languid, dronish, and unaspiring people, scattered in isolated hamlets, remote from each other, and incapable of any high degree of civilization.

In contradistinction from a society conceivably without money, we may point to the marvels of the nineteenth century. Those marvels, however, in my opinion, fall very far short of the achievements with which mankind could now be credited had our philosophers, statesmen, journalists, and so-called financiers devoted to the subject of money a tithe of the attention that they have devoted to some of the minor considerations of social progress.

With the advancement of man in the subordination of the forces of nature, it must, to the reflective mind, seem amazing that every few years—and those years recurring with remarkable regularity of periodicity—there should be a crash in which the entire body of the arts and industries of mankind is brought to the ground, as if we were still in the initial stages of civilization and knew not how to preserve that which we had gained.

There can not be a doubt that this results from the total insufficiency of the money supply to transact the enormously increasing business of the world, yet we find the demand for gold constantly increasing: Austria, for instance, with its population of forty-one millions having, by the act of August 2, 1892, gone to the gold standard, and even Russia, which does not intend to go to it, taking out of the monetary circulation of the world and locking up in its war chest nearly $500,000,000 of that metal.

Yet notwithstanding the rapid increase of population and commerce and industry all over the world and especially in the United States, we are told that we must enter into a contest for gold with the countries of the Old World, and that without having made any agreement to do so, we must pay out gold upon demand to every Austrian broker and speculator who can make a little commission by gathering up the money of our country and sending it away; and that at the same time that we are thus losing one form of our money, we should not be permitted to have an equal quantity of any other form of money to take its place. The gold-standard men tell us that if there should be a premium of even 1 per cent on gold the silver money of the country—notwithstanding that it is legal tender for all debts, public and private—would fall, or as they call it would "slop" to the bullion value of the silver that is not coined—that portion of the metal that is denied the imperial and all-important function of money; and this they call the natural or "market" value of silver.

DEMAND FOR COIN COMPARED WITH THAT FOR BULLION.

Here is a piece of silver bullion (exhibiting it)—a piece of metal not coined, and therefore not having the legal-tender function conferred on it by law. Suppose I should offer it for sale, what would be the demand for it? Inasmuch as it could be used only as an ordinary commodity, I might travel over the entire city without finding anyone who would want it. Yet the price it would thus bring, the price arising from a demand for only one purpose—and by only three or four persons in an entire city—is the value which the gold-standard Senators say that silver would have if the demand were increased to so enormous an extent as to make it a demand for all purposes—to make it a demand not by a few hundred men in the entire country, but by every one of the 67,000,000 inhabitants of the United States.

Suppose the Government should put its stamp on this piece of metal that I have exhibited and make of it a piece of legal-tender money, would not a transformation be effected? Would it not be transmuted from an inconsequential thing—a thing that hardly any one would need—into a thing of supreme importance which no one in the country, however independent and self-sustaining, could do without; yet these economists around me tell me that the value of that piece when it represents a demand for all things, an exigent and inexorable demand upon which life itself depends, should be measured by its value when it represents a demand for only one thing—a single commodity—which like any other commodity could be readily dispensed with.

Mr. GRAY. It does not make any difference as to the quantity?

Mr. JONES of Nevada. The quantity of money, other things being equal, as I shall show in the course of my remarks, fixes the value of money. Nobody has ever successfully controverted that, and the authorities all admit it. No Senator on either side of the Chamber denies the proposition that it is the number of units of money (dollars, francs, or pounds sterling, as the case may be) in circulation in a country that fixes the value of each unit in that country.

The demand for money is universal. When people want money it is not particularly gold that they want; they want something that has general purchasing power, something that is a ticket of command for all things.

Mr. GRAY. Could it not be done with copper?

Mr. JONES of Nevada. Undoubtedly; but there is too much copper; that metal has never been admitted to unrestricted coinage because there is too much of it; while silver has from time immemorial had unrestricted access to the mint, and there is not, and never has been, too much of it. The world has become accustomed to the coinage of all the gold and all the silver yielded by the mines and there is no necessity for the abandonment of that plan. It has been followed for thousands of years, and of both together there has never been too much.

Mr. HOAR. Will it disturb the Senator from Nevada if I ask him a question?

Mr. JONES of Nevada. Not at all.

Mr. HOAR. I should like to ask the Senator, if his theory be true, then why he asks Congress to incur the expense of using several hundred million dollars' worth of silver coinage, whatever the cost may be, by taking a material which costs 65 cents for every dollar instead of making our dollars out of a material like copper or leather or brass, or something of that kind, which does not cost one-tenth the amount? Why are we to expend so many hundred million dollars for silver when we can get something cheaper that will answer the same purpose?

THE AUTOMATIC SYSTEM OF MONEY.

Mr. JONES of Nevada. Because the belief of a majority of the people of this country has been in what has been called the

automatic system, a system not regulated by legislation; and the creditors of the world, the holders of the bonds of the world, including of course the creditor classes of the United States, are always vehemently against government interference with money, except when it is getting cheaper. At this time their objection is to silver. Forty years ago their objection was to gold. If by any chance gold should again become plentiful, they would again insist on its demonetization.

In 1848 a great discovery of gold was made, and the most learned of scientists, in the interest of the bondholding classes (those who are now, in my judgment, attempting insidiously to enslave the world), wrote endless essays bewailing the disadvantages to result to the bondholders and owners of public debts by reason of the beneficent discoveries in California and Australia. They advocated as to gold then what they advocate as to silver now, that it should be eliminated from the category of the automatic theory, which from the earliest period meant the coinage of both gold and silver at a relation established by law or mint regulation. In the interest of this class, Germany actually demonetized gold in 1857. In no instance in the history of the world, when one or both of the metals has been getting dearer, have the creditor classes been heard to favor governmental interference with the automatic system; but on the contrary, they have denounced all such interference as an interference with natural law.

But no sooner did they find one of the metals—whether gold or silver—becoming a little cheaper by reason of increased production, no sooner did they see a prospect of losing the unearned increment which by reason of the almost constant increase in the value of the monetary unit they had been receiving, than they reversed the entire policy of history and—for example, before the French monetary commission of 1869—declared in favor of governmental interference with the automatic theory, with what they had theretofore called "natural law"—even going so far as to declare that as governments control the standard of money they ought, so far as possible, to assure its value—by value meaning of course purchasing power. But without reference to the interested contentions of the creditors, the people of this country are, I believe, in favor of the automatic theory, *provided it is to be consistently and impartially carried out.*

Mr. STEWART. Will my colleague a little more fully explain what is meant by the automatic system? A good many people who may read his remarks when in print may not know the precise meaning of the term.

Mr. JONES of Nevada. The theory is that by depending on the yield of the mines for the supply of the material from which money should be made there would be secured what has been called an automatic or self-regulating method of determining the quantity of money. Under that system by which, when carried out in its integrity, both metals were used, creditors and debtors alike took their chances of a greater or less increase in the money volume and of their being affected injuriously by one change or the other. By confining the money used to a single metal the creditor is eliminated from the risks of the partnership and that which in the case of the debtor was but half a share in a risk is by the change turned into an entire certainty of loss, while the creditor is sure to gain.

It is quite probable that if the yield of both metals should be fully availed of for money purposes all classes in this country will be willing until such time as the mines shall fail to yield a sufficient supply of both for the purposes of the world's money, to continue to trust the regulations of the money volume to the limitations which the rude obstacles of nature oppose to the production of the metals, rather than confide that function to the action of legislation.

Senators have stated here that they are bimetallists. The distinguished Senator from Massachusetts [Mr. HOAR] in a most eloquent speech said that those who agreed with him were bimetallists and wished both metals to be in circulation at one time, while we on our side, he said, were silver monometallists. But, Mr. President, if there be enough of one metal, why have two? If both can not be made to circulate at the same time on account of the scarcity and therefore the increasing value of one, in consequence of which increase it leaves the country, I am in favor of having the one of which there may be a sufficient quantity.

The question is not whether we shall have a white or a yellow metal upon which to put the stamp of the Government; the question really is, shall we have a quantity of money that will maintain justice between debtor and creditor in the matter of deferred payments—a feature not only of great but of surpassing importance. Mr. President, justice is in my estimation much more sacred than gold. When it is said that we should have a dollar that will be at a parity with gold, I reply that we might better have a dollar that will be at a parity with the products of the labor of our people—at a parity with a bushel of wheat and with a pound of cotton. What I wish to see in this country is a dollar that will be, and will stay, at a parity with justice. Gold is at a parity with nothing, but on the contrary is at a disparity with everything.

Mr. ALDRICH. Will it disturb the Senator——

Mr. JONES of Nevada. Oh, no.

Mr. ALDRICH. I will not interrupt the Senator if it is not agreeable to him.

Mr. JONES of Nevada. I have not the slightest objection.

VALUE OF MEXICAN DOLLARS.

Mr. ALDRICH. I understand the Senator from Nevada to say that the value of money depends upon a limitation of the units of quantity, in one part of his argument, and in another part of his argument he says that it depends upon the legislative legal-tender function which is given to it.

Now, I ask the Senator is it not necessary in order to maintain the value of money that both these qualities should coexist? Otherwise is it not true that the coin will only represent the market value of the bullion that is in it? Take the case of Mexico, for instance, where the silver dollar is an unlimited legal tender and where the purchasing power of the silver dollar coined by the Government is no greater than the number of grains of silver bullion that it contains.

Mr. JONES of Nevada. I have frequently stated in the Senate that silver bullion everywhere, on account of that metal being used by Mexico as money, is worth somewhat more than it would be if Mexico did not so use it; but so slight is the capacity of that country for producing commodities that will command the products or money of other countries that it fails to raise the bullion value to any material degree. Of course, with unrestricted coinage in any country, the bullion value and the mint value will in that country be coincident.

As the Senator says, I have stated again and again that money is a creation of law, and that the value of the unit depends upon the number of units, but he is aware that I have also frequently stated that no matter how many or how few may be the monetary units in a country they will represent all the value that is possible to exist in the shape of money in that country at that time. If the business of a country were being performed by $50,000,000, no value would be added by making the number of dollars one hundred million, other things remaining unchanged; because unless population and business should have increased that one hundred million would have no more work to do than had been done by the fifty million.

Mr. ALDRICH. As I understand the Senator's argument now it is this, that the reason the coinage value and the bullion value in Mexico is the same is because of the greater number of units in circulation in Mexico as compared with the business of that country and the demand.

Mr. JONES of Nevada. Certainly.

Mr. ALDRICH. Would not that same thing be true in the United States if the number of silver dollars in circulation here had the same relation to business that it has in Mexico?

Mr. JONES of Nevada. Undoubtedly, if this country had as much money in proportion to its business as Mexico has, it would result in the same range of prices as results in Mexico.

It is impossible for this country, whose business is infinitely greater than that of Mexico, to obtain the amount of silver which would be necessary to constitute as many dollars in proportion to its business as the people of Mexico have in circulation. So vast a quantity of silver is nowhere to be found. It is not that the people of Mexico have much money per capita, but that they are not a money-absorbing people. That country is one of small population—not one-sixth that of the United States, and with a foreign trade hardly more than one-twentieth that of the United States; besides which almost all of its exports comprise articles which the countries of Europe could without material inconvenience altogether dispense with. Its domestic trade can hardly be one-hundredth part that of the United States, and much of it is conducted by barter. The demand of the Mexicans for money of any kind is so insignificant that it can not be expected to materially raise the gold price of silver bullion.

We know that the value of such bullion as is not transmuted into money necessarily changes with every new demand; and our contention is that with unrestricted coinage the demand which the United States would make for silver would put the uncoined metal to a parity with the coined metal all over the world, because the price established here would become the price everywhere. Every holder of silver bullion in any country would demand for it per ounce in that country the very price that he could get for it in this, minus only the cost of shipment. We point to the fact that France, when it had less than half the population of this country, kept the metals at a parity without the slightest difficulty for three-quarters of a century; and to the fact that when in 1890 there appeared for a time to be a prospect

that our mints might be opened to the unrestricted coinage of silver the price of bullion rose to $1.20 an ounce, and as it rose here it rose correspondingly all over the world, as the official figures will prove.

But there has been no depreciation in the value, that is to say, in the purchasing power, of the silver money of Mexico. What a Mexican dollar would buy in Mexico in 1873 it will buy in Mexico to-day. Had there been a depreciation it would have evinced itself through a fall of commodities. There has been no such fall in the prices of commodities, measured in silver, in Mexico or any other silver-using country.

A COMPARISON OF HORSES.

The Senator from Rhode Island seems to assume that if we should decide on gold as the money standard of this country we should obtain an unchanging standard of value. The very pith of our contention is that gold is constantly rising, and that by adding silver to gold in this country we should arrest this rise. The gold-standard advocates argue as if by depriving silver of its right of unrestricted access to the mint the value of gold had not been augmented. Why, Mr. President, by devolving the entire demand for money upon gold alone an enormous increase has taken place in the value of that metal. In the very nature of the case it is impossible that such a result could have been avoided.

To use a homely illustration, suppose that in any given country there were a certain number of white, and a certain number of yellow horses, and that a law were passed forbidding the harnessing of the white horses, so that all the work would necessarily devolve upon the yellow. On the one hand the increased demand for yellow horses must naturally increase their value, while on the other hand the demand for white horses, being proportionately reduced, the value of such horses would naturally fall. Suppose that afterward a law were passed restoring to white horses the right to be harnessed, is it not obvious that then the demand, instead of being all concentrated on one class, would again be divided between the two classes, and that as a consequence the value of yellow horses would diminish, while that of white horses would increase?

Mr. GRAY. May I ask the Senator, in connection with his very interesting illustration of the two metals, whether if a man had a yellow horse which was capable of doing all his work it would be economy to buy also a white horse, which would have to be fed, and to divide the work between the two.

Mr. JONES of Nevada. The condition on which the Senator bases his inquiry is of course hypothetical. The very contention we make is that there are not enough in number of the yellow horses. To drop metaphor, the reason why, to the eyes of many persons, there appears to be enough money is because money is something that in its nature is wholly unlike anything else. Whatever quantity of it may at any time be in use will at that time appear to be enough, because as the quantity of money (in proportion to population and demand) becomes less and less, the prices of commodities and property necessarily become less and less; so that a quantity of money which at, say, the present range of prices might be wholly insufficient to effect the present volume of exchanges, might, when property and commodities had fallen to a lower range, be ample to exchange *at the lower range of prices* all the commodities and property in the market.

To illustrate, we have to-day a certain quantity of money in this country. That quantity results in the establishment of a certain range or level of prices of commodities and property. Now, there would be no trouble whatever in transacting the business of the country with one-half or one-fourth that quantity of money, provided we were content to let the prices of commodities and property fall to a level sufficiently low to be compatible with the reduced amount of money. The objection is not, therefore, to low prices, of themselves, but to *the persistence of the lowering process*—the constant and unending fall—which renders it impossible for industry and commerce to find a steady level from which prosperity might begin.

EFFECTS OF CHANGES OF MONEY VALUE ON DEFERRED PAYMENTS.

Even an unceasing fall of prices would be a matter of no consequence if all transactions were for "spot cash"—if no debts had been contracted or deferred payments bargained for. All will admit that under conditions as they are at the present time if the money unit were to double its purchasing power in, say, one year, so enormous is the volume of debt and of deferred payments that the entire business world would be overwhelmed with bankruptcy. But were all payments cash payments—were there no debts or time obligations to be provided for—the value of the dollar might even in that brief period double with impunity. This will be plain on a short analysis.

A year is composed of three hundred and sixty-five days. Suppose the dollar in that time to take on an additional 100 per cent of value, yet in a contract requiring but five minutes from the instant of inception to that of consummation, the proportion of the increase attaching to so brief a period would be infinitesimal. Neither party to the contract could be injured. The value which the dollar would have when the contract was entered into would be its value when the contract was executed. No greater degree of sacrifice would be required to fulfill it than the degree that was bargained for.

How different are present conditions! The very essence of modern industrial life is the time contract. No enterprise is now undertaken except upon a foundation of debt—a foundation often wide and deep. The feature which above all other features distinguishes our age from all the ages of the past is the deferred payment. Obligations involving future settlements amounting not merely to thousands of millions, but to scores of thousands of millions of dollars have been incurred. With a just monetary system these obligations are entirely consistent with prosperity. Under such a system those enormous obligations could be met with entire equity, and to the great benefit of society; but under the operation of a money volume shrinking relatively to demand, time obligations, by a subtle and furtive process, operate as a withering blight upon industry.

Year by year the equities involved become more and more distorted; the payments demand for their satisfaction more and more of the products of labor. Against this secret and clandestine progress no degree of intelligence or foresight can protect the man of enterprise or of projective mind, who, with capital, energy, and skill, undertakes to employ laborers. It is in vain that he has thoroughly learned his business and understands its varied processes and possibilities—in vain that he looks ahead and bases his operations upon carefully worked-out plans and estimates. All foresight and calculation are thwarted and set at naught by the influence of this silent but baleful increase in the value of the monetary unit—an increase which expresses itself in a fall of the prices of the commodities in whose production the investor employs laborers and to which he devotes his capital and his skill.

I have said that the objection is not against low prices *per se*, but against the persistency of the fall. Were the downward trend to be arrested at any given stage, prosperity would set in as soon as it became evident that prices were to continue firm.

By failing to keep the quantity of money in the country increasing according to population and demand, this downward trend might continue until wheat should reach 20 cents, 10 cents, or even 5 cents a bushel, and cotton 1 cent a pound, without any other evidence of an insufficient money supply except the fact of the fall of prices, the bankruptcies which it creates and the idleness to which it relegates laborers. But are not those evidences enough? If debts are contracted while wheat is a dollar a bushel, cotton 12 cents a pound, and all other commodities in proportion, does the Senator from Delaware think that prices should be permitted continually to fall by reason of a diminution in the quantity of money?

HAS GOLD APPRECIATED?

Mr. GRAY. No; but I was referring to the illustration which the Senator used, which was amusing, and illustrations often help argument. I merely asked whether, if a yellow horse were capable of doing efficiently all the work of his owner, it would be economy to buy a white horse and feed him in order to divide the work between the two? As to whether it is a good thing that gold or any or all the metals shall appreciate, so that the prices of commodities shall go down, I wish to say that the argument regarding appreciation rests, to my mind, upon an assumption. There is no evidence—none has been adduced which appeals to my judgment—to show that there has been an appreciation of gold so as to produce this decline in prices. That argument, I think, is one that has to be met in the discussion of the subject.

Mr. JONES of Nevada. When we talk with business men, while the silver question is not under discussion, no denial is made of the fact that for the past fifteen years there has been hardly any profit in business. I had a conversation the other day with the Senator from New Jersey [Mr. SMITH], who so ably addressed the Senate on this subject, and he admitted to me that business men in general have had a difficult task to make ends meet for the past fifteen years. Occasionally somebody, under exceptional conditions, makes a little money, but the large majority of business men have had uphill work.

This is because the margin of profit is narrow, and in the greater number of instances there has been no profit at all. The prices of the products of labor have been persistently falling for twenty years. The Government of Great Britain has been obliged to appoint commissions to inquire into matters of depression of trade. The London Economist and other papers have called attention to the depression; the French and other continental papers admit it; and it was admitted by all the delegates who attended

the Brussels conference. The general and long-continued depression is everywhere and always admitted in Congress, except when silver is under discussion.

Mr. GRAY. Will the Senator allow me?

Mr. JONES of Nevada. Certainly.

Mr. GRAY. I admit, and stated the other day, that prices in the last twenty years have declined in a most notable way; but the question at issue—and if I am wrong I shall be glad to have the Senator correct me—the question at issue, and which we are called upon to consider here as the most important involved in this controversy, seems to me to be whether that decline in prices is due to the appreciation of gold or to other causes which affect the production and labor cost of commodities.

Mr. JONES of Nevada. If the fall of prices resulted from improved methods of production, business would be prosperous and there would be no need of royal commissions to inquire into the long-continued depression. "Improved methods" could not make business unprofitable. The very reason why manufacturers have recourse to new and improved methods is because they can make more profit by adopting them.

THE RATES OF INTEREST AS INDICIA OF RISING VALUE IN MONEY.

But a convincing, and, indeed, an overwhelming argument, one which it seems to me can not upon mature examination be resisted, is the fall in the rate of interest. I have not reached that subject in its order yet, but now that it has been broached, I lay down this as a fundamental proposition, that in a new and undeveloped country, among a people energetic and aspiring, when the rates of interest constantly fall it is an unerring sign that the purchasing power of the money unit is constantly increasing from causes having their origin in an insufficient money-volume. In a country whose development has hardly more than begun, if those of our people who have the genius to project great enterprises were not thwarted by some subtle, unseen, and unsuspected force, you would not find money in such light demand. During the past twenty years interest has fallen in just about the same proportion that the British royal commission said the value of gold had advanced. I assert that as the purchasing power of money increases its interest-bearing power decreases, and for a very plain reason, as the Senator will see when I state it.

Mr. GRAY. The Senator from Kansas [Mr. PEFFER] has told us at very great length that the interest on money is too high.

Mr. JONES of Nevada. Interest on money is always too high when the prices of commodities and property are falling. What good can it do a man to borrow money even at 1 per cent if on his property investment he loses 6 or 8 per cent? When prices are falling, any rate of interest is too high; it confiscates the property of the enterprising man, which property is confiscated into the possession of the man who sits in his bank parlor engaged in merely juggling with the counters by which the transaction is effected.

Mr. WHITE of Louisiana. May I ask the Senator if his argument is that the effect of the remonetization of silver will be to increase the rate of interest the people of the country will have to pay?

Mr. JONES of Nevada. There is not a particle of doubt about it. Men pay interest ungrudgingly when enterprises yield a percentage of return higher than the rate of interest.

There is at present no profit anywhere in business. If the Senator from Louisiana [Mr. WHITE] can go before the sugar-producers of his State, and the cotton-producers of the entire South, and tell them that there is going to be a sufficiency of money, and that the prices of the sugar and cotton and of everything else produced in Louisiana are going to be held firm they will not be particular about the rates of interest. When all prices are falling men are compelled to conform to the fall. Business is then conducted on a plane inclining downward. After men have produced goods at one level they find themselves compelled to market them at a lower level. This enormously handicaps the producers. For twenty years men have been paying more interest than under the conditions of business they could afford to pay. Although the *rate* may have been low, the amount paid was more than the profit they could make by the use of the money they borrowed. I deal with that subject in its order later, and must content myself for the present with this brief reference in reply to the suggestions of Senators.

By the passage of the bill before the Senate you continue and intensify that process. Business will continue to be unprofitable. You go absolutely to the gold standard when, as is admitted by Mr. Giffen, the statistician of the London Board of Trade, and others, nearly all the gold produced is consumed in the arts and manufactures, and hardly any is left for circulation as money. This, too, when the population of this country, unlike that of any other country upon earth, is increasing at the rate of 2½ per cent per annum, and the demand of the entire population for every want of daily life is made upon money. Two and one-half per cent increase of population means a 2½ per cent increase of demand for money, and yet it is proposed to cut off *all* increase—to cure what? To cure a disease which every reflecting man not jaundiced by the color of gold admits is not a surplus, but a scarcity of money. I do not see how anyone can reconcile it with his conscience, knowing that there can be hardly any addition to the gold money of the world.

Without impugning the motives of any person, I say it is a crime against mankind; it is an act of treason against the human race. We must make a choice; if the proposition is to keep a standard of gold at the expense of justice, give me, Mr. President, a standard of justice at the expense of gold.

THE DANGER OF A SILVER BASIS.

Mr. VILAS. If it would not interrupt the Senator, I should like to ask him one question.

Mr. JONES of Nevada. It will not interrupt me a particle. I want all the light possible thrown on this question.

Mr. VILAS. I understand the Senator's position to be that the remonetization of silver by free coinage would enhance its value. Now, does the Senator not recognize that at any of the ratios proposed for that purpose there would be a great risk, at all events, of a monetary derangement in such a scheme?

Mr. JONES of Nevada. I will answer. In the first place, all the silver that we have remonetized, every dollar that has been struck off at the mints, weighing 371¼ grains of pure silver, or 412½ grains of standard silver, has been right up to parity. That is indisputable. Only the portion that has not had the supreme prerogative of coinage conferred upon it has depreciated. Every silver dollar that has been coined is as good as a dollar of gold or of anything else.

Can the Senator point out any country from which there is any great amount of silver to come here? Does the Senator doubt that if there were only one dollar more of silver to be coined it would go right up to a parity with the gold dollar, as all the other silver dollars have gone? And if he does not doubt that, does he know where any extraordinary number of dollars are to come from?

Mr. VILAS. I do not suppose that the Senator can make the answer he is making now without knowing that the reason why the silver dollars have been held at par is because the Government has done it by force of its pledge of parity, and by the practice of the Treasury in maintaining it.

Mr. JONES of Nevada. I can say to the Senator that I was on the conference committee which made what he calls a "pledge of parity," and there was no "pledge of parity" given. There is not, in my judgment, a lawyer in this body who will tell me that under any rule for the interpretation of statutes a stray expression, such as the Senator calls a "pledge of parity," without any provision for its enforcement, is more binding than a provision distinctly and expressly mandatory, specifying with precision what, under certain circumstances, the executive officers should do.

There was never any promise made that the silver dollars should be exchanged for gold. And as every man knows, during the very period in which the gold standard press was stating that the people of this country feared the silver dollars would go to a discount, those very dollars were going to a premium over gold. There was never a more impertinent declaration put before a people than that the recent panic was occasioned by any fear on the part of the people of this country that their silver money might not retain all its value. What better proof can be cited of this than that silver dollars went to a premium of 3 per cent over gold?

During all the period of the panic I never heard of a man taking any portion of the money of the United States, whether a silver dollar, a greenback dollar, a Treasury note, or note of any other kind, to the Treasury to be exchanged for gold. In all the "runs" that were made upon the banks and all the money that was taken out of the Treasury no effort was made by our people to get gold. The fear entertained by the people was not of the kind of money in which they would be paid. What they feared—and subsequent events proved their fears to be well-founded—was that the banks did not have any form of money in which to pay.

Mr. VILAS. Then do I understand the Senator to mean to answer that, in his judgment, there would be no risk of serious monetary disturbance if at once unlimited and free coinage were given to silver at the ratio of 16 to 1?

Mr. JONES of Nevada. Why, Mr. President, if the Senator from Wisconsin would only tell me what he fears—for, from the way he argues, it seems to me that he must fear something—if he would describe to me the character of his fear, I might argue

with him about it. I have not the slightest doubt that in ten minutes after a free coinage bill became a law silver would be at a parity with gold.

I can say another thing to the Senator, that, with a decreasing quantity of gold in the world, silver, if endowed with legal-tender functions, would keep on a parity with gold without the slightest difficulty, and I will give the reason for it. I hope I shall be excused by the Senate for anticipating at this time a point which I shall reach in its natural order later on.

How could silver, when once made full legal tender in this country, fail to maintain a parity with gold? Let us see how that would be. According to the admissions of the Treasury Department we have $600,000,000 of gold in the United States to-day. Our total money supply is given as $1,600,000,000. On the basis of that money stock the prices of commodities hold their present level. Does anybody suppose that if we should come to have less than one billion six hundred millions of money in circulation we could have a rise of prices? Will a contraction of the money volume result in an increase of prices? Is that possible under any theory of finance of which anybody ever heard?

Mr. VILAS. If the Senator desires an answer——

Mr. JONES of Nevada. Yes; I desire to know if we can have an inflation with a smaller quantity of money?

Mr. VILAS. I will ask the Senator this question: If that condition of things took place, would not the owners of silver in Europe and Mexico and other parts of the world bring their silver here to be coined into dollars with which they would buy our gold and transport it to where it was worth more than the silver?

Mr. JONES of Nevada. I will admit all that, just for the purpose of the argument, but I have never been able to find these owners of silver; I have never known where they lived or where they are to be found; and nobody has ever pointed them out; but I will take it for granted the Senator knows about it and that they are a great menace to this country—threatening every day to come here and pour their money into this country.

Mr. VILAS. Has the Senator never heard of the fact that the Bank of France has some $700,000,000 of silver in its vaults?

Mr. JONES of Nevada. I will take all the facts. The Bank of France has $250,000,000 of its reserve in silver and that silver can not be sold without legislation changing the money system of the country. It is held there at a ratio of 15½ to 1. If they did sell it they would have to bring it here at the ratio of 16 to 1 and lose 3 per cent on every dollar they brought. If the Bank of France or any individuals in France wanted to send here any French silver which does not form part of the bank reserve they would have to gather it in from all the nooks and corners of the country at great expense for brokers' commissions. That expense would be in addition to the loss on the ratio. There would be another loss in melting it up and eliminating the alloy preparatory to presenting it at our Mint. The French people have never been particularly anxious to lose money. They are among the ablest financiers in Europe, and have maintained greater financial stability than any country of that continent.

Mr. VILAS. By stopping the coinage of silver.

WHY FRANCE CLOSED HER MINTS TO SILVER.

Mr. JONES of Nevada. I will answer that suggestion at once. In the first place, as a scientific principle, a stationary population needs no increase in the volume of its money, and France has a population that is stationary. In the second place, at the time of the suspension of the silver coinage, the legions of Germany had trampled into the dust the ensign of France, and in the pride of conquest had extorted a thousand million of dollars from a humiliated people. Germany at the same time demonetized silver and adopted a gold standard, expecting and intending to send the discarded silver to France and get French gold.

France had no objection to silver, which has always been the money of her people; but France wanted nothing that was German, whether good or bad. The reason for the action of France, therefore, was a political and not an economic reason. Her people were actuated by motives of national pride. Resenting with bitterness the humiliation to which the armies of Germany had subjected them, they were prepared to resent with equal bitterness any attempt of Germany to make the monetary laws of France a means of contributing toward the carrying out of any policy which Germany might decide to be for her own welfare.

Mr. STEWART. If my colleague will allow me, France has not given the one year's notice required under the agreement of the Latin Union; and if she went to an exclusive gold standard she would have to pay $1.33 an ounce in gold for more than one hundred millions of silver. That she refused to do.

Mr. JONES of Nevada. She never has done it, and she never will do it. She sees that silver is doing all the work of gold.

The Senator from Wisconsin [Mr. VILAS] talks as though, if a people have a white token which performs exactly the same service as a yellow token, and of which nobody complains, but with which everyone is satisfied, and which, in fact, everyone must have for use in the everyday business of life, men will eagerly grasp at an opportunity to lose 4, or 5, or 6 per cent in exchanging it for something that will do no more service and perform no better service. That, I suppose, is what the Senator means.

But I will take him at his word and suppose that the Bank of France should send its $250,000,000 over here and buy so much gold. The prices of commodities here could not increase on that account. We should have no greater number of dollars than before the gold went out, so we should still have the gold range of prices. The Senator does not, I presume, mean to say that we could have an inflation of prices in a country when the quantity of money did not increase. Having at present $1,600,000,000 of money, if two hundred and fifty millions of gold went out and no more than two hundred and fifty millions of silver came in, we should have the same amount of money that we had before. There could, therefore, be no inflation. Wheat and cotton would bring as much as before, and so would all other products of labor. What, then, would be the harm?

Mr. GRAY. May I ask the Senator why it was that in the era of high prices prior to 1873 the per capita circulation in this country was less than it is now, if we are to believe the statistics we have from the Treasury Department?

Mr. JONES of Nevada. The statistics are not correct. Every student of the subject knows them to be incorrect.

Mr. VILAS. I should like, if I do not interrupt the Senator too much, to again ask him a question.

Mr. JONES of Nevada. I shall be glad to hear the Senator.

Mr. VILAS. The Senator assumes that I am saying something or making some argument, when I only addressed him a question. I asked him whether there was not danger of a monetary disturbance in the event of our going to the free coinage of silver. I suggest that the price of silver in the world is not to exceed 60 per cent of the price which would probably be fixed upon it by such action on our part. Now, I ask the Senator if the two hundred and fifty millions of gold which he just mentioned would not go up proportionately?

Mr. JONES of Nevada. I presume that an artificial panic might be created, the same as the last one was, if you could get the Government and the bankers generally to engage in it.

Mr. VILAS. I should like right there to say that if it be true that a panic would follow, which the Senator chooses to designate as an artificial panic——

Mr. JONES of Nevada. That would be a correct designation for it.

Mr. VILAS. I want to ask, then, if the true remedy, to meet what the Senator contends is an evil, is not to demonetize gold, to withdraw its legal-tender quality, and leave both metals stand upon the same plane?

Mr. JONES of Nevada. Why, Mr. President, the Senator argues as though I had said there would really be a panic on account of the exchange of gold for silver. There would not be the slightest panic unless, as I said, the banks and the Government, acting together, were determined to make one. They can make one under any circumstances. But when the Senator talks about all the silver in the world coming here, I ask him how the silver of India is to come? Does he suppose the people of that country will sell their silver for our gold? Up to the time of the demonetization of silver by Germany and the United States, did India send forth her silver to buy gold? Did Mexico? Did any silver-using or silver-producing country?

Mr. VILAS. Not then.

Mr. JONES of Nevada. Why not? It could have been done then. Silver was money then in Germany, in France, in the United States, and in many other countries.

Why should the East Indian, however, part with his silver? The disparity between silver and gold has not arisen from a fall in the purchasing power of silver. Silver bullion in Liverpool or London to-day will buy as much of the products of labor—as much of the products of the farmers of Wisconsin and the planters of the South—as either silver money or gold money would buy twenty years ago.

Silver is performing the same beneficent function now in India that it performed then. Yet Senators are unable to see that the change which has taken place is an advance in the value of gold. To the eyes of people generally in gold-standard countries silver appears to have fallen, while to the eyes of the East Indian, who sees silver buying as much as it ever bought, the change that has taken place is that gold has risen. Should silver and gold now reach a parity, that fact would, to the East Indian, be an unerring indication, not that silver had risen, but that gold had suddenly fallen. In neither case would it make the slightest difference to him. As he had refused to buy gold when it was rising in value, so he would naturally refuse to buy it if the process should be reversed and it should fall in value.

WHY DID NOT THE LAW OF 1890 RESTORE THE PARITY?

Mr. HIGGINS. Will the Senator yield to me?

Mr. JONES of Nevada. Certainly.

Mr. HIGGINS. I understood the Senator, in reply to the Senator from Wisconsin a few minutes ago, to ask where would the silver come from to depress the value and the price of it if we went to free coinage. Now, I ask the Senator, in turn, why was it when we undertook to buy, and did buy, 4,500,000 ounces of silver bullion a month—54,000,000 ounces a year—under the Sherman law, that it did not put up and keep the price of silver at a parity with gold, but that the supply of silver in the world was such that even our purchase of the American product did not bring it to a parity?

One other question, which is in keeping with the one I have just propounded: If the Senator's theories are true, how is it that India found that, under the free coinage of silver there, the value of the rupee went down to the bullion value of the silver, and exchanges there so fluctuated that India has had to abandon the free coinage of silver and undertake to establish an artificial value at 1*s.* 4*d.* an ounce?

Mr. JONES of Nevada. The Senator from Delaware [Mr. HIGGINS] has heretofore stated that at the time of the passage of the Sherman law the opinion was expressed that the purchase of 4,500,000 ounces of silver bullion a month would bring silver to a parity with gold. Even had that opinion been expressed, Mr. President, it would naturally have been based upon the value of gold at that time; that is to say, it would have been expressed with reference to the level at which gold in its upward trend had at that time arrived. But without regard to silver, the value of gold has continued to rise. If I may use an illustration, the case is somewhat analogous to one in which a person contracted to erect a dam across a river with a view to bringing the level of the water to a height corresponding with that of a pillar whose summit was a given number of feet above the level of the stream. All the calculations of the engineers showed that in order to accomplish the desired result, the proposed dam would need to be a structure rising a certain number of feet from the bed of the river, and incidentally, it was noted, that when finished it would be on a level with a considerable number of objects, such as rocks, etc., near the bank of the stream, and houses, fences, etc., farther in shore. But when the dam was finished to the height proposed, it was observed with surprise that the level of the inclosed water was farther from the summit of the pillar than it had been before the dam was constructed. So the computations of the engineers were again carefully revised, and it was found that no error of calculation had been made. The height of the dam was then compared with that of the numerous objects on shore, with which, as had originally been observed, its height when completed, should correspond; and it was found, as to all those objects, that it fully complied with the conditions. It then became manifest that what had happened was that during the progress of the work of construction the pillar was rising faster than the dam. This was evidenced by the fact that the summit of the pillar was now plainly higher in its relation to all the surrounding objects than it had been when the dam was commenced. Notwithstanding this, there were large numbers of persons who insisted that what had happened was that the water had fallen below the original level of the stream.

Metaphor apart, it is, as I have said, not silver that has fallen, but gold that has risen. Prices of commodities measured by silver have remained firm; measured by gold they have fallen more disastrously during the past three years than at any previous period, and more rapidly in foreign countries than in this country. By reason of this greater fall abroad than here even the operations of the McKinley law have to a great degree been neutralized, and, as a consequence, the importations of commodities into this country have been enormously increasing. So that gold was for a season taken from here to pay for those excessive importations, although that was not the only reason for the outflow of the metal. There were imperative needs of Europeans for gold to meet obligations of their own, arising largely out of a great panic in gold-standard Australia, and a panicky condition all over gold-standard Europe; besides the demands of Austria in its ill-advised attempt to go from the silver to the gold standard. But all this outgo of gold from this country has been ascribed to the Sherman law.

When the Senator says that in India the value of the rupee fell to the bullion value, I will say to him that with unrestricted coinage the coin value and the bullion value were always coincident; so they were in India, and so they always will be wherever coinage is unrestricted and there is no charge for coining. There never was, consequently, any variance between the market and the mint value of silver in India. As to the statement that India had to abandon free coinage, the Senator may not be aware that great protests have been sent from the East Indian people to the government against this monstrous violation of every equity, this monstrous invasion of the rights of the 280,000,000 people of India.

In manufactures and general development the people of India, in the past twenty years, have made marvelous and unprecedented progress. The cotton mills of Bombay are now supplying to China and Japan six times the quantity of cotton yarns which Great Britain supplies, and all this with a money metal that they say is "falling." The Senator seems not capable of seeing movement except in one direction. It is impossible for him to see a rise; he can only see a fall. We assert that in purchasing power silver did not fall in India; that measured by labor, and by the products of labor measured by the wheat and the cotton that the ryot produces, and by the yarn he spins, in short, measured by everything that he makes, or that he does, there has been no change in the value of silver in India. I repeat, it is not silver that has fallen, but gold that has risen.

All political economists agree that while a number of things may change their relations to each other, yet, when all appear to change in relation to one particular thing it is not in reality all things that have changed, but the one thing that has changed. All things appearing to have changed with relation to gold, it is absurd to suppose that all things have really changed and that gold is unchangeable. It is gold that has changed.

THE EAST INDIA QUESTION.

Among the 280,000,000 people of India there has been no change of value in the rupee; there has been practically no change in the rates of wages. Statisticians have attempted to show a change by showing some increase for personal services in the seaboard cities of servants of the English resident officials, but there has been practically no change.

Mr. STEWART. And that is why the rupee is called the "perverse rupee."

Mr. JONES of Nevada. Yes; Mr. Goschen, in England, characterized it as the "perverse rupee" because it did not change in value at all, notwithstanding that from the English point of view it ought to change.

Mr. HAWLEY. I am somewhat troubled by what the Senator is saying in respect to India, where there is a vast multitude of employés of various sorts, and officers in the military and civil service, whose salaries have been and are now paid in rupees. The Senator is perfectly familiar with all of these questions, of course, as to India, and knows that one of the difficulties of the situation there was that these officials appealed to the mercy of the British Government, saying that those living on fixed salaries could not support themselves. What occasioned that condition of things in India?

Mr. JONES of Nevada. I will tell the Senator what was really the matter. The cupidity of the Englishman is a good deal like the cupidity of the American? When the contingent of English officials stationed in India and drawing their salaries in rupees saw that in England the newspapers and bankers were constantly talking of the "fall" of silver, although these Indian officials got as much for that silver as before, they said: "Whatever may happen to the Hindoo we shall be much better off if we can secure the adoption of the gold standard in India." What is true of officials in India is true of officials everywhere, whenever a man thinks he can get an increase of salary he will apply for it.

Mr. STEWART. From the President down. [Laughter.]

Mr. JONES of Nevada. Yes, from the President down. That is inherent in human nature. Those men could then buy with their silver as much as they could buy at any previous period, but they wanted to have their salaries doubled.

The East Indians have universally complained of the action of the British Government. They find that it takes 2 pounds of cotton and 2 bushels of wheat to pay the same amount of interest on the enormous gold debt due to Great Britain that 1 pound or 1 bushel would pay before. This means that it now takes two days' work in India to pay the same amount of interest on a sterling debt that one day's work would pay before. Great Britain has her great dependency in a practically helpless condition.

Bitter as are the assaults of the English writers against "fiat" money, the British Government has by its order of June 28, 1893, established fiat money throughout India, for no stickler for "intrinsic value," so called, can for a moment suppose that with the limitation upon its coinage, the rupee is any longer anything more than if the stamp of the government were placed upon so much paper.

Mr. TELLER. Will the Senator from Nevada allow me to make a suggestion to the Senator from Connecticut [Mr. HAWLEY]?

Mr. JONES of Nevada. Certainly.

Mr. TELLER. If the Senator from Connecticut will examine the report of the English commission of 1888, he will find the

question which troubles him thoroughly discussed and solved. The complaint of the Indian officials was that they had to expend a portion of their income in England; for instance, they had to send their children to school in England, as they could not be educated in India, and purchases had to be made in England which could not very well be made in India. The English commission thoroughly discussed that question. The hardship on an English officer in India was that probably one-half of his income was spent in England and he had to transmute his rupees into gold. That commission directly stated that, so far as the purchasing power of the rupee in India was concerned, it had not fallen.

THE SILVER BASIS AGAIN.

Mr. JONES of Nevada. Now, I want to return to my friend from Wisconsin [Mr. VILAS]. He fears that the silver reserve of the Bank of France, $250,000,000, may come over here. Suppose it should come. We have $600,000,000 of gold in this country. Deducting $250,000,000 from that, we are left with $350,000,000 of gold. We have, then, no more money than before, for a dollar of silver can perform no more monetary function or service than a dollar of gold. There is, therefore, no inflation; no cheating of the creditor; he gets as much as he did before for every dollar he lent.

Suppose Austria sends in $20,000,000 more, that makes $270,000,000, and we have $330,000,000 left. Now, suppose Germany sends in $80,000,000. We have still left $250,000,000—but not a dollar of increase of money, and consequently no change of the general range of prices. How can you have inflation or any variation between silver and gold until you first have enough silver by itself to do all the business that both gold and silver did before? So that you would need to have more than $600,000,000 of silver brought in before all the gold could go out, or before there could be any rise in prices of commodities, for no one will pretend that there could be a condition of inflation without an increase of the volume of money. We must remember that when our gold got to Europe it would raise prices there, and so help all the sooner to establish an international equilibrium, rendering it less necessary for gold to leave here.

Mr. VILAS. Does the Senator not see that $360,000,000 of silver, 60 per cent of $600,000,000 of gold, would be coined into $600,000,000 of silver dollars with which the $600,000,000 of gold could be obtained? We assume that silver is worth 60 cents upon the dollar of gold. You propose at that ratio to adopt free and unlimited coinage. Then, what hinders $360,000,000 worth of silver being brought in here and coined into $600,000,000 of silver to be exchanged for $600,000,000 of gold?

Mr. JONES of Nevada. I think the Senator ought to show where the silver would come from.

Mr. VILAS. Is it not more than $360,000,000?

Mr. JONES of Nevada. I do not know where the Senator could get the silver.

Mr. VILAS. Silver is for sale.

Mr. JONES of Nevada. In what market?

Mr. VILAS. There is $360,000,000 worth of silver bullion.

Mr. JONES of Nevada. The visible stock in the United States is not $3,000,000. When Senators speak of the immense amount of silver that would come here, I should like them to point out where it is. I am trying to find out where it is, and the Senator can not point it out.

Mr. VILAS. If there is no silver to be coined, what advantage is there in free and unlimited coinage?

Mr. JONES of Nevada. The small amount coming annually from the mines would be coined. I deny the Senator's statement. I assert—and I challenge authoritative contradiction—that there is not $20,000,000 of silver bullion for sale in the world.

Mr. VILAS. I was going to ask the Senator if there were not almost $200,000,000 worth of silver produced from the mines last year? I do not mean from our mines, but from the mines of the world.

Mr. JONES of Nevada. Not quite so much; but even were it so, what then?

Mr. VILAS. We have it yet. If the Senator takes the ground——

Mr. JONES of Nevada. I will take these figures just to accommodate the Senator. Does he mean to tell me that there is $200,000,000 of silver for sale at 60 cents for 371 grains? That silver of last year is not on the market now.

Mr. VILAS. I will ask the Senator if he does not understand that there are nearly four thousand millions of silver in the world?

Mr. JONES of Nevada. Between $3,800,000,000 and $4,000,000,000.

Mr. STEWART. What can it be bought for?

Mr. VILAS. About 68 cents on the dollar in gold.

Mr. JONES of Nevada. Oh, no. Only the uncoined surplusage that is denied access to the mint could be had at that price, and the moment that surplusage were taken up silver would rapidly go to its old relation. The free coinage of silver in this country would take up at once the entire surplus—which is but a small surplus—that is left on the market uncoined. Even to-day, however, no larger amount of silver could be bought for gold in India than enough to meet the current gold liabilities of the Indian Government.

Mr. VILAS. I think the Senator's difficulty is apparent——

Mr. JONES of Nevada. The Senator says the difficulty is apparent. I say to him that only twenty years ago when silver was at a premium over gold, and the East Indians could get the benefit of that premium in the sale of silver, they did not sell it for gold, because they did not want the gold. Gold does not circulate in India, and in the nature of things can not circulate there. Wages at 10 cents a day can not be paid in gold. We must remember that about the time of the passage of the Sherman law silver bullion rose to $1.20 an ounce, but it rose not in this country alone. It rose to that figure all over the world. Silver bullion could not then be purchased in India, in England, or anywhere else in the world at a less figure than it could be purchased here, and everybody knew the reason for the rise was the prospect of favorable legislation in the United States. No one can point to any instance in which silver could be bought any cheaper in one country than another, considering transportation charges, etc. Whatever the price of silver is here it will be in India, in England, in Germany, and wherever else telegraph cables reach.

Mr. BUTLER. The Senator from Wisconsin [Mr. VILAS] has stated to the Senator from Nevada that the annual product of silver was about $200,000,000, and left the inference to be drawn that that $200,000,000 would be dumped into this country if we went to the free coinage of silver. As an offset in part to that inference, I desire to ask the Senator from Nevada if he can give us an approximate statement of what proportion of that $200,000,000 of silver is used in the arts and industries?

Mr. JONES of Nevada. I suppose about 30,000,000 ounces would be used in the arts. But the Senator from Wisconsin has failed to answer as to where this silver would come from to take the place of gold so as to have inflation in this country. I should like to have the Senator from Ohio [Mr. SHERMAN] or the Senator from Rhode Island [Mr. ALDRICH] tell me where the inflation could come from and where the silver could come from that would change the parity, or would make a disparity between silver and gold in this country?

Mr. SHERMAN. I have been appealed to by the Senator, and I will say that this same argument was one which largely led the Senate of the United States over three years ago to adopt what is known as the act of July 14, 1890. The truth is silver would be brought here from all the markets of the world, and a vast mass of $3,800,000,000, amounting to many million ounces, from all parts of the world, would come here and be saddled upon us at its market value.

The same argument now so earnestly and ingeniously put, and always put by the Senator from Nevada, was proved to be fallacious four years ago.

Mr. JONES of Nevada. I made no argument that was fallacious. I stated the exact facts which existed at that time. The Senator refers to market value. What is it that makes market value? I supposed that the market value was the result of the supply as correlated to the demand; these two forces operating upon each other. Does the Senator mean to tell me, with a demand constant, incessant, and always at a maximum, for money, by seventy million of the greatest money-absorbing people on the face of the earth, that with unrestricted coinage any other market price than the money-price or mint-price could exist? Is it possible that the market price takes no cognizance of the fact that seventy million people, night and day, are demanding that which is money? Why, Mr. President, the Senator's contention, I say with all respect, is perfectly absurd. I ask the Senator where the silver could come from. Did the Senator ever know of a dollar of silver coming out of India? Silver in France is selling to-day for a dollar and thirty-two cents an ounce.

Mr. ALDRICH. In gold?

Mr. JONES of Nevada. Of course it is—exchanging for commodities at the same rate that gold exchanges for the same commodities. I should be glad to be informed how France could sell silver.

Mr. ALDRICH. Silver bullion sells there relatively at the price it sells in the United States.

Mr. JONES of Nevada. But there is no bullion in France. I am talking about the only silver there is in France, which is in the shape of francs.

Mr. ALDRICH. We have a coin, for instance, the five-cent piece, in the United States, made of nickel and other combina-

tions of metal, which sells for one hundred times its market value in the same way the Senator speaks of silver being sold.

Mr. JONES of Nevada. You can coin gold so that the ten-dollar piece will sell for a hundred times its market value.

Mr. ALDRICH. That is not selling at all. It is used with certain alloys as money in limited quantity and maintains a certain value on account of the limited quantity.

Mr. JONES of Nevada. It is precisely because you do not limit the quantity of gold you coin that the coin value and the market value are coincident.

Mr. HOAR. Why does not the Senator favor the free coinage of nickel?

Mr. JONES of Nevada. Because there is too much of it. I am trying to have somebody point out where there is too much silver. Besides, nickel has never had unrestricted coinage, and silver always has had, until 1873. I have asked the Senator from Wisconsin to tell me where all the flood of silver is to come from, and he showed that he did not know anything about it. I want somebody else to point out where silver bullion is coming from.

Mr. HAWLEY rose.

Mr. JONES of Nevada. I will hear the Senator from Connecticut.

Mr. HAWLEY. I will state within a few million where it came from. Here is a list showing the August supply [reading]: "Boston and Colorado Smelting Company;" later, "Boston and Colorado Smelting Company;" later, Boston and Colorado Smelting Company;" and so on, giving the various mines and smelting companies that supply silver.

Mr. STEWART. If my colleague will allow me I will state that that bullion was offered from time to time, probably the same bullion. That was after the market price had been abolished by the Treasury Department.

Mr. HAWLEY. I am reading the offers, and opposite each one is "accepted."

Mr. STEWART. There was very little accepted in the month of August.

Mr. JONES of Nevada. How much was the August supply?

Mr. HAWLEY. The total of the August supply? It was not a great deal.

Mr. JONES of Nevada. I am asking where these millions are to come from?

Mr. HAWLEY. I wish the Senator would tell me—probably he knows the figures better than I do—have we not bought something like 150,000,000 ounces in the last three years?

Mr. JONES of Nevada. In three years? Why, that amount did not begin to be enough to keep pace with the increasing demand, owing to increase of population and business.

Mr. HAWLEY. That is another question.

Mr. JONES of Nevada. No, I deny that silver enough can be got anywhere to make an inflation in this country. I say that from the day the Sherman law was passed the general level of prices of commodities fell, and I assert that a dollar issued under that law last spring, not speaking of the panic period, was worth more than the first dollar issued under that same law. That fact was made plain by the report of the subcommittee on tariff of the Senate Committee on Finance, of which subcommittee the Senator from Rhode Island [Mr. ALDRICH] was chairman. That subcommittee attempted to show that the fall of prices was brought about by the operations of the McKinley law, while I maintain that it was really produced by an insufficient quantity of money—by a quantity of money whose increase was not keeping pace with the increase of population and business. It was attempted to show that the reduction was effected by the tariff law, without any time having been allowed for the genius of the American people to operate by invention upon machinery, a result which the tariff is supposed to effect by putting millions of workmen into well-equipped shops, and giving them ample opportunity to develop their genius.

Singular to say those "improved processes" began their effects as early as two months after the passage of the McKinley law! The fall in prices, it was said, was the beneficent result of that tariff, when in fact that fall had its genesis long prior, in the increasing scarcity of gold as compared with the demand for it. So that, as I have said, every dollar issued under the Sherman law was more valuable than any prior dollar issued under the same law, and the last one was much more valuable than the first.

Is that inflation? Does that show that there were too many dollars out? Is that the reason why the supply of those dollars should be cut off by repealing the purchasing clause of the so-called Sherman bill? What good reason in morals or philosophy, or political economy can be advanced for cutting off the supply of money from the country when notwithstanding the supply the unit of money has been and is constantly increasing in value and looting the debtor in the interest of the idle creditor? How do Senators defend themselves in this body for cutting off the supply of money, when it has been shown that the supply instead of inflating prices has not been sufficient to keep them from constantly falling and the load upon the already overburdened back of the debtor has been increasing from day to day?

That, Mr. President, is the reason why we oppose this bill. We are threatened here with a deluge of silver, but no Senator can point out the source of the deluge. We have for fifteen years heard of this deluge, but only when some silver law has been under discussion. When the Bland act was being debated in 1878 the New York papers had a statement to the effect that a new process of cupellation had been discovered by which an enormous quantity of silver could be obtained by melting up old lead pipes, and that that was one of the sources from which we might expect a "deluge" of silver. Then they said that there had been mines of fabulous riches discovered in the unexplored mountains of Peru, and all that was needed was simply to run a tunnel and take out all that you wanted. These mountains did not materialize.

Mr. VILAS. Will the Senator allow me?

Mr. JONES of Nevada. With pleasure.

Mr. VILAS. I remember reading some time ago of a countryman who listened to the Latin debates at Oxford. Somebody asked him if he understood the tongue. He said no, but he always knew who was wrong in the argument. "And how?" was asked. He replied, "by seeing which one got angry first." [Laughter.] Now, I regretted that my learned friend, a very able Senator, who is the special champion of silver, should for a moment have made a retort that calls upon me to observe that we do not pretend to know all the laws of finance and all the courses of nature and all the effects which will be produced by experimental efforts in the interest of some special problem; but I do wish to ask his attention to the fact that when he began to answer the question which I addressed to him he assumed that silver would come to this country, and proceeded to argue that there would be no harm produced by the inflation, because $250,000,000 of silver would come, upon the supposition he made, to take out the $250,000,000 of gold.

I called his attention to the fact then that for the $600,000,000 of gold but $360,000,000 of value of foreign silver would be necessary to take the place of it; and he answers me then, "Where is the silver to come from?" forgetting that he had assumed that the silver was to come, as everybody must know would be the fact with $4,000,000,000 worth of it in the world, and a demand here for $360,000,000 to take $600,000,000 worth of gold.

Mr. JONES of Nevada. For the sake of the argument I assumed it to come, and I showed that if it came it could do no harm. But if the Senator continues to assert that $360,000,000 worth of foreign silver would come, it is incumbent on him to show where it is to come from. I have already stated that there was silver coin in France that was selling at a higher price than even our free coinage would give. It is already exchanging in France at a higher rate than it is exchanging here. Nobody is going to gather up the silver of France and send it here and lose 3, 4, 5, or 6 per cent on it. Nobody would do that in any other country. In discussing the suppositious available stock I had reference to silver that is not permitted coinage, that has not access to the mint. Where is that? No man can point it out.

Then I called the Senator's attention to another thing. If this country should adopt free coinage at the ratio of 16 to 1 (and at the present relation of silver to gold it would be about 25 to 1) does he imagine that when the Government advertises that it will take silver at 16 to 1 any man anywhere will take any less than $1.29 an ounce for it? Does the Senator imagine anybody is going to do that? The moment a free-coinage bill is passed, that instant silver goes to $1.29. Is not that in accordance with our knowledge of human nature?

Does any business man in this body suppose that if silver were $1.29 an ounce here he could get an ounce of it anywhere for less than the amount at which this Government says it will take it? I again inquire: Who has any? I have asked these gentlemen to point out where it is. They can not point it out. Great Britain has none. All that is in France is selling at a higher rate and as to all that is in India, none has ever left India that went into it. Will France gather up pieces of money that are already full legal tender, performing every service that could be performed by gold, and send them here at a loss?

Mr. GRAY. Bullion?

Mr. JONES of Nevada. Where is the bullion? Senators can not point to it. I have asked where it is because I wish to strip the mask off this entire pretense. Twenty-five million dollars of bullion can not be found. No Senator can point it out. We are for ever being told about the great flood that will come upon us. This "flood" is a myth. It will not stand examination.

Mr. HILL. Will the Senator from Nevada allow me a moment?

Mr. JONES of Nevada. Certainly.

Mr. HILL. I rise not for the purpose of asking a question but to appeal to him that he will not allow interruptions, but continue his speech in the order he set out for himself. I for one would like to listen to his connected speech.

Mr. JONES of Nevada. That course is entirely agreeable to me. The digressions I made were with the view of answering such questions as were put to me. Much that I have said in this way will be dealt with in its proper order in the course of my remarks, and therefore if I shall seem to repeat the substance of something that I have stated in these colloquies with Senators, I hope I may not be regarded as boring the Senate.

Mr. HILL. It will bear repetition.

Mr. JONES of Nevada. I thank the Senator.

Mr. ALDRICH. Before the Senator leaves this part of his argument I wish to say a single word, not for the purpose of interfering with his speech or to divert his attention, but in answer to a statement he made some time ago.

The Senator challenged the friends of the pending measure to show where the silver was coming from, that is to be brought here and coined under free coinage, and I understood him to say that we could not point out more than $50,000,000 of uncoined silver in the world, and perhaps more than $25,000,000.

Mr. JONES of Nevada. Put it at $25,000,000 of bullion uncoined.

Mr. ALDRICH. That this statement may not go out unchallenged, I quote from an address made by Mr. Balfour at the Egyptian Hall, Mansion House, London, August 3, 1893, in which he estimates the amount of uncoined silver in India to be "between one hundred and thirty and two hundred million pounds sterling;" in other words, from $650,000,000 to $1,000,000,000.

Mr. Balfour makes the further statement, which is undoubtedly true, that this silver has been retained in India heretofore from the fact that the people of India had the right to take it to the mints and have it coined at any time into money; in other words, that this uncoined silver was in their hands practically a legal tender for all the uses of money in the payment of debts and other uses. The Indian Government having taken away the right of coinage, this silver bullion is in the hands of the people of India, and can not be used except to be sold as silver bullion at 60 or 70 cents an ounce, or whatever the price may be. If the United States fixed the price at $1.29 an ounce in gold, I ask if any one holds that that bullion would not be likely to come to the United States?

This estimate of between £130,000,000 and £200,000,000 sterling is made by Mr. Balfour. Mr. David Barbour, of the Indian finance committee, whom I regard, and I believe the Senator will agree with me, as the ablest and clearest writer upon the theory of bimetallism, estimates the amount of uncoined silver in India at a larger sum than this. It seems to me that this statement alone is a sufficient answer to the Senator.

I do not intend to interfere with the argument the Senator is making, but I might supplement these authorities by many others as to the extent of the stores of silver in the world both coined and uncoined.

Mr. JONES of Nevada. I wish the Senator would do it now. I do not know where that silver is.

Mr. ALDRICH. I have called the Senator's attention to estimates made by friends of bimetallism that it now amounts in India alone to between $650,000,000 and $1,000,000,000.

Mr. JONES of Nevada. Why, Mr. President, the East Indians have this silver laid away in the shape of idols and religious charms, which they hold in far higher esteem than money. Even were Mr. Balfour correct, which I doubt, I ask the Senator whether in case the price of silver rose in some foreign country those idols and charms would be sold? If so, I should like to know what the East Indians would get in return for them?

Mr. ALDRICH. They would get gold.

Mr. JONES of Nevada. Gold! There is not a single thing in the Western World that the ryots of India use or want. They do not want gold. What would they do with gold after they got it? Why should they sell their silver even if they knew they could get $1.29 an ounce in gold for it? During all the ages when they could get $1.29 for it they did not sell, but constantly increased their hoards of it. Why should they sell it now for $1.29 in order to get a thing for which they have no use?

Mr. ALDRICH. There was a very good reason why they did not sell it then to America.

Mr. JONES of Nevada. Why?

Mr. ALDRICH. Because they had a market at their own doors.

Mr. JONES of Nevada. But they never sold it.

Mr. ALDRICH. They did sell it, I beg the Senator's pardon. The statistics of the Indian mint show that in very many years, and I think in a majority of years—it is not so in all the years, but it is so in a great many years—the coinage of the silver rupee in India was very much greater than the total importation of silver, showing that this great mass of silver bullion was put into coinage according to the wants and demands of the Indian people. They had a market at that time at their very door in the Indian mint. That market, which was the only market they had, has now been closed to them; and to say, as the Senator does, that the people of India are unlike the people of any other country in the world and have no demand or use for money——

Mr. JONES of Nevada. I did not say they had no use for "money." I said they had no use for gold.

Mr. ALDRICH. I so understood the Senator.

Mr. JONES of Nevada. I said they do not want anything supplied by the western world.

Mr. ALDRICH. Does the Senator mean to say that any people on this wide earth have no use for gold?

Mr. JONES of Nevada. I say so.

Mr. ALDRICH. I do not know of any.

Mr. JONES of Nevada. I never heard of the East Indians having any use for gold, except for ornaments or charms. They have no use for it as money.

Mr. ALDRICH. Gold is the measure of everything, and can be converted into everything.

Mr. JONES of Nevada. Gold is the measure of nothing in silver-standard countries. Gold-standard countries use gold for their measure; silver-standard countries use silver. Among the 280,000,000 people of India there is hardly one in a million who, in any bargain or transaction relating to labor or its products, knows anything whatever of gold.

If there is no demand among the East Indians for anything produced in the western world they would not dispose of their silver for gold. The Senator's statement about what was coined at the Indian mint proves nothing. It simply proves that by reason of abrasion recoinages took place. There has always been a proportion of recoinages in India every year. The statement does not prove that the charms are coined.

Mr. ALDRICH. I will bring proof of my statement from the testimony taken before the Indian commission at a recent date—1888.

Mr. JONES of Nevada. Does the Senator go so far as to say that the charms, etc., to which I have referred, were coined?

Mr. ALDRICH. I do. A large number of witnesses stated that this uncoined silver in India was taken to the mint and coined whenever the wants of the people who held the silver required that it should be done.

Mr. JONES of Nevada. There is no more danger of that silver coming out of India than there is that the silver money in circulation in India would flow out.

Mr. ALDRICH. I will suggest to the Senator from Nevada that the statement which he originally made was not that the silver would not under any circumstances come to the United States, but that there was no such stock of silver in existence.

Mr. JONES of Nevada. Every one knows there has always been a large stock of silver in existence in India, but what I assert is that there is not any stock of silver there that would leave India, and therefore it is not in existence for that purpose. I am quite sure that the Senator will find upon examination that the annual recoinages of the old rupees fully account for the difference between the net imports of silver to India and the amount of coinages shown by the mint returns.

Mr. ALDRICH. But suppose the price of silver here should be sent up by our action?

Mr. JONES of Nevada. They could sell it for its market price in London, which would then be the same as here, less only the cost of transportation to this country. They could sell it at that price wherever silver is bought and sold. But does the Senator suppose if an East Indian has a charm which he almost worships, and which cost him $1.16 in the products of India, he will sell it as soon as the metal in it becomes worth $1.17 in gold?

Mr. ALDRICH. I think he would. If he sends that silver to London at the present time he gets no more than the rupee is worth in India, and he gets no better market than the bullion is worth at home.

Mr. JONES of Nevada. There is no market in India for the bullion. If they can not coin it, what will they do with it?

Mr. ALDRICH. The Senator from Colorado [Mr. TELLER] and several other Senators have called attention to the fact that the importation of silver has been going on in India since the suspension of silver coinage. If there is no market why are they sending it? There certainly is a market, but it is a market for the bullion itself at its present market price. If you increase that market price here from 70 cents to $1.29 an ounce, you could not stop the silver flow to the United States.

Mr. JONES of Nevada. If I may suppose a somewhat parallel case, it is hardly to be presumed that because of an increase in the price of silver bullion the Christian people of the United

States would propose to sell the Communion service of their churches. Now, the Hindoo is not merely religious; he is intensely superstitious. He attaches great virtue to these idols and religious charms, and would as soon think of selling them as our people would think of ordering a sale of the Communion service of their churches because of a rise in the price of silver bullion.

Mr. ALDRICH. I hardly think that is an answer.

Mr. JONES of Nevada. It is a complete answer.

Mr. ALDRICH. The Senator knows as well as I, and very much better, that from 1834, or whenever the silver production of the United States was commenced, up to 1873, practically the silver bullion of the United States went to the French and other European mints, because they paid 3 per cent more for it than could be obtained for it in the United States.

Mr. JONES of Nevada. Undoubtedly.

Mr. ALDRICH. If the Senator supposes that with a difference of between 70 cents and $1.29 the people of India would not take advantage of this market he gives them credit for very much less intelligence than I think they have.

Mr. JONES of Nevada. The Senator does not state the proposition at all. When silver becomes $1.29 here it becomes $1.29 everywhere. To show that it is law that governs absolutely the value of silver and the value of gold relatively we have but to look at our own history. Between 1792 and 1834 we had no gold in this country. All our business was done with silver. Why? Because silver was overvalued here, 15 pounds of it being a legal tender equal to a pound of gold; while by the law of France 15½ pounds of silver were required in that country to be given for a pound of gold. Yet we have been told here in a great number of speeches on this floor that the relation we made was not the "market" relation. Why, Mr. President, there was no "market relation" about it. It was law that fixed the relation. The relation established by our law overvalued silver as compared with the relation established by the law of France. The French having made 15½ pounds of silver the equivalent of 1 pound of gold, while in this country we made only 15 pounds of silver the equivalent of a pound of gold, who was going to send a pound of gold here to exchange it for 15 pounds of silver, when he could send his gold to France and get 15½ pounds of silver for it?

What was the result? Although there was only one-half of 1 per cent difference, and that in a metal most precarious in its supply, involving greater degrees of difference in cost of production than almost any other commodity known to man; we all know that the law of France operated to take all the gold out of this country and leave all the silver here. Then in 1834, when the mines of North Carolina and other portions of the South were discovered, we changed our relation; instead of 15 to 1, we made it 16 to 1. That meant an overvaluation by law of gold as compared with silver.

No "market" had anything to do with fixing that price. It was the *law*. Clear up to 1834, for forty years in the history of the Republic, all the gold went out, owing to the figure at which the law of our country had fixed the relation of the metals, and for the same reason all the silver at a later period went out. When we made the ratio of 16 to 1, only one-half of 1 per cent over the former valuation, from that time on gold came and silver went. That was entirely due to the laws establishing the ratios in the two countries respectively, making the two metals interchangeably legal tender at a ratio in one country different from that at which they were legal tender in the other.

Mr. ALDRICH. I invoke in behalf of the statement which I make the very law which the Senator has been stating with such clearness. I believe from 1834 to 1873 the United States paid $1.29 an ounce for silver bullion for coinage purposes, and practically the French people paid $1.33 an ounce for silver. By a law as invariable and as irresistible as the law of gravity the silver went to the French mints to be coined. Why? Because 3 per cent more was paid for it there. That will be true in India, and it has always been true everywhere.

The Senator says it is the law of legal tender that fixes the value of silver. Take the example of India, which has had her mints for a generation open to the free coinage of silver at the ratio of 15 to 1, and with the silver rupee at the par value of 2 shillings, we have seen the purchasing power of that rupee go down, down, down to 1 shilling and 3 pence, although there are 270,000,000 of people who were using silver as currency.

Mr. JONES of Nevada. I must deny the Senator's statement.

Mr. ALDRICH. The people of India who hold this silver can not get to-day in any country in the world any more than its market price in India and its bullion price in London for their coin. I say that there is no country on the face of the globe, civilized or uncivilized, which would pay any more for this Indian coin than its bullion market price in London; but if we say in the United States that this great Government, that this great people, with our vast resources, will make an open offer of $1.29 an ounce for something that is not worth over 70 cents in the other markets of the world, if the Senator asserts that that silver will not flow to the United States for a market, then he does not believe in any of the natural laws which govern this and all other questions.

Mr. JONES of Nevada. Mr. President, the proposition of the Senator borders on absurdity, if I may say so without meaning offense to the Senator. The idea that the people of India are going to trade off that which is essential to the peculiar civilization which they have for something that they do not need and never use, will not stand for a moment.

The Senator talks as if the people of India were hungering and thirsting for gold. They do not want it. We have nothing that they could buy with it, since we produce nothing whatever that they use.

When the Senator states that silver has been continually declining in value we deny it, and have denied it, and supported our denials with proofs over and over again. He produces no proof of any such decline.

The silver rupee buys as much for the East Indian to-day as it ever did, and yet Senators insist that it has fallen. But they do not prove it. By reference to no range of prices anywhere, by reference to no products of labor anywhere, do they prove that it has fallen. The Senator does not see that it is gold that is rising and not silver that is falling.

Mr. ALDRICH. The Senator says we can give the East Indians nothing in exchange. We have gold which the Senator himself says represents everything and purchases everything.

Mr. JONES of Nevada. It represents everything in gold-standard countries. But the Hindoos do not want gold. Their money is silver. To them silver represents everything and purchases everything.

Mr. ALDRICH. Let us look for a moment and see. The Indian ryot has the rupee, with which he purchases clothing or whatever it may be. He might get a certain quantity to-day at a certain price of silver. Whatever might be the relation between the price of wheat and the price of silver in India, he certainly would get twice as much if he could change that rupee into twice as much gold, whatever the article to be purchased.

Mr. JONES of Nevada. He gets wheat and rice, and such very few other things as suit his limited needs, in his own country.

Mr. ALDRICH. He wants to purchase something, or else he would have no use for the rupees.

Mr. JONES of Nevada. Millions upon millions of Hindoos do not even know that there is such a country as the United States. Are they going to send rupees here to be exchanged for gold so that they can buy some rice and wheat, which are growing right around them?

Mr. ALDRICH. I do not think that is a fair answer.

Mr. JONES of Nevada. I think it is.

Mr. ALDRICH. The real argument reduced to its last analysis is simply this, that there are people in the world to whom it would make no difference whether the purchasing power of their money should be doubled.

Mr. JONES of Nevada. But the purchasing power does not depend upon the relation between it and gold as is shown by the fact that twenty years ago the relation between that silver and gold was 33 per cent different from what it is to-day, and yet the purchasing power of silver was as great then as that of gold. Does the Senator deny that fact?

Mr. ALDRICH. I do indeed.

Mr. JONES of Nevada. I made a speech in this Chamber in 1890, in which I demonstrated in detail by figures of actual market prices of commodities and of silver bullion that a given number of ounces of that bullion would then buy or command as much of commodities in the market as would either silver money or gold money in 1873. That demonstration has not been criticized or shown to be incorrect in any particular, and can not be. The figures were based upon quotations of prices furnished by the Bureau of Statistics of the Treasury Department. I assert now that the silver rupee will purchase as much to-day as it would in 1873, when at our relation silver was 3 per cent premium over gold.

Mr. ALDRICH. I think I can illustrate what I mean by making this statement: A thousand rupees represent say 165,000 grains of silver. That silver could be sent to London to-day and exchanged for a certain amount of gold. If the United States bids double the present price of silver it could be exchanged then for twice that amount of gold.

Mr. JONES of Nevada. Does the Senator suppose, when the Government of the United States gives $1.29 an ounce for silver that anybody can get an ounce of the metal for any less than that amount anywhere in the world? Does he not suppose that it will be $1.29 everywhere?

Mr. ALDRICH. If we bid $1.29 it will all come here.

Mr. JONES of Nevada. Suppose it comes; all we can do is to exchange it. It can be exchanged as well where it is.

When this subject comes to be carefully examined it will be found that remonetization will simply put silver back to where it was before it was demonetized. It had run along for nearly a century with practically no change. Why should it have changed since 1873 any more than before, except for that one legislative act? There is not the slightest reason why a trifling increase of the quantity produced should affect the relation between the metals. During the infinitely greater increase in the yield of gold after 1848 the metals did not separate, but were held together by the law of France. This country is now infinitely stronger than France was then, and has an absorbing power for money greater than all Europe combined. It consumes per capita three times as much of all the products of labor as does the population of Europe. The money-absorbing capacity of this country is unequaled by that of any country in the world.

(At this point the honorable Senator yielded to Mr. VOORHEES for a motion to adjourn.)

Monday, October 16, 1893.

A WORD AS TO PREPARED SPEECHES.

Mr. JONES of Nevada. Mr. President, the remarks of the junior Senator from Massachusetts [Mr. LODGE] a few moments ago in support of his resolution to forbid the reading here of written speeches demonstrate that the adherents of the gold standard do not believe it to be worth while to make careful preparation for the discussion of this great economic question. Yet I call the attention of the Senate to the fact that scarcely a single contention of those who oppose the pending bill has been answered in any speech on the gold-standard side. When therefore the junior Senator from Massachusetts tells us that he wants no written speeches delivered in the Senate, it means that he and those who agree with him are willing to discuss this great, all-absorbing, and far-reaching question either as I have said wholly without preparation or with such preparation only as may be involved in committing to memory a Fourth of July oration.

The preparation to be made for a discussion of this subject consists not in schoolboy attempts to commit speeches to memory, but in a serious and careful study of the reasons for and against the passage of the proposed measure. So far as I am concerned I have no desire to commit speeches to memory, but I do wish that any speech of mine to which the Senate may do me the honor to listen shall bear evidence at least that some "midnight oil" had been expended in its preparation.

I have attempted to demonstrate that there is not in money any such thing as intrinsic value; that, essentially, money is not a material thing, but a function, which function vitalizes and gives value to the piece of material which serves as the bearer of the function.

MONEY—DERIVATION AND SIGNIFICANCE OF THE WORD.

But while money is a function rather than a material, yet it is correct enough by a species of metonymy to designate by the name "money," the material on which is impressed the symbol of the supreme authority of the nation, by right of which alone any object may exercise the money function. For, as we say that a man has a clear head when we mean that his judgment is good, or that he is a brilliant man when we mean that he has a superior mind, so the name "money" may with propriety attach to the thing upon which the money function is impressed.

The word has a peculiar derivation—one that should invite reflection. It comes to us from the Latin word which signifies a *warning*. The coining operations of the Romans were long carried on in a temple dedicated to Juno, under the appellation of Juno Moneta, because on the occasion of an important battle the goddess had given to the Romans a warning or admonition, by taking advantage of which they were successful. Thus the origin of the word has a significance far beyond that which the Romans intended—a significance which has continued to the present time, and will continue while man inhabits the planet. This warning, correctly interpreted, signifies that no institution of civilization is of greater importance than money. To a free people especially it signifies that none should be more sedulously studied, none so carefully regulated, none so vigilantly guarded, if they would preserve not alone their prosperity, but their liberties.

Money being useless to man in a condition of isolation, and therefore entirely a societary instrumentality, it must be the creation of society (that is to say, in so far of governments), and can not be that of an individual, except as he may derive power from the supreme authority—the authority which represents the people in their collective capacity.

Money may be composed of anything capable of division and indentification—division in order that the pieces may be convenient for handling, and indentification that all men may know these pieces to be *duly authorized* units of money.

So long as those pieces are capable of complete identification, and can, regardless of the credit of the persons using them, be passed and received from hand to hand in the community, in final payment for commodities and services, and in full legal discharge and liquidation of debts, they constitute money, without reference to the material of which the pieces may be composed. This is the teaching of history, and the unavoidable deduction from the reasoning of the leading economists—a deduction from which there is no more escape than from the principles of human reason.

But while, abstractly considered, the material is of no importance, yet from the point of view of the habits and customs of a people the material is of much importance, provided there be enough of it to maintain the general range of prices of commodities at a steady level. A people's habits and customs are not to be ignored with reference to the material of the money which they shall use any more than with reference to anything else which has been hallowed by time. A material that has been in use among a people from time immemorial can more readily be continued in use than can a new material find acceptance. But inasmuch as it is not for its own sake that money is needed, but in order to effect exchanges and maintain the equities of time contracts, if there be not enough of such material to maintain the general range of prices at a steady level, there should be no hesitation in adding to it a sufficient quantity of some other fitting material to accomplish that purpose.

THE VALUE OF MONEY SHOULD BE UNCHANGING.

While, in discussing the question of money, some of the minor authorities have exhibited much confusion of thought, the *great* authorities—the dominating minds—give us a body of principles which compel the mind in search of truth to accept the principle that whatever society decrees to be money is money. As Prof. Francis A. Walker says: Whatever does the work of money is *money*—whatever performs the money *work* is the money *thing*.

The value of the unit of money, so far as human wisdom and prescience can provide, should be unchanging. The expression "value of money" does not mean the commodity value of the material, but the *money value of the unit*. Money is valuable, not for the power of being transformed into *one* thing, or, as is said, of being "redeemed" in one thing, but the infinitely greater power—the power which the alchemists sought, and which Aladdin foreshadowed—the matchless and magical power of commanding, as by the wave of the enchanter's wand, the transformation and transmutation of all things into one another at will. This is the power which constitutes money the greatest instrumentality of an advancing civilization. In comparison with this all-embracing power how insignificant the power which commends the material thing on which money function may be placed to the admiration of savages for the trivial purpose of decoration—whether the decoration be as with the more civilized people for the wrist and the neck or, as among less civilized, for the ankle and the nose. Money has value for the reason described by the prophet—because it "answereth *all things*."

Money not being essentially a material thing, but an office or purpose served by a material thing, its value does not, as I have stated, depend on the cost of production, or the cost of reproduction, of the material which may be selected to bear the evidence of monetary authority.

HOW VALUE OF MONEY IS DETERMINED.

The sole constituents of its value are supply and demand; that is to say, the supply of *money* and the demand for *money*.

In a system of civilization such as ours, based upon a division of labor by which men no longer make complete articles, but only parts of articles, no man can by his own efforts supply directly anything but the merest fraction of his own wants. He can only secure the satisfaction of all his wants by exercising his skill in his own vocation, and by disposing for money of the articles or parts of articles which he has made, demanding, through money, such other articles as he needs. Inasmuch, then, as it is through money that men seek the satisfaction of their wants, it is on money that the first demand for all things presses.

In modern civilization none but mendicants make demand directly for coats, hats, shoes, or other things. When men want hats, shoes, or clothes they do not offer to exchange labor directly with the hatter, the shoemaker, or the clothier. Each offers his labor to employers of his own trade, and with the resultant money makes an effective demand upon the hatter, shoemaker, or clothier. All objects that are useful to man and desired by him are thus obtained by means of money. Hence the demand for money is equivalent to the demand for all other things, and must always be infinitely greater than the demand for any one thing. As to any other article or object, the de-

mand is merely for one article or class of articles; as to money, the demand is a demand not for one article, but for all articles.

The competition for money, therefore, is not only incessant but instant, urgent, importunate, and universal. So long as men have needs it will be ceaseless and unremitting. Each worker gives his services not for goods to be obtained from the maker of such goods, but for money to be obtained from his own employer. Each employer, in turn, parts with the goods made by the workman, not directly for other goods but for money. Thus all men are engaged, each in his own vocation, in unceasing competition with every other man, for units of money—each hatter in competition with every other hatter, each shoemaker with every other shoemaker, and so the process continues through the long round and procession of occupations.

The competition for money is therefore equal to the competition for all other things combined. The demand for it is equal to the sum of the demand for all other things.

As to the supply of money, upon which that demand is made, it does not consist of any special *kind* of money or *material* of money. The demand is for any or all kinds or materials that may be in use as legal tender and which may be decreed by society to be money. The supply of money in a country, therefore, is not the supply of a particular kind but the total supply of all kinds—the number of monetary units either at the time in actual circulation or susceptible of being at any moment placed in circulation.

Here we have an equation in which, on one side, stands a total demand for money and on the other a total supply of money. The force of demand operating upon supply determines the value of money. The important feature of this value is not the total value of all the money in a country, but simply the value of the unit. As already stated, money has not a value distinct and apart from purchasing power.

Yet there is no fallacy so universally accepted and adhered to in the popular mind as that the value of money means the cost of production of the material of money. It especially suits the purpose of the champions of the gold standard that the masses of the people shall be led to believe that the value of money depends on the value for commodity uses of the piece of material on which the money stamp is placed, because inasmuch as gold has now free access to all the European mints, and there is no charge for coinage, the mint price will naturally be and remain, invariably, the commodity price, while the portion of silver that has no access to the mint may, for commodity purposes, be of less value or price, stated in terms of gold, than the ratio established by law for such portion of that metal as may be made into money.

One of the metals being potentially money as soon as smelted from the ore or dug from the sand, while a portion of the other is left uncrowned and devoid of the money function, no comparison can be instituted between the *uncrowned* portion of *one* and the *crowned* portion (which is the *entire portion*) of the other. It must be observed that all the silver that in any country of the world is in full use as money of final payment—such portion as has been crowned (as all gold has been crowned)—has the full power and value of gold money at the relation established by law. No man can show any difference between them in their power to purchase commodities or property. What sense, then, is there in these statements about a 60-cent dollar? If the men in high station, selected by the people for their supposed fitness for the places to which they were chosen, would give to a subject of the importance of this one-half the time they devote to matters of trifling consequence, they would not mislead the people who have reposed confidence in them.

NO VALUE IN MONEY EXCEPT PURCHASING POWER.

Any one who will note what the economists say as to the meaning of the term "value of money" will have no difficulty in arriving at a clear comprehension of it. John Stuart Mill says:

> The value of money is, to appearance, an expression as precise, as free from possibility of misunderstanding as any in science. The value of a thing is *what it will exchange for;* the value of money is what money will exchange for—*the purchasing power of money.* If prices are low, money will buy much of other things, and is of high value; if prices are high, it will buy little of other things, and is of low value. The value of money is inversely as general prices, falling as they rise, and rising as they fall.—*Political Economy*, Book III, chapter 8.

This statement of the great economist can hardly be misunderstood. He applies the term "value of money" wholly to the relation which money bears to *commodities*, not to the cost of production of the material of which money is composed. After saying that "the value of money is what money will exchange for," he adds that the value of money is "inversely as general prices—falling as they rise and rising as they fall"—showing that he regards the value of money as *wholly* a question of its purchasing power.

On the same subject Prof. F. A. Walker says:

> When we speak of the value of either gold or silver we mean the *power it has to purchase other commodities*, including the one element of money besides itself.—*Money*, page 230.

And again Prof. Walker says:

> Economists have been wont to make this distinction between value and price: *Value is purchasing power—power in exchange;* price is the power to purchase money—it is the money value of commodities. Money itself, then, while it has value (the value of a given amount of money *being measured by the quantity of commodities it will purchase*) has not price.—*Money*, page 229.

Prof. Sidgwick emphasizes the signification of the term by stating that in economic discussion there is no method of avoiding confusion except by always and everywhere insisting that the only correct interpretation of the term "value of money," is—

> *The purchasing power of money, or its exchange value measured in commodities other than money.*

Prof. Fawcett, once a cabinet minister of Great Britain and a distinguished professor of political economy in the University of Cambridge, is equally emphatic as to the meaning of the term "value" when applied to money. He says:

> When, therefore, in political economy the precious metals or the value of money is spoken of, *the purchasing power* of money is referred to; or in other words the *power of money to obtain other commodities in exchange for it.*

He continues:

> It must, therefore, be distinctly borne in mind that although men of business consider the value of money to be represented by the rate of interest, yet the signification which is here—

that is, in political economy—

> attached to the money, is such as to describe the value of money to be great when prices are low, and to be small when prices are high.—*Political Economy*, page 364.

So that Prof. Fawcett sees no value in money except through prices, that is in its command over commodities. But it is useless to multiply authorities. All that are worth quoting are to the same effect.

Inasmuch, then, as the term "value of money" signifies simply purchasing power, the total value of all the money in a country would, at any given amount, be the same, whatever the number of units into which it might be divided. If a country has $1,000,000,000 in circulation, the total value of that entire sum would be as great as if the number of dollars were at that time two thousand millions. The only difference would be that the unit—the dollar—would in the first instance have twice as much purchasing power as in the second.

The money unit being the unit by which human effort or sacrifice is measured, the consideration with respect to it that outweighs all other considerations is that of stability of value. Inasmuch as the societary condition is indispensable to the civilization and progress of man, and money the dominating institution by which aggregation and association are possible, without which progress would be unattainable, if there be one object that, more than another, demands the attention and thoughtful consideration of mankind, it is to maintain unchanging through time the value of the monetary unit.

MONEY THE ONLY THING IN THE WORLD FOR WHICH THERE IS NO SUBSTITUTE.

Money differs from all other things in the fact that there is no substitute or alternative for it, and in the nature of things never can be. In the utilization of all other things that tends to the comfort or convenience of man advantage is taken of a law of substitution. If a thing which has been in general use becomes for any reason very scarce, and as a consequence very dear, a proportion of the people abandon its use, and adopt something which serves the same purpose. Thus, if, owing to the prevalence of distemper which carries off considerable cattle, beef rises in price far beyond its ordinary limit, large numbers of the population will abandon its use, and substitute for it mutton or some other form of animal food.

If a certain brand of flour becomes much dearer, then ordinary people substitute for it another brand; or if, owing to a failure of the wheat crop, all flour becomes much dearer, great numbers of the people will wholly relinquish its use for the time being. So if one description of wood, say oak, becomes scarce and dear another wood, as ash or maple, is utilized instead. This serves as the defense of the great mass of mankind against the selfishness and cupidity of a few who would without hesitation establish a corner in any single article of universal demand if they believed that, no matter how high its value rose, the people would be compelled to obtain it.

If a man be regarded as a public enemy who merely corners wheat what would be thought of those who combine to corner all articles of food without discrimination? But when men corner money that is precisely what they do. When they deprive the world, or, which is enough for our purpose, when they deprive their own countrymen of a sufficiency of money they are cornering not only wheat, but every other article of food as well as every article of clothing. Notwithstanding the fact that gold is growing more valuable every day, they have so used their

power that the people are deprived of a full and free resort to a substitute. Well aware that owing to the very nature of money, owing to the transcendent importance of the function which money performs, there can be no substitute for it, and knowing that the less there is of money in proportion to the demand the more valuable will become the debts of which they are the owners, they deliberately deprive mankind by law of the immemorial right to supplement the deficiencies in the supply of one metal by a resort to the supply of the other.

Mr. President, no matter how high the value of money may rise the people must have it. Hence, when it becomes insufficient for the demand—the monetary obligations of the people being imperative—the products of labor must be sold for less money than before. The value of the unit might increase to such an extent that the price of a bushel of wheat might fall to one-tenth or one-hundredth part of its present figure, yet would the demand for money be as exigent as ever. Instead of finding a substitute for it, as could be done in the case of anything else that became scarce and dear, people would be compelled to attach to fractional parts of the dollar the value which now they attach to the dollar itself.

For everything, then, except money, there is some substitute to which, in case of necessity—in case of a corner—men may resort. For money, there is none. The fact of its scarcity and dearness will not only not lessen the urgency of the need for it, but will increase that urgency and need. Inasmuch as nothing else will pay debt or keep the sheriff flag from the window, legal-tender money must be obtained at any sacrifice. This is clearly recognized by Prof. Sidgwick, who says:

> It appears, then, that coin forms an exception to the general rule that the scarcity of any commodity extends the demand for its substitute.—*Political Economy*, page 252.

Mr. HIGGINS. Will the Senator yield for a question?

Mr. JONES of Nevada. Certainly.

Mr. HIGGINS. I do not know whether the Senator confines his proposition to coin, as Prof. Sidgwick put it, or to money generally, but is not paper a substitute for gold or other coin?

Mr. JONES of Nevada. I have already stated that anything which is full legal tender is money.

Mr. HIGGINS. Then the proposition of the Senator is that gold can not be increased; but he ignores the fact that the volume of money can be increased outside of gold by the issue of paper, money of account, and other such devices.

Mr. JONES of Nevada. My proposition is precisely what I stated it to be—that there is no substitute for *money*. Generally when people refer to "money of account" they mean money of no account. They refer to money that is not legal tender. They refer to devices that will enable a man to get into debt, but when trouble comes will not enable him to get out. Nothing is or can be money in the full or in the proper sense that needs to be redeemable in anything else before it can pay a debt. Money is not money if it be confined to redemption in one thing; it must be redeemable in all things. The very essence of money is redeemability in all things that are for sale and all services that are for hire. That is the character of money to which I refer.

Mr. HIGGINS I suppose the Senator means what is known as fiat money.

Mr. JONES of Nevada. All money, whether of gold, silver, or paper, is "fiat." Money is created by law, and derives its value from limitation of quantity. Gold money is as much "fiat" money as is paper money, for the reason that for any other use than the money use there is conceded to be sixty years' supply of gold on hand, which, were gold demonetized, would be available in the market for all the purposes to which gold is adapted in the various arts and manufactures. In other words, gold money is "fiat" money because it has not "intrinsic value." Owing to the fears of the money-lending classes that legislators would issue too much paper money, they have preferred that mankind should adhere to the automatic system—the system of relying upon the mines for the material of money.

The creditor classes are now, however, departing from that system. They are determined to have a system of money in which the unit shall from year to year acquire greater and greater control over property, including the products of labor. Hence in order to restrict to a minimum the quantity of money, and increase to a maximum the value of the money which they have already reduced to possession, one of the metals that from immemorial time had been used as money is denied the right of access to the mints, and the other metal established as the only metal of unrestricted coinage. In other words, while it had long been their contention that the world should always rely on the mines for the material of money, they now announce their determination that the world must be content with such fragment of the automatic system as is certain to work an advantage for the creditors.

WHY FRANCE CLOSED HER MINTS TO SILVER.

Mr. HOAR. Will the Senator please state why France demonetized silver?

Mr. JONES of Nevada. France ceased the coinage of silver because Germany, having gone to a gold standard, had three or four hundred millions of silver to sell. France was determined not to accommodate Germany by admitting her silver to the French mints.

Mr. HOAR. Is it not true, then, that France, which I think the Senator stated in his speech of yesterday is the ablest financial nation in the world, demonetized silver for precisely the reason, in the first instance, that we are asked to repeal the Sherman law, to wit, that if she did not do it, the silver of other countries would be put on to her and flood her at once?

Mr. JONES of Nevada. It was a political, not an economic reason that actuated France. It was a reason founded upon national pride. It was hatred of Germany, not any fear of silver—which had always been and continues to be the popular money of France. The French people would not at that time take the silver of Germany nor anything that was German under any conditions, no matter how pecuniarily advantageous it might be for France. But without reference to the motive of France, there is one good and sufficient reason why this country can not afford to follow her example. As I have already remarked, it is population that makes a demand for money. Without population there would be no demand for it. With increasing population there is increasing demand. With a stationary population the demand for money is stationary. In respect to increase of population this country is in a wholly different category from all other nations of the world. The population of France practically is stationary, while ours is increasing at the rate of 2¼ per cent a year—a percentage unprecedented in the history of nations. The population of France has not increased as much in ten years as ours has in four months. France is an old and finished country, while our country is new and unfinished.

Mr. HOAR. What I wish to ask the Senator is, if, in his judgment, it was good finance in France, the ablest financial country in the world, as he stated, to demonetize silver, whether it would not be good for us?

Mr. BUTLER. Do I understand France has demonetized silver?

Mr. JONES of Nevada. No. France simply ceased to coin silver.

Mr. HOAR. That is all the Sherman law provides for.

Mr. BUTLER. I am not talking about the Sherman law.

Mr. JONES of Nevada. Does the Senator from Massachusetts think that the condition in France, with a stationary population would apply to this country, where we are increasing in population at the rate of 2,000,000 per annum?

Mr. HOAR. I will answer the question with great pleasure, if the Senator would like to have me do so.

Mr. JONES of Nevada. I should like to have the Senator do so.

Mr. HOAR. I think the rule for a stationary population and for an increasing population would be the same in this respect, that if the flood of the inferior metal was likely to be so great as not only to provide a legitimate increase of currency for the wants of the population, but to drive out the gold of the world, so that the country would have left for its own use nothing with which it could pay its debts to foreign nations, exactly the same doctrine would apply. I think that is one fallacy in the Senator's proposition.

Mr. JONES of Nevada. If there were a flood, if it would bring in one thing, and if it would drive out another—and I do not know how many more "ifs"—certain results would follow.

Mr. HOAR. I answered the Senator's question exactly. His question was preceded by an "if."

Mr. JONES of Nevada. I do not remember that it was.

Mr. HOAR. The Senator asked me if it was proper for a nation, with a population increasing two or three millions per annum, to do the same thing which a nation would do whose population was not increasing, and I replied that if the circumstances were such that the proportion of the cheap metal and the demands of the nation increased more largely than the increase of population, such would be the case. The Senator put a hypothetical case to me, and I said "yes."

Mr. JONES of Nevada. The Senator fails to show that there is any such increase. I understood the Senator to say in his speech some days ago that he was a bimetallist, and that his vote in favor of the pending measure would not be a vote against silver. He knows that our population is increasing at the rate of nearly two millions every year, and yet he proposes to cut off such little supply of money as we have been getting through the operation of the Sherman law. Nobody pretends that there is a flood, or any danger of a flood, by reason of the four and a half millions of silver purchased per month.

Everybody who has examined the question knows that a Treasury note issued last month, or any month within the past year, was worth more than the first note issued under the Sherman law. Each month has seen each note more valuable. How, then, I should like to ask the Senator, does he excuse himself to his conscience for cutting off this money, increasing the burdens of the debt, and increasing the number of people relegated to involuntary idleness by reason of falling prices? Why does he propose to cut off the present supply when it is proved not to be enough?

Mr. HOAR. Because we have got now a larger amount of currency *per capita* than that of any other nation on earth.

Mr. JONES of Nevada. That will not do.

Mr. HOAR. That is the Senator's opinion. We have a supply which is to increase for a number of years to come by the coining of the existing bullion in the Treasury, and by the increase of whatever comes in of the new product of gold. We shall also have, in my opinion, all the paper instrumentalities which are to be added for the next five or ten years, until there can be a reconstruction of our financial policy on a theory which will use both gold and silver, as I conceive they should be used, for the purpose of national coinage. I hold that we ought to have not only an abundance, but an increasing supply of currency for the people of this country.

Mr. JONES of Nevada. The Senator does not answer the proposition I have made.

Mr. HOAR. I think I have answered it.

Mr. JONES of Nevada. I alluded to the fact that the subcommittee of the Committee on Finance, of which, I think, the Senator from Rhode Island [Mr. ALDRICH] was chairman, made an examination of the range of prices, and found there had been a fall everywhere. Did the Senator ever hear of inflation simultaneously with a fall of prices?

Mr. HOAR. Not in labor.

Mr. JONES of Nevada. Labor is not like a bushel of wheat.

Mr. HOAR. Will the Senator pardon me? When he states a fact will he permit me to say, in all respect, he should state a fact?

Mr. JONES of Nevada. I spoke of commodities.

Mr. HOAR. The Senator said there had been a fall of prices everywhere. His argument about labor is another question. Let us finish the other first.

Mr. JONES of Nevada. There is a fall in the price of labor also, if you take into account the number relegated to compulsory idleness.

Mr. HOAR. That is not what the committee finds.

Mr. JONES of Nevada. I do not care what they find. I am stating the fact that millions are out of employment.

Mr. HOAR. Does the Senator think it is quite the way to conduct this debate, which he is conducting so much to our instruction, for him to affirm that the committee said something as a fact, and when I pointed out that they did not include labor, he says he does not care whether they did or not? Then he says that they found labor was relegated to enforced idleness; and when I say in reply, "Yes, they include labor," the Senator says, "I do not care whether they include labor or not."

Mr. JONES of Nevada. That committee had two objects in view. The Senator from Rhode Island took the position that the fall of prices was due to the operation of the tariff. The then Senator from Kentucky, Mr. Carlisle, wished to show that the fall was not due to that cause, and the Senator from Tennessee [Mr. HARRIS] agreed with him. I will say to the Senator from Massachusetts that in gold-standard countries all over the world the price of labor is falling, as is evidenced by the unprecedented strikes now on in Great Britain and elsewhere. But when we say that a shrinkage in the volume of money causes a fall in prices, we do not mean to say that the fall takes place coincidently with the shrinkage in that volume, or that when it does take place, it is necessarily of the same percentage as that of the fall of prices, because, as I have already remarked, every power of society is exerted to keep prices from falling.

Every man who has anything to sell does everything in his power to hold prices up. This determination to keep prices steady at a time when the volume of money is not keeping pace with demand finally results in a collapse. That is the real genesis of the recent panic, as I shall show later. The range of prices which prevailed was becoming daily more and more incompatible with a quantity of money that was diminishing relatively to demand. The increase of population and business was greater than the increase of money.

Mr. HOAR. We were trying to get at what the committee said, and I think the Senator stated it erroneously.

Mr. JONES of Nevada. The committee said there had been a general fall in prices. But they could not separate the prices of labor. Labor that is idle is getting no "price" whatever. The attempt to maintain the gold standard in this growing country reminds me of the story of a man who went into a clothing store to buy a coat. In response to his demand the proprietor of the establishment promptly took down a coat. The man managed by great effort to get his arms into it, and by the aid of the clothier and two or three of his clerks the coat was finally buttoned. To the eye of the looker-on it then appeared as if it had grown on him. Said the clothier: "That is the nicest coat that any man ever put on." The customer replied: "It is a nice enough coat; there is only one difficulty with it; I can't move in it, or take a full breath; my blood won't even circulate." To this the ever-ready clothier replied: "Mine frient, when a man has a chance to get such a coat as that, he ought to be willing to train down to it." [Laughter.] So it is with our gold-standard friends. They are determined that the country shall "train down" to the gold standard. They will find our people hardly ready to "train down" quite so much. The people of this country prefer to have clothes large enough to admit of natural and unrestrained breathing and locomotion.

I will now resume the thread of my argument at the point at which I was interrupted. I was discussing the importance of stability of value in the monetary-unit.

EXCEEDING IMPORTANCE OF STABILITY OF VALUE IN THE MONETARY UNIT.

It being impossible, then, to provide a substitute for money, and the demand for it being always at a maximum, it is the only thing the demand for which can be measured and ascertained in advance. It is the only thing the very nature of which gives absolute assurance that it can not be dispensed with, or that the demand for it will in the slightest degree fall away. That demand is always in a direct ratio to the demands of all the people for all the things that satisfy human wants. Those wants do not decrease with time; they are certain to increase with population.

The struggle for money being always at a maximum, the value of the unit can not be increased except by decreasing the number of units while the population remains stationary, or increasing the numbers of the population while the number of the units of money remain stationary.

Money is as indispensable to men in society as the air they breathe is to their individual existence, and as necessary to their industrial advancement as liberty is to their political development. If the air which is necessary to our physical being should at times be found sufficient and at times insufficient for the sustenance of life, would it not be deemed a defect in the order and arrangement of the universe and of the adaptation of means to ends?—or at least would not men exhaust the resources of chemistry and natural philosophy to devise means by which a sufficient quantity of it might be evolved from other gases or other forms of matter to sustain the lives of all who might be born?

PROGRESS IN ALL DEPARTMENTS OF HUMAN THOUGHT EXCEPT THAT OF MONEY.

By slow and painful toil man has emerged from barbarism, advancing step by step in the different departments of science and art. In astronomy, in chemistry, in every walk of science, the human mind has been on the alert, the theories of ages have been overthrown and entire revolutions effected. Note the progress in the arts. Take the art of locomotion. First, the wearisome journey on foot, pack on back; next, the subjugation of the brute creation in order to lessen the drudgery of man; next, the invention of the wheel for land carriage, an invention of prime importance; next, the utilization of one of the forces of nature—water—in its natural bed, to sustain the load, while with paddle or oar men propelled raft or boat; next, still availing of the use of this agent in its natural place to float the burden, calling in the assistance of another force, the wind, to propel it.

Later, and only after long ages, men learnt the secret of taking the water from its place and transporting it with the burden, invoking the assistance of another natural force, heat, to subdivide that water into minute particles which by expansion provided an irresistible power, by means of which ships may "sail" against the wind and by which trains have reduced the toilsome and exhausting land journey of months to the pleasant and exhilarating trip of as many days. And now comes the electric force, the unit of which constitutes a subdivision of matter infinitely more attenuated than the most minute atom of water. All this progression of discoveries and achievements in but one single department of human effort! And who can say that the end is yet! In every department of science and art, of literature and philosophy, we see eager and intensely active minds ever on the alert for the discovery of new truths which may enable mankind with infinite and unappeasable curiosity to peer one step farther into the great unknown.

But with reference to money, the thought of mankind appears to be still in the paleozoic age. Notwithstanding the enlightened

civilization of our time, men sufficiently scientific and clever to calculate the distance from the earth to the sun—to compute the periodicity of comets, and, by the aid of the spectrum, to analyze and subdivide the solar ray, are found to be as children in the domain of monetary science. Even the economists themselves—dimly seeing the "kindly light," and fearing to follow, are content to argue in a circle and grope in a darkness compared with which midnight may be called noon. Students of books rather than of men—of theories rather than of life—struck with awe at the power of wealth and the glamour of privilege—they either pause at the very threshold of discovery and retrace their steps, or, seeing the truth, prefer to appear ignorant lest they give offense to the mighty.

Many of the most able economists, aware of the serious injustice effected by changes in the value of money, especially changes by which the value of the unit becomes greater—acknowledging its existence to be an evil of enormous proportions, are content to stammer falteringly forth the truth as it is, and permit the evil to continue without protest and without effort at a remedy.

As for that class of so called statesmen and writers, who regard the value of gold as fixed and immutable, their ignorance or conceit, or both, entitle them either to commiseration, or to contempt; and were it not for the injury which results to society from the persistence with which the assertion of this error continues it would not be worth noticing. But we find men in exalted places who take up this subject of an afternoon in an easy chair, giving forth solemn and ponderous opinions upon the gold standard in order that we may have "the money of the world," as if justice were not more to be desired than gold, and as if the United States did not form an important part of "the world"—for us here by far the most important part.

STABILITY OF THE MONETARY UNIT AS IMPORTANT AS THAT OF THE MATHEMATICAL UNIT.

Stability of power in this important factor in human affairs is of precisely the same importance that stability of power is in the factors of our numerical notation. In that system all depends upon the immutability of the power of the single unit—the figure 1—the same yesterday, to-day, and forever. What would be thought of a system of computation in which that figure, which now stands for our conception of a unit, and which forms the basis of all calculations, should, a year hence, stand for the conception which we now entertain of a unit and a half, and should keep progressively adding to its mathematical power, so that two years hence it would represent what we now conceive to be the power of one and three-quarters, or two, or any other sum that may be imagined, without rule or precept, without guiding or governing principle—the creature of accident and contingency? Such a system would result in the destruction of all mathematical accuracy in transactions extending beyond the present moment, and would require, every few years, a reconstruction of all equations and calculations.

If it be important to maintain unchanging the power of the *mathematical* unit, which is the basis of all measurement and account, it is no less important to maintain as undeviating and invariable as human wisdom can devise the enormously important power of the unit of money—that instrumentality by which the mutations in value, of all other things, may be correctly ascertained and determined. It will be at once conceded as to mathematics that were a system of accidental or fortuitously shifting notation to exist side by side with what in other respects might be a high civilization, it would be wholly unworthy of the genius and achievement of the human mind. Yet, the monetary system of the world, and especially the gold standard, is a close parallel to this. The value of money is permitted to become greater or to become less—to increase or to diminish—from year to year, not, as alone should be the case, according to changes in the relations of supply and demand affecting the articles which it is the function of money to exchange and to measure, but most momentous changes occur in the value of money, from considerations arising from irregularity in the supply of money itself.

The only changes in the value of money that can occur from causes affecting itself must be from causes affecting *supply* alone. There is never any cessation in the *demand* for money. While human wants remain insatiable that demand must always be at a maximum.

THE VALUE OF MONEY DETERMINABLE BY SCIENTIFIC REGULATION OF ITS QUANTITY.

Money exercises control over all human needs. Those needs are not accidental or sporadic; they are regular, continuous, unceasing, and exigent. They are not less to-day than they were yesterday. They do not depend on contingencies. Their urgency is not momentary or transitory. The need for food is as regular and inevitable as the flow of time; the need for clothing as periodical and imperative as the recurrence of the seasons. Inasmuch as, with division of labor, it is only through money that these needs can be satisfied—that supplies of food and clothing must be obtained—as well as all other material things that pertain to the comfort and happiness of man, upon what principle of reason, I ask, should the supply of money be permitted to vary according to accident?

This being the teaching of all the great authorities on political economy, how do Senators explain the paradox which they set up, namely, that although gold might be suddenly withdrawn from the country, all the other money of the country, which did not go, would buy less than before—in other words, a reduction in the volume of money—the making of dollars scarce—would make each dollar less valuable instead of, as political economy teaches, making each more valuable. Their theory is that the silver dollar would fall to its bullion value; that there would be a great rise in the prices of commodities, for that is the meaning of a fall in the value of money.

We know that among 70,000,000 people every guild and occupation is in daily and incessant competition with every other guild and occupation for units of money—that every man is in unceasing competition with every other man—all for units of money. Hence, prices can neither rise nor fall all along the line, unless some change takes place in the demand for money. How, then (population and demand continuing the same), is it possible for any one man, or set of men, to change the value of money? It is absurd to suppose that the value of money among 70,000,000 active and alert people is determined by Mr. Ickelheimer, or Mr. Ochelhausen, or Mr. Anybody-else. If the demand for money remains the same, and the supply be decreased by the withdrawal of the gold, no Senator can explain how it is possible for the silver dollar, or any other legal-tender dollar, to fall even in the most infinitesimal fraction of a cent.

The life of money is the legal-tender function. That function is the all-sufficient guaranty of the money value. As I have said, if I take a piece of silver bullion not having the potentiality of money and search all Washington, I might not find one man in ten thousand who would make a demand for it. While in that form, the demand for it is a demand for but one thing—silver bullion. But put the stamp of the Government on it and endow it with the function of legal tender,—which, so far as money is concerned, is the *function of life*,—and the same piece of silver becomes a demand for all things, and is capable of supplying all things, so far as its value may extend. It is an order on society for everything on sale and for all services that are for hire.

Should I fare any better with gold? If a man took a nugget of gold, supposing that metal also to be deprived of the potentiality of money, and with it a certificate from the assay office of the Government, or from the Director of the Mint, or from the Secretary of the Treasury, to the effect that this piece of gold is exactly equal in weight and fineness to a five-dollar gold piece, he would find not one person in ten thousand demanding it, and such demand as should be discovered would be a demand for but one thing—gold bullion—a trifling thing in the economy of civilized life. But impress it with the stamp of the Government, making it also subject to the law of legal tender, and instantly it becomes transmuted into an order for all saleable goods or services.

If before coinage the piece of gold were round and flat, and weighed exactly 25.8 grains of standard metal, would that be a dollar? All agree that it would not. Yet it is precisely the same in every respect with the dollar turned out from the mint, except that it has not the stamp of the Government. The instant that stamp has pressed upon it the "image and superscription" provided by law, it is then a dollar. The word "dollar," therefore, is a denomination; it is simply a name for the money unit of the United States, whether the proof of the fact be stamped on metal or on paper. The value that it has is derived from the law of legal tender, when it becomes an order for all things on sale in the country issuing it. Its value, after becoming such ticket of command, is determined by the competition of all men to get it. This competition becomes more keen as the number of dollars *decrease* in relation to population; it becomes less keen as the number of dollars *increase* in proportion to population. The thing that decides, therefore, how much the dollar shall be worth is not any so-called intrinsic value in the dollar, but the competition of all the people to get dollars, that is to say, *demand* operating against *supply*.

Now, with reference to all other things than money it is never possible to foretell the demand, nor to foretell the supply. The adaptability of many things to be called into requisition as substitutes for any one thing, and the consequent variability of demand, renders it impossible to estimate in advance the demand that will be made on any commodity. Inasmuch, also, as the supply of all commodities usually comes from a great variety of sources, and is subject to the widest variations and muta-

tions, it is not within the bounds of possibility for human judgment to estimate the probable or approximate supply.

With reference to money, however, were its principles fully understood, and the factors of supply and demand entering into its value properly appreciated, it would be a most simple process for society, that is for each country or government, to regulate its value so that industry would be conducted on a basis of approximate steadiness; and so that any alterations in value would be, as they should be, due wholly to causes affecting the relations of supply and demand bearing on the *articles or commodities* whose value it was desired to measure; and not at all from considerations affecting the value of money independently and of itself.

But, it is said, law can not make value. Do the advocates of the gold standard deny that *demand* makes value? Undoubtedly, law can not make value, because value resides in the human mind. But when the law creates a demand for something and keeps that demand constant, and unceasing, and unwavering, then, the quantity of the article being limited, does anybody doubt that the law which creates this demand gives to the material a value which, without the demand, would not attach to it?

People want gold and silver for some purposes in the arts, say for adornment. But they also want gold and silver for the greatest concerns of life—for the mutual exchanges of property and to liquidate obligations, that if not liquidated will involve bankruptcy. Hence there is a universal struggle to get units of money, to get the things that are made the ultimates of payment.

Their value is automatically fixed by this universal struggle to get them. Consequently their value will be determined by the quantity of them that is out, as compared with the demand for them. If this be denied, where would be the danger or the injury of inflation?

It is rendered possible to regulate the value of money for the following reasons:

1. The demand for money is not a variable quantity, but is always as great as it is possible to be, depending on all the wants of all the people, which are always at a maximum.

2. The supply is the creation solely of the Government, as nothing is money until the stamp of the Government is placed on it, under authority of the great law of legal tender.

Legal-tender money can never decrease in value so long as there is no increase in its quantity in proportion to population; and it can never increase in value so long as it does not decrease in quantity in proportion to population. Inasmuch as it is population that makes a demand for money, and without population there would be no such demand, the least increase that should be made to the volume of money would be an increase *pari passu* with the increase of population.

These considerations render it entirely practicable for society, that is to say, for civilized governments, with a fair degree of approximation, to regulate and prescribe the value of the money unit.

No greater boon since the invention of the art of writing could be vouchsafed to man than the securing of a perfectly steady and unchanging value in the unit of money. It is an object well worthy the most enlightened thought of an advanced age, for, when secured, there will be introduced a new order of the ages, a new impetus to human aspiration and effort. As nearly as may be it will be the realization in the concrete of man's ideal of abstract and eternal justice.

The annual gold yield, whether coined or uncoined, being practically all absorbed in the arts and manufactures, where is our money now to come from? No greater injustice was ever perpetrated upon a people than the cutting off of the only source of increase of the money supply, so that, without compelling a fall in the prices of all property and commodities, they can not meet the increase of 2,000,000 of population each year. The Sherman law has supplied about $800,000 a week of new money to meet the increase of 40,000 persons added weekly to our population, or only $20 for each person added, which is about $5 less than the Treasury reports show to be our average *per capita* of money.

EFFECTS OF INCREASING AND OF DECREASING MONEY SUPPLY.

Sir Archibald Alison in his history of Europe portrays in eloquent words the effects of an increasing and a decreasing volume of money upon the progress of society. He says:

The two greatest events that have occurred in the history of mankind have been directly brought about by a contraction and on the other hand an expansion of the circulating medium of society. The fall of the Roman Empire, so long ascribed in ignorance to slavery, egotism, and moral corruption, was in reality brought about by a decline in the silver and gold mines of Spain and Greece. And, as if Providence had intended to reveal in the clearest manner the influence of this mighty agent on human affairs, the resurrection of mankind from the ruin which those causes had produced was owing to a directly opposite set of agencies being put in operation. Columbus led the way in the career of renovation: when he spread his sails across the Atlantic, he bore mankind and its fortunes in his bark. The annual supply of the precious metals for the use of the globe was tripled; before a century had expired the prices of every species of produce were quadrupled. The weight of debt and taxes insensibly wore off under the influence of that prodigious increase.

In the renovation of the industry the relations of society were changed, the weight of feudalism cast off, the rights of man established. Among the many concurring causes which conspired to bring about this mighty consummation, the most important, though hitherto the least observed, was the discovery of Mexico and Peru. If the circulating medium of the globe had remained stationary, or declining, as it was from 1815 to 1849, from the effects of the South American revolution and from English legislation, the necessary result must have been that it would have become altogether inadequate to the wants of man, and not only would industry have been everywhere cramped but the price of produce would have universally and constantly fallen. Money would have every day become more valuable; all other articles measured in money less so; debt and taxes would have been constantly increasing in weight and oppression. The fate which crushed Rome in ancient, and has all but crushed Great Britain in modern times, would have been that of the whole family of mankind. All these evils have been entirely obviated, and the opposite set of blessings introduced by the opening of the great treasures of nature in California and Australia.

The closing remark of this acute observer and eminent historian correctly state that the blessings to which he referred had been "introduced," but unfortunately they had hardly time to be more than introduced before they vanished. The supply of gold began to decline. Had not the cupidity of the creditor classes been aroused, the blessings which the increased supply of gold brought to the world would have been continued to humanity through the gradual and beneficent increase in the supply of silver which followed the decline of gold.

Every dollar of gold—the "cheap" money of the period, became equal to a silver dollar, then the "dear" dollar. When in its turn gold declined in quantity and silver became more plentiful, every dollar of silver would have had precisely the same effect as a dollar of gold. It would have continued in operation the manifold factors of prosperity set in motion by the gold discoveries. Wherever silver has been used as full legal tender money it has proved a blessing, as has been abundantly seen in India, whose prosperity has never known such rapid advance as since silver was demonetized in Europe.

MONEY OPERATES UPON INDUSTRY THROUGH THE MEDIUM OF PRICES.

In the report of the Monetary Commission of 1876, of which I had the honor to be chairman, I discussed the effects of a scarcity as contradistinguished from a sufficiency of money, and with the permission of the Senate I will make a few quotations from that report. The statements fit the situation to-day with the same exactness that they fitted it then:

"Whenever gold and silver prices have become adjusted to a given stock of those metals, an increase of that stock, other things remaining unchanged, will cause a rise and a decrease will cause a fall in prices. But under such conditions other things never do remain unchanged. There are powerful causes, moral and material, which invariably operate, when money is increasing in volume, to moderate the rise in prices and to intensify their fall when it is decreasing. Hence the fall in prices caused by a decreasing volume of money would be much greater in degree than would the rise caused by a proportionately increasing volume.

"Whenever it becomes apparent that prices are rising and money falling in value in consequence of an increase of its volume, the greatest activity takes place in exchanges and productive enterprises. Every one becomes anxious to share in the advantages of rising markets. The inducement to hoard money is taken away, and consequently the disposition to hoard it ceases. Its circulation becomes exceedingly active, and for the very plain reason that there could be no motive for holding or hoarding money when it is falling in value, while there would be the strongest possible motive for exchanging it for property, or for the labor which creates property, when prices are rising. Under these circumstances labor comes into great demand and at remunerative wages. This results in not only increased production, but increased consumption. The wants and expenditures of laborers increase with their earnings. Large enterprises, safe and unsafe, are at such times inaugurated by eager adventurers, and as frequently as otherwise upon insufficient capital.

"If, however, the volume of money should increase in undue proportion to the new demands for it so as to cause a continuous and persistent rise in prices, it would encourage gambling in prices instead of encouraging production, and would end in the destruction of that industry which it at first stimulated. Such would be the haste to convert money into property that the price of all forms of property would advance more rapidly than the wages of labor. The laborer, excited by the apparent increase in the value of everything, would soon become discontented with the slow accumulations of his increased wages. Using his surplus earnings as a basis of credit, which is readily extended upon small margins when prices are rising, he would leave the field of productive industry for the illusory but more inviting field of speculative venture.

"It may, however, be possible that when industry has been

dwarfed, commerce paralyzed, and the spirit of enterprise crushed out by long-continued shrinkage in the volume of money and falling prices, the stimulus of rising prices would be a necessary temporary treatment."

That is what is needed now, a stimulus to prices—in other words, more money and not less. Does anyone suppose that money would remain hoarded one day in this country if it were known to the people who are hoarding it that more money were going to be put in circulation, and that, therefore, by a gentle rise of prices, business all over the country would experience the utmost activity? Would not the hoarded money leave its hiding places on account of the return to be realized from its use in productive enterprises—in enterprises that would call from idleness to labor every man who may be out of employment—and what greater boon could be conferred on a country than that all its people should be at work?

THE FALLING OFF IN THE QUANTITY OF MONEY A POTENT FACTOR IN PRODUCING THE COLLAPSE KNOWN AS THE DARK AGES.

"At the Christian era the metallic money of the Roman Empire amounted to $1,800,000,000. By the end of the fifteenth century it had shrunk to less than $200,000,000. During this period a most extraordinary and baleful change took place in the condition of the world. Population dwindled, and commerce, arts, wealth, and freedom disappeared. The people were reduced by poverty and misery to the most degraded conditions of serfdom and slavery. The disintegration of society was almost complete. The conditions of life were so hard that individual selfishness was the only thing consistent with the instinct of self-preservation. All public spirit, all generous emotions, all the noble aspirations of man shriveled and disappeared as the volume of money shrunk and as prices fell.

"History records no such disastrous transition as that from the Roman Empire to the Dark Ages. Various explanations have been given of this entire breaking down of the framework of society, but it was certainly coincident with a shrinkage in the volume of money, which was also without historical parallel. The crumbling of institutions kept even pace and step with the shrinkage in the stock of money and the falling of prices. All other attendant circumstances than these last have occurred in other historical periods unaccompanied and unfollowed by any such mighty disasters. It is a suggestive coincidence that the first glimmer of light only came with the invention of bills of exchange and paper substitutes through which the scanty stock of the precious metals was increased in efficiency.

"But not less than the energizing influence of Potosi and all the argosies of treasure from the New World were needed to arouse the Old World from its comatose sleep, to quicken the torpid limbs of industry, and to plume the leaden wings of commerce. It needed the heroic treatment of rising prices to enable society to reunite its shattered links, to shake off the shackles of feudalism, to relight and uplift the almost extinguished torch of civilization. That the disasters of the Dark Ages were caused by decreasing money and falling prices, and that the recovery therefrom and the comparative prosperity which followed the discovery of America were due to an increasing supply of the precious metals and rising prices, will not seem surprising or unreasonable when the noble functions of money are considered. Money is the great instrument of industry, the protoplasm of civilization, and as essential to its existence as oxygen is to animal life. Without money civilization could not have had a beginning; with a diminishing supply it must languish and unless relieved finally perish.

SOCIAL AND POLITICAL DISCONTENT DISPELLED BY CALIFORNIA DISCOVERIES.

"Symptoms of disasters similar to those which befell society during the Dark Ages were observable on every hand during the first half of this century. In 1809 the revolutionary troubles between Spain and her American colonies broke out. These troubles resulted in a great diminution in the production of the precious metals, which was quickly indicated by a fall in general prices. As already stated, it is estimated that the purchasing power of the precious metals increased between 1809 and 1848 fully 145 per cent, or, in other words, that the general range of prices was 60 per cent lower in 1848 than it was in 1809. During this period there was no general demonetization of either metal and no important fluctuation in the relative value of the metals, and the supply was sufficient to keep their stock good against losses by accident and abrasion. But it was insufficient to keep the stock up to the proper correspondence with the increasing demand of advancing populations.

"The world has rarely passed through a more gloomy period than this one. Again do we find falling prices and misery and destitution inseparable companions. The poverty and distress of the industrial masses were intense and universal, and, since the discovery of the mines in America, without a parallel. In England the sufferings of the people found expression in demands upon Parliament for relief, in bread riots, and in immense Chartist demonstrations. The military arm of the nation had to be strengthened to prevent the all-pervading discontent from ripening into open revolt. On the Continent the fires of revolution smoldered everywhere and blazed out at many points, threatening the overthrow of states and the subversion of social institutions.

"Whenever and wherever the mutterings of discontent were hushed by the fear of increased standing armies the foundations of society were honeycombed by powerful secret political associations. The cause at work to produce this state of things was so subtle, and its advance so silent, that the masses were entirely ignorant of its nature. They had come to regard money as an institution fixed and immovable in value, and when the price of property and the wages of labor fell they charged the fault not to the money, but to the property and the employer. They were taught that the mischief was the result of overproduction. Never having observed that overproduction was complained of only when the money stock was decreasing, their prejudices were aroused against labor-saving machinery. They were angered at capital, because it either declined altogether to embark in industrial enterprises or would only embark in them upon the condition of employing labor at the most scanty remuneration. They forgot that falling prices compelled capital to avoid such enterprises on any other condition and for the most part to avoid them entirely. They did not comprehend that money in shrinking volume was the prolific parent of enforced idleness and poverty, and that falling prices divorced money, capital, and labor, but they none the less felt the paralyzing pressure of the shrinking metallic shroud that was closing around industry.

"The increased yield of the Russian gold fields in 1846 gave some relief, and served as a parachute to the fall in prices which might otherwise have resulted in a great catastrophe. But the enormous metallic supplies of California and Australia were all needed to give substantial and adequate relief. Great as these supplies were their influence in raising prices was moderated and soon entirely arrested by the increasing populations and commerce which followed them. In the twenty-five years between 1850 and 1876 the money stock of the world was more than doubled, and yet at no time during this period was the general level of prices raised more than 18 per cent above the general level in 1848. A comparison of this effect of an increasing volume of money after 1848 with the effect of a decreasing volume between 1809 and 1848 strikingly illustrates how largely different in degree is the influence upon prices of an increasing or decreasing volume of money. The decrease of the yield of the mines since about 1865, while population and commerce have been advancing, has already produced unmistakable symptoms of the same general distrust, nonemployment of labor and political and social disquiet, which have characterized all former periods of shrinking money.

HAPPY EFFECTS OF STEADINESS OF COMMERCIAL PRICES.

"It is in a volume of money keeping even pace with advancing population and commerce, and in the resulting steadiness of prices, that the wholesome nutriment of a healthy vitality is to be found. The highest moral, intellectual, and material development of nations is promoted by the use of money unchanging in its value. That kind of money, instead of being the oppressor, is one of the great instrumentalities of commerce and industry. It is as profitless as idle machinery when it is idle; differing from all other useful agencies, it can not benefit its owner except when he parts with it. It is only under steady prices that the production of wealth can reach its permanent maximum, and that its equitable distribution is possible.

"Steadiness in prices insures labor to all and exacts labor from all. It gives security to credit and stability and prosperity to business. It encourages large enterprises, requiring time for their development, and crowns with success well matured and carefully executed plans. It discourages purely speculative ventures, and especially those based upon disaster. It encourages actual transactions, rather than gambling on future prices. It metes out justice to both debtor and creditor and secures credit to those who deserve it. It prevents capital from oppressing labor and labor from oppressing capital, and secures to each its just share of the fruits of industry and enterprise. It secures a reasonable interest for its use to the lenders of money, and a just share in the profits of production to the borrower. It keeps up the distinction between a mortgage and a deed. It insures a moderate competence to the many rather than colossal fortunes to the few at the expense of the many. If it be admitted that the volume of money should increase *pari passu* with either wealth, commerce, or population, the least measure of increase would be that based on population, as in commercial countries both wealth and exchanges are multiplied more rapidly than population. The narrower measure of increase would probably be the more accurate one, as the thing to be measured and which it is im-

portant should have an unvarying value is human effort, and as that can neither be increased nor diminished except through an increase or diminution of the population it would seem that the volume of money should only vary with population.

"As steadiness in prices, which depends on steadiness in the relation between money and all other things, is essential to prosperity, it follows that in any change in money systems, the volume of the new money—that is to say, the number of units of the new money issued—should if possible be neither greater nor less than the number of units in circulation at the time of the change. A strict observance of this rule, whatever be the material of money, will prevent any general rise or fall in prices.

"The quantity of metallic money, or of paper money constantly convertible into metallic money, which can be maintained in the circulation of any particular country can not be controlled arbitrarily. It can not be greater than such an amount as may be requisite to maintain the prices of such country at a substantial parity with the prices of all other countries using the same kind of money. Any change from this amount must be temporary, and will be soon automatically corrected by the course of exchange."

No country, Mr. President, can keep more than its distributive share of what may be called international money. You might issue bonds until doomsday, and even if you got with them hundreds of millions of gold for your Treasury, yet if you do not lock up that gold and keep it under guard it would not remain. The vacuum created in the money volume abroad would lead to a fall of prices abroad, while the increase of the money volume here by the inflow of the gold would create a rise here, and the moment you unlocked your Treasury it would flow out again. It would be as futile to keep gold under such circumstances as to attempt to pump water out of the harbor of Liverpool into the harbor of New York and expect to maintain two separate levels of the ocean by the operation. It would be utterly impossible. If you have the gold standard you must content yourself with the gold range of prices and must be prepared to see the condition of the working and producing masses of this country brought down to the level of the like masses of Great Britain and Germany.

"The volume of inconvertible paper money, on the contrary, is local to and subject to the control of the country issuing it, and should be regulated solely with reference to existing prices, and consequently should be neither increased nor diminished, except in correspondence with changes in population and commerce.

"The proposition often made that the quantity of money in this country should amount now to as much per capita as it did at some anterior period, or to as much per capita as in England or France, rests on no philosophical basis whatever. Irrespective of time contracts, it is of no consequence what the volume of money may be, provided it be subdivided into such number of units, or fractions of units, as would meet physical requirements, while the equity of such contract can be met only by maintaining the relation between money and other things undisturbed."

RATES OF INTEREST ALWAYS LOW WHEN MONEY VOLUME IS SHRINKING.

"Equally fanciful and erroneous is the proposition that the rates of interest depend upon the volume of money. The rates for the use of loanable capital depend upon entirely different factors, such as the current rates of business profits, productiveness of the soil, the security of property, the stability of government, pressure of taxation, and the fiscal policies of governments, such as the maintenance of public debts, which necessarily increase the rate of interest. In truth increasing the amount of money tends indirectly to increase the rate of interest by stimulating business activity, while decreasing the amount of money reduces the rate of interest by checking enterprises and thereby curtailing the demand for loans. This is signally illustrated by the present condition of things in every part of the commercial world. The rate of interest should be, and under a correct money system would be, merely an expression of the rate of profit which could be made through the use of borrowed capital."

Under a proper monetary system investments in productive enterprises would be as profitable now as at any time heretofore. This country is not half built up, and money should find increased use, and at least undiminished profit, in enterprises that employ labor. Surely in a country like this, whose development has hardly more than begun, it must be considered extraordinary that interest on first-class securities is so low. In new countries interest is always higher than in old. Interest will on the average represent what men can make by the use of money, else there would be no reward for the enterprise or energy which induces men to borrow and invest in industrial enterprises. Indeed, it is probable that interest rates represent rather more than, on the average, can be realized from the use of money in business, as the hopes of those who have the activity of temperament and the disposition to invest in industrial enterprises are usually sufficient to lead them to expect too much.

The rates of interest are not fixed by individual borrowers or by individual lenders, but by the general consensus of experience among men as to the amount of profit which can be made by the use of money. This profit is limited and controlled by the prices of the commodities in whose manufacture the capitalist engages. When money is shrinking in quantity and its value—that is its purchasing power—increasing, the fall of prices—which under the gold standard knows no end—renders impossible the rate of profit on which men of enterprise had calculated when they entered into business.

The fact that rates of interest are constantly growing less is a sign that the borrower can not afford to pay higher rates. We know that the lender would take no low rate if he could get a higher; no one will for a moment suspect that the money-lender would lend his money at less than he can exact from the borrower. But he must be contented with what he can get. If he does not take that rate, his money will lie idle altogether. When men of enterprise find no profit in industrial undertakings—when they discover that the persistent fall of prices renders impossible a reasonable degree of profit, they either decline to borrow, in which case they reduce expenses by discharging a portion of their workmen, or if they borrow and utilize the money in their business, the lender must take such interest as they can afford to pay.

Whatever may be thought of the causes for a fall of prices, it must be conceded that if money is diminishing in quantity in comparison with the demand for it, the prices of commodities can not avoid falling. It is also impossible to escape the conclusion that a persistent and protracted fall of prices from whatever cause must result in making the rates of profit for the use of money in industrial enterprises less and less. And if profits recede nothing is more certain than that interest also must recede. Hence men who have means and do not wish to risk them in business on a constantly falling market, invest them in gilt-edged securities—securities that are sure to make no default in the payment of interest. This is a necessary concomitant of a gold standard, by reason of which—business tending more and more to lack of profit—men are relegated to idleness.

When I look around me among Senators here I wonder whether they can really mean that it is important to adopt for this country the gold standard in order that we may be able toget British money-lenders to lend us more money for investment in bonds and similar securities? Have the American people come so close as this to the end of their resources? If I thought so I should consider it a pitiful exhibition of the power of a republican form of government to secure prosperity for those who live under it.

If all our gold should go to foreign countries we should have a more equitable money in its place if we had silver money. What more beneficent thing could happen to us than that the $600,000,000 of gold in this country should go to replenish the money volume of those countries to which we sell our surplus products?

What folly could we commit by letting this gold to countries in which wheat and cotton and meat products would bring 20, 30, or 40 per cent more than they now do? So far even as we may have gold contracts, it is, after all, through the sale of the products of labor that we must get gold with which to pay.

IS THERE DANGER OF A SILVER BASIS?

Mr. McPHERSON. Will the Senator yield to me a moment?

Mr. JONES of Nevada. Certainly.

Mr. McPHERSON. Suppose we opened our mints while the mints of the world are closed, and all the accumulated silver of the world and the current silver should flow to us, what would become of this country?

Mr. JONES of Nevada. In the first place, this is not a creditor country. But how are we to suppose that the silver should flood in here? There are at least seven or eight hundred millions of people in the world who use nothing but silver. They can not demonetize it. That is utterly out of the question.

According to the idea of the Senator from Rhode Island, as expressed on Saturday, the 280,000,000 of ignorant and superstitious people constituting the population of India would send here the little silver charms and idols which they use in their religious worship, and which they revere more than they do money. There is no logic in such a proposition. A trifle of bullion might come out from such a country, but it would be impossible for any considerable amount to come. So this "flood" of silver can not come.

Mr. McPHERSON. Why not?

Mr. JONES of Nevada. For the reason I have stated, and for the further reason that the East Indian would want something in exchange for his money. We have not anything he wants. I know of nothing in the world that he wants that we could supply.

Mr. McPHERSON. The British Government or the Indian Government wants gold in exchange for silver. They are building up the gold standard.

Mr. JONES of Nevada. They will *take* gold for silver, but will not *give* gold for silver. It is a one-sided operation in its way. The British Government agrees that it will not sell council bills for less than 1*s.* 4*d.*

Mr. McPHERSON. They fix the value.

Mr. JONES of Nevada. They fix the gold value.

Mr. McPHERSON. The Senator declared in his speech on Saturday, and he reiterates the statement to-day, that there are not more than twenty millions of silver anywhere in the stocks of the world that could afford to come to the United States and become a part of the circulation of the United States. I think it must be very evident to the Senator that the five hundred millions of gold reported to have been in this country a short time ago has all retired somewhere, either into the reserves of the banks or into the hoards of the people. If a larger value should be given to silver by allowing it to be brought to the mints and to be sold at $1.29 an ounce, instead of selling it, as is now done, at 75 cents an ounce——

Mr. JONES of Nevada. They do not sell it at all.

Mr. McPHERSON. Oh, yes, they do.

Mr. JONES of Nevada. They do not sell it at all. I dispute the Senator's proposition.

Mr. McPHERSON. Very well. Let me go on with my statement. I will assume then that we are going on a silver basis.

Mr. JONES of Nevada. That is purely an assumption.

Mr. McPHERSON. In my opinion it is absolutely unavoidable. The gold will not be in circulation, and what is coming in to take the place of the departed gold? The Senator can not for one moment deny the fact that it would be for the interest of France and Germany and the states of the Latin Union, as far as they had silver on hand, to exchange it for the gold of the United States, or resort to some process by which gold could be obtained for silver.

Mr. JONES of Nevada. Does the Senator say they will do it?

Mr. McPHERSON. I do; and the Senator must admit the fact.

Mr. JONES of Nevada. I do not for a moment admit it as a fact.

Mr. McPHERSON. France is situated in the heart of Europe, surrounded on all sides by gold countries that use scarcely any silver except as subsidiary coin or whose mints are closed to the coinage of silver. At all events she could not, with the gold-using countries, use her hoard of $700,000,000 of silver to buy even ammunition for war or an ounce of food to feed her army or supply her people. Therefore if France could convert her silver into gold, to wit, the gold of the United States, by the exchange of silver in lieu of gold, does the Senator say that France would not avail herself of that advantage?

The Senator may possibly ask me how France could convert her silver into gold. I would not say that she could exchange it for American gold which has gone out of circulation, because the banks would not release their gold except at a high premium. The hoards in the hands of the people, who are not debtors usually, would not be released, but they would hold it for a higher premium. How then would she do it? By sending her silver here and exchanging it for commodities. As a matter of course the moment your $500,000,000 of gold ceases to circulate it leaves your $1,600,000,000 of circulation now in this country brought down to $1,100,000,000. What is the result? Silver must rush in to take its place, because you have opened your mint to supply it. What then takes place? Silver will rise. Commodities will necessarily fall. It enables France to exchange her silver through the medium of our commodities into gold, our commodities to be transferred to Europe and sold in Europe for gold. So what has she done? She has taken her $500,000,000 of silver and put it in our circulation in place of the $500,000,000 of gold that has gone into hers.

The PRESIDING OFFICER (Mr. CULLOM in the chair). The Chair must remind the Senator from New Jersey that the Senator from Nevada has the floor.

Mr. McPHERSON. I know, but he has been so courteous as to yield to everybody, and I thought he would permit me to explain how gold will escape and silver come in.

Mr. JONES of Nevada. Certainly.

Mr. McPHERSON. I want to hear the Senator on this question, and would like the Senator to bear with me a moment longer.

Mr. JONES of Nevada. With pleasure.

Mr. McPHERSON. I have listened with great interest and with great profit to his learned address, but let me submit to the Senator that we are confronted here now with a measure of legislation. We are engaging in the practical thing, in applying in practice the theories he has advanced here. Now, let us apply them.

Mr. JONES of Nevada. The Senator is reversing them.

Mr. McPHERSON. Let me hear from the Senator, with our mints open and offering $1.29 an ounce, when all the world outside is not a bidder for silver and offering nothing how we can prevent that great flood of silver from coming in upon our circulation.

Then, to apply the Senator's other principle, which he used with great force and effect and in which I agree with him, he says that in proportion as you increase the volume of the circulation you to that extent affect the value of the unit of measure. The result of it would be this: Until we get in our circulation as much silver as we have driven out of the circulation in the character of gold money, there will be, as a matter of course, a contraction. When we reach the $1,600,000,000 again then we have got back to our normal condition. Now, how are you going to stop the flood beyond that? You are the only bidder, yours is the only mint open to silver; the world has $3,500,000,000 of silver that we have not yet received, and the mines in 1892 sent us $195,000,000 of silver (coinage value), for which there is no market except through our mints.

Mr. JONES of Nevada. I may be excused if I did not exactly understand how the process was to go on by which France was to send us her $700,000,000, as the Senator said. In the first place there is not half that available. There are not more than $250,000,000 in the Bank of France. The remainder is circulating among the people all over France; that is to say, largely among the peasantry, who know practically no money but silver money. There is 3 per cent difference between the French ratio and ours, which would be so much loss to the Frenchman, and to that must be added the brokers' commissions for gathering the silver pieces together from all the corners of France and sending them over here to buy something the people of France do not want. And if we conceive them to part with their silver to get gold, we know that the gold will not pass in France for a particle of value more than silver did before: and as the gold money consists of pieces of large value it would not serve the purpose of the people nearly so well as silver does now. Is it possible to suppose the French people would do such a thing, when a very large amount of money would be lost in the exchange?

Mr. McPHERSON. We have seen Germany do the same thing.

Mr. JONES of Nevada. Yes, at a time when she was to receive a thousand million dollars of gold as a result of the war. And even then Germany had to pass a law before making the change; and now the masses of the people of Germany, especially the agricultural classes, are intensely opposed to that law and are urging the restoration of the bimetallic standard.

France has never shown the slightest inclination to part with her silver; and in a conversation which I had with M. Tirard, who was minister of finance in France and a delegate to the conference at Brussels, he said France was perfectly contented with her system. Much better is the silver in France for the good of the people of France than if it were so much gold, even if they could exchange it to-morrow without any loss whatever. That silver money stays in France and performs the beneficent function which money is intended to perform. It is not constantly drawn out and drawn in, to the great disarrangement and detriment of the people's business, as would be the case were it internationally acceptable as money.

I assert that the prosperity of business in a country depends upon the stability of the quantity of money in that country with which to do the internal business of the country. France has a money that can not be drawn out. It is there and remains there to perform the great functions that money was intended to perform. It is a wholly chimerical idea that the peasants of France are going to discard silver and take gold which can not be subdivided to meet their daily wants, and to which, whether it could be subdivided or not, they have never been accustomed, and in dealing with money, the habits and customs of a people—their immemorial usages—are of the utmost importance.

Mr. McPHERSON. The Senator does not understand me as saying that France will ever drive out of her circulation that portion of silver that is needed for small transactions to pay the butcher and the baker, no more than our country would drive out silver coinage altogether.

Mr. JONES of Nevada. Why should she send out any more of it than we send out of what we coin?

Mr. McPHERSON. Simply for this reason: France can convert $300,000,000 or $400,000,000 of silver into gold; and the position the other nations of Europe occupy maintaining a gold standard could send all their surplus silver.

Mr. JONES of Nevada. She occupies an infinitely stronger position than any of the other nations of Europe.

Mr. McPHERSON. France to-day gives a forced circulation to her silver. The charter of the Bank of France requires that the bank shall receive from the people the silver franc on deposit, and it requires also that the bank shall pay it out again to parties who deposit it; that is, the public.

Mr. JONES of Nevada. The Senator talks about a "forced" circulation. Why, Mr. President, all circulation is by force. Whatever is legal tender is forced circulation anywhere. We have been told a great deal about the "enforced" coinage of silver. If people would give attention to the meanings of words, they would understand that all legal-tender money, of whatever material it is composed, is given "enforced" circulation. The circulation of gold is as much "enforced" as that of silver.

Mr. McPHERSON. I have heard the Senator state upon this floor that France charges a premium upon gold. Now, I wish to know if that would not be a forced circulation of silver, if a premium were charged upon gold?

Mr. JONES of Nevada. Not at all, except in the sense that it would force the man who wants to speculate on the treasure of France to pay the market price for it, instead of allowing speculators, as our Government wrongfully does, to come in and take gold out of the Treasury in order that they may be enabled to make a pitiful commission of a quarter of 1 per cent or a half of 1 per cent upon it by selling it to Austria.

Mr. McPHERSON. It is not what they have, but what the effect of it would be. Is it not a fact that if you charge a premium on gold you do force silver into circulation, because silver takes the place of gold?

Mr. JONES of Nevada. I agree to that.

Mr. McPHERSON. Then there is the admission of a fact.

The PRESIDING OFFICER. The Chair must remind Senators that before they interrupt the Senator entitled to the floor they must address the Chair so that the Chair may ascertain whether the Senator on the floor yields.

Mr. STEWART. I should like to ask the Senator from New Jersey a question.

Mr. McPHERSON. I am speaking in the time of the Senator's colleague, who has kindly yielded to me, because I want to bring out something on this particular point.

Mr. STEWART. I want to bring it out. Will the Senator allow me to ask him a question?

The PRESIDING OFFICER. Does the Senator from Nevada [Mr. JONES] yield to his colleague?

Mr. JONES of Nevada. Certainly.

Mr. STEWART. Is the Senator from New Jersey aware of the fact that in 1885 the Latin Union passed a resolution dissolving the union at the end of five years, provided any member of the union would give a year's notice; and upon the giving of such notice and such dissolution it was resolved that each of the nations belonging to that union should redeem the silver coins that the other had in gold at the rate of 15½ to 1, $1.33 an ounce? Is the Senator aware of the fact that France holds of the other nations about $200,000,000 of their silver coin, which by giving the notice she could make them take at the rate of $1.33 an ounce, and that France has refused to give that notice? Is the Senator aware that there has been a struggle all the time on the part of the gold monometallists to make France give the notice, urging as a reason that those countries had joined her enemies and she ought to do it as a matter of revenge, and that the French Government has refused to do it on the ground that it would not give up its silver coinage and disturb its present financial condition? Is the Senator aware that a transaction of that kind has been going on?

Mr. McPHERSON. If the Senator wants to ask me a question——

Mr. STEWART. If the Senator agrees with the fact I have stated, let me ask him why, when France will not sell that silver coin at $1.33 in gold, she would send it here and sell it at $1.29?

Mr. McPHERSON. In the first place, the question the Senator asks me is the worst blow that could have been struck upon the argument which has been made all the time by his colleague. In the next place, it does not matter a particle to me or to the question which the Senator from Nevada is discussing whether three or four nations shall get together and decide as to a certain monetary policy between themselves, because it is one that is terminable at the end of the period of time for which it was made. It can not have any lasting effect, and as a universal principle affecting money, it is of no consequence whatever. So I do not think I need to spend any more time in answering it.

Mr. JONES of Nevada. As I understand the Senator from New Jersey, first the gold would all go out.

Mr. McPHERSON. It has gone.

Mr. JONES of Nevada. I understand the Treasury reports to state that there are $500,000,000 or $600,000,000 in this country.

Mr. McPHERSON. It is out of circulation.

Mr. JONES of Nevada. It has not been in circulation. I do not think anybody has seen any for years. I have not. It is no more out of circulation now than it has been all the time.

Mr. McPHERSON. The panic dropped it out.

Mr. JONES of Nevada. I did not see it before the panic, nor did anybody else. No man in the country has seen any gold in circulation in this country for many years, except a little on the Pacific coast. It has always been in hiding. It is no more out of circulation now than it has always been. Yet by reason of going out of circulation the Senator tells us there would be a great contraction! He tells us that in this country there would be a premium on gold, and the silver money of this country would buy 15 or 20 per cent more than the money upon which there was a premium.

Mr. McPHERSON. Not at all.

Mr. JONES of Nevada. I want to state it again, to see whether I state it aright. He says the gold money would go out and leave only $1,000,000,000 or $1,100,000,000 in this country, and that the purchasing power of that $1,000,000,000 or $1,100,000,000 must increase largely; in other words, prices must fall.

Mr. McPHERSON. Truly.

Mr. JONES of Nevada. They must fall very greatly, and at the same time there would be a premium on gold, which would buy much less of commodities than the dollar of this silver money! That is such a contradictory statement, never confirmed in the history of the world, that I am willing the Senator shall have the full benefit of it.

Mr. McPHERSON. Now, let me say to the Senator, as I have described to him the operation by which it would be done, I understand that, except by the purchase of gold at a premium by French or German silver, it could only be obtained through an exchange of their silver for our commodities. Our gold to the extent of $500,000,000 goes out of circulation the moment we pass a bill providing for the free and unlimited coinage of silver. If the French and Germans are disposed to get rid of their silver, as they are, they may bring it here. That being silver money, as a matter of course it would rise in value and commodities would fall. The German silver and the French silver would be invested in commodities at low prices, which would be sold in European States at gold prices.

Why would not 100,000,000 bushels of wheat or a million bales of cotton sell for just as high price in French hands as it would sell in American hands? Therefore, they have converted their three or four or five hundred million dollars of silver into commodities at their gold value and exchanged them for gold in gold-using countries. We have lost our gold; they have gained it. We have got their silver, and we are upon a silver basis, and we can not get off of it.

Mr. JONES of Nevada. The Senator from New Jersey talks as though a dozen different ranges of prices could prevail simultaneously in a dozen different countries. There can be but one international range of prices. There can not be for the same article one price in France, another price in England, and a third price in this country. Prices of international commodities always find a common level.

Mr. McPHERSON. Will the Senator yield a moment further?

Mr. JONES of Nevada. Certainly.

Mr. McPHERSON. I go on this proposition broadly, that if France to-day could sell her silver at 90 per cent of its value in bulk, bodily exchange it for gold, she would be glad to do it. If there is a slight deviation or a slight loss, I do not think France would care about it.

Mr. JONES of Nevada. Does the Senator speak by any authority from France?

Mr. McPHERSON. I do not, but I speak from the general condition of things, and assume that the French people are wise in financial matters.

Mr. JONES of Nevada. The French minister of finance told the Brussels conference, and he told me personally, that France was entirely contented with her position, wanted no change, was all right, and was seeking nothing of the kind.

Now, I should like to ask the Senator from New Jersey another question, as he is so fearful that the people of France and other countries will come over here with their silver. Is he in favor, and will he be in favor, of the coinage of the American product, keeping out the foreign product?

Mr. McPHERSON. I know of no line of demarcation except this one——

Mr. JONES of Nevada. I ask the Senator whether he is really opposed to the foreign product coming in?

Mr. McPHERSON. The opening of our mints to-day drives us within the next six months to a silver basis, from which you can not escape. The coinage of the American supply will drive us there a little more slowly, but no less surely.

Mr. JONES of Nevada. That is, the Senator thinks that 50,-

000,000 ounces a year of addition to our currency to meet an annual increase of population of 2,000,000 will drive us to a silver basis.

Mr. McPHERSON. Let me ask the Senator a question. Will he yield to me?

Mr. JONES of Nevada. Certainly.

Mr. McPHERSON. There was produced in the year 1892 $195,000,000, our coinage value, of silver in the world. There is not a market for it on the earth, and if offered to-day in a block it would not bring 40 cents an ounce in any market in the universe. Now, what do you propose to do? You propose to add to the value of that store, which you transfer direct from your mine to the mints, an additional 54 cents per ounce upon every single ounce of it. Your silver to-day is bringing 75 cents an ounce in the market. Your silver at its mint price would bring $1.29 an ounce, or a difference of 54 cents per ounce, which is infinitely more than the cost of producing the ounce of silver. Here you have stimulated production. The mines of to-day produce $195,000,000 per year, which would be stimulated to such an extent that they would produce perhaps twice that amount of silver.

Mr. JONES of Nevada. The Senator is talking about $195,000,000 of silver. I am talking about the production of this country.

Mr. McPHERSON. I am speaking of the production of the world.

Mr. JONES of Nevada. I am speaking of the production of this country, and I ask the Senator whether he supposes the French people are so lacking in financial acumen that they are going to send us their silver at a great expense and lose a large amount by it? Every man in public life in France is against it. But the Senator from New Jersey seems to know exactly what they are going to do.

Mr. McPHERSON. I care nothing for the argument that it is against their interest. It is surely for their interest to sell it to us to-day for high prices and buy it back later at low prices.

Mr. JONES of Nevada. I ask the Senator if he is willing to take the American product to meet the demands for money of an increasing population? Then he wanders. I can not understand exactly the point he is trying to make.

Mr. McPHERSON. Now, apply, if you please, the very principle that I have been adapting here to the $65,000,000 of American product. I care not whether you apply it to the world's product or the American product, if you intend by any legislation which you propose here to limit the amount of silver that can possibly come to our mints to the American product, that makes the process a little slower but no less sure.

Mr. JONES of Nevada. What process?

Mr. McPHERSON. The process of transferring us from a gold standard, where we now stand, to a silver standard.

Mr. JONES of Nevada. We have not any gold standard. We have a standard of numbers, so many dollars, and we want to keep up that number of dollars and keep it proportioned to the increase of population. If gold will not do it, and we have not enough to keep pace with the population, I am right in accord with the Senator's theory. He is afraid of his own theory. He does not live up to it.

Mr. McPHERSON. There is this difference between the Senator and myself. I say that I am unalterably opposed to giving up the standard of gold which we now have. The Senator says that he would be perfectly willing to take a standard of silver, silver being the more stable.

Mr. JONES of Nevada. The Senator from New Jersey prefers a standard of gold to a standard of justice. I prefer a standard of justice, a standard in which the dollar shall remain a true measure of the sacrifice involved in the transactions whose equities it is used to register, a just and faithful measure of the obligations of time contracts and deferred payments in an age in which such contracts and payments are essential to the uninterrupted employment of labor. I understand that, according to the view of the Senator, if prices should fall, wheat to 10 cents a bushel and cotton to 3 cents a pound, on account of the decreasing supply of gold in the world, he would still be for the gold standard; he would still be for the creditor classes; he would still be for making this country an annex of Great Britain; he would still be in favor of having the producing classes, the plain people of this country, reduced by the fall in the prices of the products of their labor to a condition in which they must live on the bare necessaries of life, and when once there that they must remain there.

Mr. McPHERSON. If the Senator will yield to me for a single moment I will show him how unjust any such statement is.

Mr. JONES of Nevada. I do not think the Senator can.

Mr. McPHERSON. I will tell you what we have to-day. We have $500,000,000 of gold in the country and we have over $700,000,000 of silver circulation.

Mr. JONES of Nevada. We have not any gold in circulation in the country. I deny that at once.

Mr. McPHERSON. I am willing to put just as many dollars of silver in circulation in this country as we have gold and maintain the two on a parity. How then does the Senator say that I am unwilling to use silver in circulation?

Mr. JONES of Nevada. Suppose that is not enough to keep a parity with justice?

Mr. McPHERSON. Then I would increase the gold and increase the silver. There is no country in the world that can produce gold as fast as we can or absorb it faster.

Mr. JONES of Nevada. To talk about being able to procure gold when it does not exist is idle. It is impossible to procure gold. No country can have more than its distributive share, and no country can maintain gold except at the gold range of prices, at the range of prices prevailing in the countries which use gold. Gold can not be maintained in this country, the tariff wall considered, above the range of prices obtaining in all other countries that use gold.

The Senator says he is willing to have a dollar in silver for a dollar in gold. That does not answer the question. Suppose that is not enough. Suppose that in proportion to the demand for gold the supply is constantly decreasing, and suppose that a dollar in silver and a dollar in gold, taken together, do not make enough to maintain the range of prices undisturbed—that they do not make enough no prevent the enslavement of the debtor classes to the creditor classes—is there to be no escape? What is the meaning of a fall of general prices? It means the looting of the debtor. It means a constant unearned increment in the pockets of the creditor.

All evidence goes to prove, and the British Royal Commission practically admitted, that gold has advanced 50 per cent in value in the last twenty years. That means that to the $30,000,000,000 of debts estimated to be due by the people of this country in their individual capacity, there is an average additional burden imposed of 2½ per cent per annum. It means that a like percentage is added to the burden of the $30,000,000,000 of the national bonded debts of the world, or on account of those debts alone, an unjust and unearned capitalized increment of $15,000,000,000 in twenty years, on which interest is payable to the creditor classes, a colossal sum for which the people have received not the slightest equivalent, and all of which is placed on the already overburdened back of labor. And the process has not ceased, but is still in operation. I am willing that gold should stay here, but if we can not keep gold except at the expense of justice, then I say let gold go and let us retain justice.

Let the dollar that we retain be a dollar that does not exact from the debtor more sacrifice than he received. Let our money unit, or dollar, be a unit that will bear a steady and unwavering relation through time with the correlative units of the various products of labor, whether yardstick, pound-weight or bushel measure. Whatever be the relation between the monetary unit and the units of commodities and properties when a debt is incurred, that is the relation that should continue to exist till the debt is paid. It is far more important that our dollar, which is the unit of our money, should be at a parity with the products of labor than with gold. Gold keeps at a parity with nothing.

I should like to see a monetary unit that will keep at a parity with the unit of wheat, and the unit of cotton, the unit of beef, and of pork, and the unit of all other things that we produce in this country. That would be much better than that our monetary unit should be kept at a parity with gold. If there is not gold enough to maintain our monetary unit at a normal and unchanging relation with the units of these various commodities that our people produce at the relation that they start with, then I repeat let gold go.

Mr. McPHERSON. I did not wish to interfere with the Senator, but he was making statements which I believed to be fallacious; and the Senator will pardon me for the use of the term. I did not want to interfere with his speech.

Mr. JONES of Nevada. I have no objections to interruptions.

Mr. McPHERSON. He had suspended for the time being, and finding that he was perfectly willing to allow interruptions I interposed my objections to his reasoning.

What I want to get at is the fact, and I think the country wants it more than it wants anything else just now. I wanted to call the attention of the Senator to existing conditions, and apply his reasoning to those conditions.

THE FACTS WANTED.

Mr. JONES of Nevada. I can not understand how the Senator expects to get at facts, or expects us to get at them. I find the Senator constantly votes to keep us here night and day. I find the Senator from Massachusetts [Mr. LODGE] objecting to anybody carefully preparing what he wishes to say on a question of the utmost magnitude. He wants Senators to get up and

speak on this great subject extemporaneously, and without very serious thought. I find that many Senators on this side of the Chamber tell us they want discussion to get out the facts, and then keep us here eighteen or nineteen hours a day to get out the facts. But, Mr. President, the facts can not be found on the desks here.

Mr. HOAR. Will the Sentor from Nevada permit me to say that, while I am one of the Senators who have expressed themselves most emphatically upon the question of using debate for the purpose of obstruction, I do not myself believe there is a member of this body, whatever opinion he may hold on the silver question, who thinks the Senator's speech has been in any way too long or an abuse of the privilege of the Senate, or a speech which ought not to be made. It has been full of instruction and delight to those who differ with the Senator as well as to those who agree with him. I think every Senator will agree with me when I say that.

Mr. JONES of Nevada. My criticism did not refer to the senior Senator from Massachusetts but to the junior Senator.

Mr. HOAR. I did not understand the Senator to refer to me, but I refer to him.

THE REPORT ON PRICES AND WAGES.

Mr. ALDRICH. I think I ought to say a single word in answer to an allusion made by the Senator from Nevada to an inquiry made by the committee of which I was the chairman, it being an inquiry into the prices of wages from 1840 to 1892. I will state that the Senator from Nevada entirely misapprehends the purposes which that committee had in view, and from his idea of the results ascertained it is evident that in his wide range of reading upon this and collateral questions he must have overlooked the report of the committee.

Mr. JONES of Nevada. Oh, no; I did not. I think I stated it substantially as I understood it. I was upon the Committee on Finance which created this committee, and I understood what the object of it was.

Mr. ALDRICH. I think the Senator will agree with me that in the making of the inquiry from 1840 to 1892 the purpose could not have been in the nature of things to ascertain the result of an act which was passed in 1890.

Mr. JONES of Nevada. But it would be hardly possible to get at what took place after 1890 unless the information was called for so as to embrace the period before as well as after. Much information would naturally be obtained as to the period prior to that time, but no committee would try to get the desired information for the prior period and fail to get it for the period subsequent to 1890.

I wish before sitting down to say one word upon what seems to me a very flippant statement about the cost of producing silver.

Mr. McPHERSON. I should like to hear the Senator on that point.

Mr. JONES of Nevada. I should like to know how the Senator gets at the cost of producing silver, and what he knows about it.

Mr. McPHERSON. I will tell the Senator now.

Mr. JONES of Nevada. I shall be glad to know how he gets at it.

REGARDING COST OF PRODUCING SILVER.

Mr. McPHERSON. I take the report of the Director of the Mint in 1887, Dr. Kimball. I take the reports of Prof. Austin, of London, for the same year. Coupled with that, and finding that the cost of the production of silver as found in the mining reports has been very much reduced in the past few years, I then take the mint reports. I take the report of the Superintendent of the Census, who in 1890 reported the cost of producing 41,000,000 ounces of silver in the United States out of the 51,000,000 ounces produced. He gave a report of the actual cost of mining and reducing 41,000,000 ounces of silver out of a possible production of 51,000,000 ounces. After deducting the gold it contained, the lead it contained, and selling it in the market for the market price, it left the actual cost of producing an ounce of silver at 37½ cents. Now, I know of no higher authority to go to than those gentlemen who have been employed by us to make investigation and report.

Mr. JONES of Nevada. I know a higher authority to go to than those gentlemen.

Mr. McPHERSON. Who is it?

Mr. JONES of Nevada. It is the Senator from Nevada, who is now addressing this body. He is a very much higher authority than those gentlemen, and he does not claim to be a very high authority either. The statement is absolutely absurd. The great cost is in finding the mine. Years of time and hundreds of thousands of dollars are spent in tapping the earth, in going down and down until what gave promise of being a mine is found to be a failure. The money spent in mines that never materialize is infinitely greater than that spent in the mines that turn out the metal.

As I had occasion to say on Saturday, if there were a profit of 50 per cent or more an ounce in mining silver, what an absurdity it is that more of the people of the United States do not go into the business. There are railroads running into all those regions and communities established there, and yet there has been no increase in the numbers either of the mining capitalists or of the working miners of the country in the last ten years.

Mr. McPHERSON. Will the Senator answer me a question?

Mr. JONES of Nevada. Certainly.

Mr. McPHERSON. At a time when the price of silver has fallen at a terrible ratio, year after year, you have increased your production, and almost doubled it in the last few years, selling the product at the lowest price silver has ever reached. How do you account for that?

Mr. JONES of Nevada. In the simplest possible way; and a business man ought to know without asking. I may, by prelude, say that the yields of silver that have made the great supply of the world have not come from sporadic or occasional mines, but from great deposits found in certain localities, as, for instance, the Comstock lode, in Nevada, and the mines of Leadville, in Colorado. Four or five camps in the United States have given four-fifths of the silver of the United States. All those mines were opened and great machinery put in them before there was any material decline in silver.

Enormous sums of money having been expended, great and expensive shafts sunk, tunnels bored, and the mines open and at work, men went on with their work after the gold price of silver fell. Any man who knows anything of mining knows that it is almost ruin to mining machinery to close a mine. So that even if the mining companies made nothing more than bare expenses—and not always those—they kept their men at work, always hoping for an improvement. The great silver fields have been very few and have become world famous, such as the Potosi in Bolivia and the Comstock in Nevada and the Leadville mines of Colorado, besides the deposits found in Mexico and Peru. Before any pronounced fall took place in the gold price of silver bullion, the Nevada and Colorado mines had been furnished with expensive machinery. Works amounting to millions of dollars were in operation on the Comstock lode before 1873 and at Leadville shortly afterward; railroads were built to the mines and everything was in order for work. Now the Comstock mines are about to close.

Mr. McPHERSON. If the Senator will allow me, I am willing to rest this question upon the mines now open. We have any number of mines in the United States producing silver and the cost of production according to the census report is so much. Now, in estimating what the effect of that silver is to have upon the silver market of the world, I am ready to take just the product of those mines now open, upon the increased production and the benefits which will flow from the increased mint price of silver.

Mr. JONES of Nevada. No increase flows from that. When silver is found they dig out all of the metal possible to be dug. Everything that the mine is capable of yielding is taken out, because the companies can not afford to fritter away a dollar's expense in running the mine.

There will therefore be no increased output on account of any increased price of silver. Everybody who thoroughly understands the business will agree with me in that statement.

[At this point the honorable Senator yielded to Mr. PEFFER.]

Saturday, October 21, 1893.

Mr. JONES of Nevada. Mr. President, I have been surprised that in a question of such transcendent importance as the one under discussion, the newspaper press of the country, and Senators who are in favor of the pending measure, should for one moment think that there has been too much time occupied in its discussion. Why, Mr. President, there is not a business in the United States that is not intimately affected by the proper solution of this question.

I confess, too, that I have been somewhat disappointed that those who are so vehemently urging the gold standard for this country have not seen fit to present to us their views *in extenso*. I have not heard a single argument made on this floor, or a single fact presented; I have heard no demonstration or attempt at demonstration, that the Sherman act has had any relation whatever to the collapse in the prices of property which took place two or three months ago. On the contrary, I have heard Senator after Senator who favor repeal state to the Senate their conviction that the Sherman act had in fact nothing whatever to do with it.

THE SHERMAN LAW NOT RESPONSIBLE FOR THE PANIC.

The most that has been said against the Sherman law is that possibly it might, as a result of the exercise of the emotional side of the people's nature, have had something to do with the

difficulty; in other words, that the people *thought* the law responsible for the difficulty, and therefore, say our legislators, it should be repealed. I deny that the people thought so. A few interested persons, mostly the bankers of a few large cities and their allies, pretended to think so, and with the aid of the leading city newspapers, proclaimed themselves to be the "people." These city newspapers stated that the difficulty was caused by the Sherman law, but evidently the Senators here on both sides of the Chamber do not believe the city newspapers. Yet, even were the people to suppose the difficulties to be caused by the purchasing clause of the Sherman law, inasmuch as Senators here do not believe it, why repeal it?

Suppose it were the case of a physician and his patient; if the patient had taken a poison for which the physician prescribed an antidote which the patient refused to take, and not only refused to take, but insisted upon taking more of the poison, what would be thought of the physician if he should say: "I shall give this patient the remedy he wants, no matter how injurious it may be to him; if it destroys him the responsibility is not with me."

Now, sir, in a matter of this sort the legislative body is the physician. If every man, woman, and child in the United States thought that the remedy in this case were the disease, believing as I believe about it I should resign my seat in this body before I should vote for the pending measure. But few of the phases of this question have been discussed so far by the friends of repeal; none of the basic reasons have been given why this country should come to the gold standard. Everybody throughout the United States admits that never in the history of the country was there at any time more property in the country, more assets, more collateral.

Mr. ALDRICH. Will it interrupt the Senator if I ask him a question?

The VICE-PRESIDENT. Does the Senator from Nevada yield to the Senator from Rhode Island?

Mr. JONES of Nevada. Certainly.

Mr. ALDRICH. The Senator says that nobody has given any of the basic reasons why this country should come to a gold standard. The inference from that would be that we are not now on a gold standard, but upon some other standard. I should like the Senator to explain what standard we are on, and what change is to take place in the standard by the passage of the pending bill?

Mr. JONES of Nevada. Mr. President, there is scarcely a country in the world absolutely upon the gold standard. If the world were absolutely upon a gold standard prices would be 50 per cent lower than they are. We have had under this law an addition of perhaps $30,000,000 or $35,000,000 a year to meet the increasing wants of a rapidly growing population. We have so far remained on what is called the gold and silver standard, consistent with the issue of these Treasury notes. It is now proposed to cut off all supply. It is proposed now that the business of this country shall be done with such an amount of money as we already have out, with no addition whatever to meet, as I have said, the growing wants of a rapidly increasing population.

Does the Senator from Rhode Island deny that? Has the money that has been issued under the Sherman act produced a rise in prices? Does he maintain that the Treasury notes issued under the Sherman act have produced what has usually been termed inflation? The very report that he brought to the Senate as chairman of the subcommittee of the Finance Committee was that the dollars, instead of growing less valuable, had been growing more valuable during the whole term of operation of this law; that ever since the bill had passed prices had been falling. Does he want now, by cutting off the supply of money, to compel prices to fall still more rapidly? Does he believe that the best interests of the country are subserved by falling prices?

MEANING OF "HARD TIMES."

Why, Mr. President, if I should be asked to state in a single phrase what hard times meant, I should reply, "falling prices." That phrase means the compulsory idleness of large numbers of workingmen; it means an increasing number of patients in lunatic asylums, an increase in the occupants of the almshouses and the prisons of the country. No two words in the English language cover so vast a field of misfortunes. A condition of falling prices means the payment of an unjust and unearned increment to the creditor; it means an unjust exaction from the debtor. A condition of falling prices means a discouragement to every business venture, a thwarting of all business foresight; it means a juggling with mortgages by which they become deeds, and the property of the borrower becomes vested, in fee simple, in the lender.

Yet, Mr. President, when we say that the value of the monetary unit in gold is rising—and when I say "unit" I mean for this country the dollar, for France the franc, for Germany the mark, for England the pound sterling—just as all know that the unit of wheat-measure means a bushel of wheat, the unit of cloth-measure means a yard of cloth, or that the unit by which we measure specific gravity is the pound weight—I say that when we claim that the monetary unit is constantly increasing in value, we are met by hair-splitting arguments that improved processes of production have produced that result.

The improvement in methods of production in the twenty years after 1873 do not compare in importance or value with those of the twenty years preceding 1873, yet while one period has been a period of falling prices and business prostration, the other was a period never excelled in the history of the world for business prosperity. It was a period of rising prices. It was the red-letter period of history! The difference between the periods is due to the difference in monetary circulation. For money has been well called the lifeblood of industry.

RATES OF INTEREST ALWAYS LOW WHEN MONEY VOLUME IS SHRINKING.

I had occasion to say the other day that besides the fall in prices we have other reasons for saying that gold has advanced in value. We have absolutely conclusive reasons that nobody ever pretended to answer. Heretofore the argument has been used by the bankers—by some professed political economists and many quacks in that profession—that instead of a scarcity of money we had a superabundance, and they have shown us what they have taken to be proof of this fact in the piling up of money in city banks or great money centers, and that as another indication of plentiful supply the rates of interest on money have been falling.

With reference to the fall in the rate of interest I have stated that instead of being an evidence of plentiful supply of money the constant reductions in the rate of interest on gilt-edged securities, about which there could be no question, was an unerring signal that the quantity of money was not keeping pace with the demand. Especially is this so in a country new and unfinished, a country hardly more than touched by development, a country filled with resources of every description—the finest forests, the greatest water courses and mines, and the greatest variety of soils and climates of any nation on earth, with the most progressive, energetic, and aspiring population anywhere to be found. My statement is that when the rate of interest on money falls in such a country it is conclusive proof that the exchange power of money is rising.

The British royal commission on gold and silver (1886) on this subject says:

> When gold is scarce and commercial activity is checked by the resulting fall of prices the demand for permanent investments increases and the price of such securities rises. Owing either to the actual or the apprehended scarcity of gold there is a tendency to invest in securities bearing a fixed interest, payable in gold, which raises their price and reduces the net return obtainable from them. (Report, part 1, section 56.)

So, as the commission further says:

> The rate of interest on permanent investments is also declining.

A PROPHECY MADE IN 1876.

Prior, however, to the report of the British royal commission the report of the United States Monetary Commission, to which I have referred, clearly pointed out that interest upon first-class securities would continue to fall—the process having already begun, although the demonetization of silver had taken place but four years prior. In that report I stated:

"There need be no haste in refunding the public debt at the rate now proposed and considered low. Unless the progress of the commercial world in the policy of contraction by demonetizing silver is checked, bonds bearing a much lower rate of interest than any yet offered will be gladly accepted by capitalists here and in Europe. When the money stock is diminishing and prices are falling, the lender not only receives interest, but finds a profit in the greatly increased value of the principal when it is returned to him. A loan of money made in 1809 if repaid in 1848 would have been repaid with an addition of 145 per cent in the purchasing power of the principal, besides all the interest paid.

"Those who have loaned money to this Government since 1861 have already received nearly as much in the increased value of their principal as in interest, and all the probabilities are in respect to the 4 per cent thirty-year national bonds now being negotiated, if they are redeemed in gold, that more profit will be made by the augmentation in the value of principal than through interest. Indeed, the signs of the times are that the bonds of a country possessing the unbounded resources and stable institutions of the United States payable in gold at the end of thirty years without any interest whatever would, through the increase of the value of that metal, prove a most profitable investment."

Although sixteen years have elapsed since the writing of that report it is perfectly clear that the diagnosis then presented has been verified by the facts.

MONEY NOT CHEAP WHEN INTEREST IS LOW.

An idea seems to exist in the minds of many that if interest or the charge for the use of money is low, therefore money is cheap.

This is an entire misapprehension as to the nature of money and as to the nature of cheapness. The interest on money simply represents the amount of profit that can be made by its use. It is altogether different from the purchasing power of money. It is plain that when the value of money is increasing by reason of a dimunition in the quantity, there is a dimunition in the profits of business. It does a man no good to borrow money even at 1 per cent if the business in which he invests it is losing instead of making money.

Of what use is it for a man to put his money into property or into industries for the manufacture of products, when he knows that a constant fall is taking place in the prices of the products which his money would help to create? In that case he finds that had he delayed his investment he could put his money to better use, inasmuch as he could buy more with it each year than he could the year before. At the same time he observes that people who have invested their money in gilt-edged bonds as, for example, the bonds of great trunk-line railroads, have always an absolute guarantee of the rate of interest, whatever it may be, which they bear, whereas it is questionable whether anything could at such time be made upon the money if invested in industrial enterprises, where labor was employed in production.

The demand for that class of bonds therefore, such as railroad bonds of the first order, has been very great, and they have risen in value in about the same proportion that other property has fallen. Who would hesitate to pay even 10 per cent for money if he knew that property was going to increase 20 per cent in value? On the other hand, if a man knew that he could borrow money for 2 per cent, but that property was falling in value by 3 per cent a year, how could he utilize the borrowed money at a profit? The rate of interest seems to be very small. A few persons might be willing to pay more, but they would be such as were forced by circumstances to do so in order to protect themselves from serious loss.

Instead of interest becoming less as money becomes more plentiful, interest rises, because more profit can be foreseen in the use of it than when the value of the unit is increasing and the quantity of money decreasing. But the natural rate of interest will never be known until society shall obtain a unit of money that shall be unchanging in value. With a money increasing in value and decreasing in quantity the rate of interest will be lower than if money were unchanging. If prices continue falling interest will be lower.

WHY IS INTEREST FALLING?

Why is it that interest is less now than it has been heretofore? Why has interest been falling in the United States? Has the country been finished? Is its material development completed? Are there no great enterprises that would or should engage the attention, the enterprise, and the energies of the people that would be commercially profitable? One would suppose that under natural monetary conditions—conditions adapted to the means of the country—there would be no difficulty in finding such enterprises in a new country such as this, especially with a population rapidly increasing; but with a volume of money constantly shrinking there is an equally constant decline in prices.

Price is the barometer that measures prosperity, and yet the entire discussion in this Chamber on the part of the gold standard Senators has been carried on without relation to or even mention of that one word "price," which is the pith and marrow of the entire question before the Senate and of the entire science of money. When prices fall the hopes of the producer of wealth are taken away; he is deprived of all prospect of profit, which is the only inducement to investment of capital—and nobody is benefited but the lender of money—the man who juggles with the counters by which profits are computed.

When prices of commodities and property are falling moneyed men will not part with money in order to acquire property which in a month will be worth less than they paid for it, or to employ labor, the prices of the products of which are constantly declining. They keep their money either in the form of gilt-edged bonds or as deposits in banks, subject to their order. In other words, so far as all the purposes of money are concerned it may be said to be hoarded. People instinctively hoard and hold that which is becoming more valuable. If wheat is rising in price, those who deal in wheat and can afford to keep it on hand will do so for the manifest purpose of making a better profit at a later period.

When money is rising in value, therefore, men instead of putting it to use take it practically out of use. Hence at such times it refuses to perform the beneficent functions for which society intended it.

When, therefore, prices rise interest rises; with the fall of prices of commodities interest falls. When money is increasing in volume and decreasing in value, prices rise, and each investment in productive enterprises becomes more profitable. As a consequence interest rises. When it is decreasing in volume and so increasing in value, it is because prices are falling. At such times investments in property and in industrial enterprises become unprofitable. As a natural consequence money avoids them and seeks gilt-edged bonds, on which no default of interest is to be expected.

Such bonds naturally increase in price. On this subject the London Financial Times, of September 27 last, has the following item:

> The difficulty of finding a trust investment to yield more than the smallest fraction over 3 per cent is one which is ever before trustees, and as the tendency of first-class stocks is always to increase in price, this difficulty bids fair to become in the course of a few more years an impossibility.

They must take less than 3 per cent if the money unit continues to increase in value.

DECREASE OF INTEREST ON GOVERNMENT SECURITIES NOT A SIGN OF INCREASING CREDIT.

With reference to the decrease in the rate of interest on Government securities, it is sometimes said that this decrease shows the degree of appreciation of the credit of the country, or in the case of first-class trunk-line railroad bonds, the credit of the railroad company. But this is altogether an error. If a man could be moderately certain of making 4, or 5, or 6 per cent profit in a business enterprise, he would not take a Government bond at 3 per cent, no matter how good the credit of the Government.

During a period of increasing value in the money unit, although interest will be held up as far as possible, yet it must be reduced. A time arrives when the borrower finds it impossible to pay so much and the bond must be "converted" or "refunded" at a lower rate of interest, but for a longer period of time. In other words, if the loan be one for twenty years at 4 per cent the borrower may prefer to "convert" or "refund" it into a loan paying 3 per cent for thirty years. This makes the loan easier for the borrower, and sometimes saves him from bankruptcy.

The most certain sign, therefore, that the value of the monetary unit is increasing and from reasons having their origin not in improved processes of manufacture or in changes in the relations of supply and demand directly affecting commodities, but from reasons having their origin in changing relations of the money volume to the demands of population and business, is the fact that interest on securities of the first class is decreasing.

EFFECTS OF DECREASE OF QUANTITY OF MONEY.

"While the volume of money is decreasing, even although very slowly, the value of each unit of money is increasing in corresponding ratio, and property is falling in price. Those who have contracted to pay money find that it is constantly becoming more difficult to meet their engagements. The margins of securities melt rapidly away, and the confiscation by the creditor of the property on which they are based becomes only a question of time. All productive enterprises are discouraged and stagnate because the cost of producing commodities to-day will not be covered by the prices obtainable for them to-morrow. Exchanges become sluggish, because those who have money will not part with it for either property or services beyond the requirements of actual current necessities, for the obvious reason that money alone is increasing in value while everything else is declining in price.

"This results in the withdrawal of money from the channels of circulation and its deposit in great hoards, where it can exert no influence on prices. This hoarding of money from the nature of things must continue and increase, not only until the shrinkage of its volume has actually ceased, but until capitalists are entirely satisfied that money lying idle on special deposit will no longer afford them revenue, and that the lowest level of prices has been reached. It is this hoarding of money, when its volume shrinks, which causes a fall in prices greater than would be caused by the direct effect of a decrease in the stock of money. Money in shrinking volume becomes the paramount object of commerce instead of its beneficent instrument. Instead of mobilizing industry, it poisons and dries up its life currents. It is the fruitful source of political and social disturbance. It foments strife between labor and other forms of capital, while itself hidden away in security gorges on both. It rewards close-fisted lenders, and filches from and bankrupts enterprising borrowers. It circulates freely in the stock exchange, but avoids the labor exchange. It has in all ages been the worst enemy with which society has had to contend.

"The great and still continuing fall in prices in the United States has proved most disastrous to nearly every industrial enterprise. The bitter experience of the last few years has been an expensive but most thorough teacher. It has taught capitalists neither to invest in nor loan money on such enterprises, and just as thoroughly it has taught business men not to borrow for the purpose of inaugurating or prosecuting them. Of the few business enterprises now being successfully prosecuted, the

larger part are based on a monopoly secured either by patents or exceptional conditions. The business man has discovered that the less active and enterprising he is the better he is off. The manufacturer avoids loss by damping down furnace fires and slowing down machinery. * * *

"The stockholders and railroads have suffered a vast shrinkage in the value of their property and in the volume of their traffic in rates of transportation, while their debts have remained nominally the same, but really increasing. In order to make their decreased receipts meet the interest on their bonds, they are forced to reduce their operating expenses to the lowest possible point. Their struggles seem to be in vain, and unless that system can be changed, which is making each dollar which they owe more valuable and at the same time causing a shrinkage in their business, and which is chaining labor and all other forms of capital to the chariot wheels of money capital, they will, one after another, be swallowed by the bondholders. In the end the stockholders will be entirely out of the account, and the contest will be between different classes of bondholders, if that can be called a contest where victory is assured in advance to the liens which have priority.

"Farmers whose lands are not mortgaged, and their employés who at least are insured against absolute want, best escape the evils of the times, but the prices of agricultural products must finally decline with the reduction in the number and means of the consumers."

This prediction, made by me in 1877, sixteen years ago, is amply verified by the enormous fall in the prices of wheat and cotton in the intervening period.

"The tendency of falling prices is to break down the vast diversified interests of the country and to force a constantly increasing proportion of the population into the one single industry of cultivating the soil. The United States, instead of continuing a highly commercial and manufacturing nation, will, until falling prices are checked, become more and more exclusively agricultural and pastoral.

"Securities have already become so impaired through falling prices that loanable capital has fled affrighted from the newer and more sparsely settled sections of the country and accumulated in large amounts in the great financial centers, whose securities are more ample. The personal and property securities of individuals have generally ceased to be available, except at the highest rates of interest or at ruinously low valuations. Money can be borrowed only upon such securities as bonds, which are based on the unlimited tax-levying power of the Government, or upon the bonds and stocks of first-class trunk lines of railroad corporations, whose freight and fare rates are practically a tax upon the entire population and resources of the regions which they traverse and supply. The competition among capitalists to loan money on those more ample securities has become very keen, and such securities command money at unprecedentedly low rates.

"These low and lowering rates of interest, instead of denoting financial strength and industrial prosperity, are a gauge of increasing prostration. Large accumulations of money in financial centers, instead of being caused by the overflow of a healthful circulation, or even a proof of a sufficient circulation, are unmistakable evidence of a congested condition caused by a decreasing and insufficient circulation. The readiness with which Government bonds bearing a very low rate of interest are taken, instead of showing that the credit of the Government has improved, is melancholy evidence of the prostrated condition to which industry and trade have been reduced."

EFFECT ON LABORERS OF SHRINKING MONEY-VOLUME.

"The worst effect, however, economically considered, of falling prices is not upon existing property nor upon debtors, evil as it is, but upon laborers whom it deprives of employment and consigns to poverty, and upon society, which it deprives of that vast sum of wealth which resides potentially in the vigorous arms of the idle workman. A shrinking volume of money transfers existing property unjustly, and causes a concentration and diminution of wealth. It also impairs the value of existing property by eliminating from it that important element of value conferred upon it by the skill, energy, and care of the debtors from whom it is wrested. But it does not destroy any existing property, while it does absolutely annihilate all the values producible by the labor which it condemns to idleness. * * *

"Money capital, labor, and other forms of capital are the warp and woof of the economical system. Labor, coöperating with the forces of nature, is the source of all wealth, and to reach the highest degree of effectiveness it must be classified through the aid of capital and supported by capital during the process of production and be measured and paid in money, each unit of which is a sight draft on all other forms of property, bearing a value in proportion to the number of such drafts. In order that any country may reach the maximum of material prosperity, certain conditions are indispensable. All its labor, assisted by the most approved machinery and appliances, must be employed and the fruits of industry must be justly distributed.

"These conditions are only possible when capital is absolutely protected against violence and free from illegitimate legislative interference, and when the laborer is protected in his natural right to dispose of his labor in such manner as he may prefer. They are utterly impossible when the money stock is shrinking and the money value of property and services is declining. Howsoever great the natural resources of a country may be, however genial its climate, fertile its soil, ingenious, enterprising, and industrious its inhabitants, or free its institutions, if the volume of money is shrinking and prices are falling its merchants will be overwhelmed with bankruptcy, its industries will be paralyzed, and destitution and distress will prevail.

SELF-INTEREST THE INDUCEMENT TO PRODUCTION.

"The instinct of self-interest is the mainspring of industrial and commercial activity. It is the animating motive alike of the capitalist and of the laborer. Without it, no labor would be performed nor would capital have an existence. If money capital is withdrawn from productive enterprises, it is from the apprehension of loss and from the same instinct of thrift through which it was acquired. It is natural that the money capitalist should exact from labor all he can in exchange for his money, and that the laborer should exact all the money he can in exchange for his labor. What is known as the conflict between capital and labor is not so much a conflict between other forms of capital and labor as it is between money and labor. Indeed, the conflict between money and other forms of capital is as distinctly marked and quite as severe as the conflict between money and labor, and in that conflict other forms of capital suffer fully as much as labor, the only difference being that they are better able to endure losses.

"Other forms of capital must be constantly converted into money in order to pay wages and to meet other demands incident to industrial enterprises. When the stock of money is shrinking and prices are falling, this conversion can only be made at rates continually growing more unfavorable, while at the same time the products of the labor for whose wages sacrifices have been made are also undergoing a shrinkage of money value. Thus loss and sacrifice are encountered at every turn, and the owners of other capital than money shrink from the friction of exchange, withdraw from productive enterprises, and only exchange as much of their property for money as will suffice to meet the necessary expenditures of living, which are reduced to the most economical level, as it is principal and not income which is being consumed. Little more labor will be employed under these circumstances than is sufficient to support the owners of capital on this parsimonious basis, and as a consequence the labor market will be overstocked and the competition between laborers will reduce wages to a starvation level.

"But during this period, when property is being sacrificed to meet current necessities and laborers are being remitted to idleness and destitution, money fattens on the general disaster. Under any money system whatever, labor, money, and other forms of capital confront each other as opposing forces, each seeking through a natural instinct to secure as much as possible of the other's in exchange. These forces, although always operating against, are not necessarily injurious to each other. On the contrary, under a just money system they are not simply mutually corrective. The conflict between them is essential to the proper adjustment and harmonious working of all parts of the economical machinery. They are the centripetal and centrifugal forces of the industrial system. The equilibrium of all things is maintained through counterbalances. It is out of the action and counteraction of antagonistic forces that the harmonies of the universe are evolved. But under an unjust money system, under a system which through law or accident fails to regulate the quantity of money so as to preserve the equilibrium between money and the other factors of production, the conflict between money and labor and other forms of capital becomes destructive and ruinous.

MONEY EITHER IN SHRINKING OR UNDULY INCREASING VOLUME SEPARATES CAPITAL FROM LABOR.

"It is in the shadow of a shrinking volume of money that disorders social and political gender and fester, that communism organizes, that riots threaten and destroy, that labor starves, that capitalists conspire and workmen combine, and that the revenues of governments are dissipated in the employment of laborers or in the maintenance of increased standing armies to overawe them. The peaceful conflict which under a just money system is continually waged between money capital and labor, and which tends only to secure the rights of each and is essential to the progress of society, is changed under a shrinking volume of money to an unrelenting war, threatening the de-

struction of both. Money, in either shrinking or unduly increasing volume, like a dissolving chemical, separates capital from labor. It is not against capital, but against the false financial system that permits the volume of money to either shrink or unduly increase that the hostility of society should be aroused.

"Let labor and capital be put on equal terms, so that idle capital will be as unfruitful as idle labor, and the conflict between them will cease to be destructive. An unjust money system produces an unnatural relation between labor, capital, and money, and the resulting evils can not be remedied by special legislation on particular cases, nor by general legislation abridging the natural rights of either. Such legislation would be futile and impertinent, destructive of that freedom of individual action so essential to progress, and subversive of the true interests of all classes of society, and would powerfully tend to the overthrow of free institutions. The equitable adjustment of the correlative demands of capital and labor can not be made through violence, and is utterly impossible through any legal or other contrivance, under any system that permits contraction or undue expansion of that great instrument which measures alike the property of the capitalist and the labor of the workman. It is only through the action and counteraction of the antagonistic forces of capital and labor, automatically operating under a just money system, that equity and harmony can be evolved.

"The very same reasons which make capitalists refuse to exchange money, whose command over property is increasing, for property, whose command over money is decreasing, also make them refuse to exchange it for labor for the production of property. In a commercial sense, industrial enterprises are never undertaken nor carried on except with the hope and expectation of gain. This expectation, unless under exceptional conditions, falling markets destroy. While capitalists for these reasons can not afford to invest money in productive enterprises, still less can anybody afford to borrow money for such investments at any rate of interest, however low, and but little money is being now borrowed, except for purely speculatives ventures, or to supply personal and family wants, or to renew old obligations. Money withdrawn from circulation and hoarded in consequence of falling prices, although neither paying wages nor serving to exchange the fruits of industry, nor performing any of the true functions of money, is nevertheless not unproductive. It may not be earning interest, but it is enriching its owner through an increase of its own value, and that, too, without risk and at the expense of society.

EFFECT OF MONETARY CONTRACTION TO GIVE PROFIT TO OWNERS OF IDLE MONEY.

"If this were not the case, and if money were, while idle, losing a little in value instead of gaining, or if it simply held its own, it would be constantly diminished to the extent of the necessary expenditures of its owners, who, under such conditions, would be impelled by every instinct of thrift to seek for revenue through its employment in productive enterprises. The peculiar effect of a contraction in the volume of money is to give profit to the owners of unemployed money, through the appreciation of its purchasing power, by the mere lapse of time. It is falling prices that robs labor of employment and precipitates a conflict between it and money capital, and it is the appreciating effect which a shrinkage in the volume of money has on the value of money that renders the contest an unequal one, and gives to money capital decisive advantage over labor and over other forms of capital invested in industrial enterprises.

"Idle machinery and industrial appliances of all kinds, instead of being productive of profit, are a source of loss. They constantly deteriorate through rust and waste. They can not escape the assessor and tax-gatherer, as the bulk of money does, and must pay extra insurance when idle. Labor, unlike money, can not be hoarded. The day's labor unperformed is so much capital lost forever to the laborer and to society. It being his only capital, his only means of existence, the laborer can not wait on better times for better wages. Absolute necessity forces him to dispose of it on any terms which the owners of money may dictate. These are the conditions which surround the laborer throughout the commercial world to-day. The labor of the past is enslaving the labor of the present. At least that portion of the labor of the past which has been crystallized into money is enabled through a shrinkage of its volume and while lying idle in the hands of its owners to increase its command over present labor and over all forms of property, and to transform vast numbers of honest and industrious workmen into tramps and beggars.

SUCH EFFECT FATAL TO LABOR.

"These laborers must make their wants conform to their diminished earnings. They must content themselves with such things as are absolutely essential to their existence. Consumption is therefore constantly shrinking toward such limits as urgent necessities require. Production, which must be confined to the limits indicated by consumption, is constantly tending toward its minimum, whereas its appliances built up under more favorable conditions, are sufficient to supply the maximum of consumption. Thus idle labor, idle money, idle machinery, and idle capital stand facing each other and stagnation spreads wider and wider. The future affords no hope or prospect of improvement, except through a change in financial policies. Prices have been persistently falling throughout the world since 1873, and as fast and as far in specie-paying countries as elsewhere. If the policy of chaining the industry and commerce of the world to a single metal be persisted in by the United States, Germany, and the other European countries acting in concert with them, money must still rise in value and prices must continue to fall.

"The depression in productive industry will become more deathly, and the number of idle laborers will indefinitely multiply. The loss which this country sustains by reason of the enforced idleness of laborers who, although idle, must still in some scanty way be supplied with food, clothing, and shelter, is in the aggregate very great. * * * Contrasted with the startling sum thus annually lost through the shrinkage of money and falling prices, the amount which could by any possibility be lost in a generation through fluctuations in the relative values of gold, silver, and paper money would weigh as mere dust in the balance. If to this loss be added that caused by the nonemployment of productive machinery and appliances, the aggregate becomes appalling.

"The average stocks of nearly all commodities are at no time sufficient for more than a few months' consumption. Without constant reproduction mankind would soon be stripped of all their movable possessions. No more fatal blow, therefore, could be directed against the economical machinery of civilized life than one against labor, and that blow can be most effectively delivered through a policy which strikes down prices. If all debts in this country had been doubled by an act of legislation, it would have been a far less calamity to the debtor and to the country than the increase in their real burden already caused by a contraction in the volume of money, and infinitely more disastrous in every sense than an unjust increase in the burden of debt in the universal stagnation of industry and commerce resulting from the same cause. The doubling of debts would have left the productive forces unimpaired, while falling prices are sapping them insidiously and fatally. Nations have often exhibited an astonishing capacity for sustaining and repairing the destruction of great and protracted wars.

"The explanation of this will be found in the fact that their productive forces have at such times continued vigorous and active. Armies in barracks and on parade are as essentially nonproducers as when actively engaged, and a considerable proportion of the additions made to armies in times of war are recruited from the ranks of nonproducers. England was never more prosperous than during the Napoleonic wars. The Northern and Western States of this Union were never more prosperous than during the civil war, and for some time afterward. So long as all the productive forces are active almost any burden can be borne. The debts of the country, great as they are, would scarcely weigh as a feather if all its labor were employed. Indeed, this country could better afford, in an economical view, to support one million of soldiers in the field than to support the army of men whom falling prices have conscripted into the ranks of nonproducers."

Mr. HIGGINS. Does the Senator object to a question right there?

Mr. JONES of Nevada. Not at all.

Mr. HIGGINS. Does the Senator refer to the army of unemployed that has appeared since the present panic or before?

Mr. JONES of Nevada. I refer to it as a greater or a lesser army, which, though of varying numbers, has always been large, and has been in existence in this country ever since 1873.

Mr. HIGGINS. If the Senator will allow me, I suppose that beginning with the resumption of specie payments in 1879 and continuing on until the present condition of things arose, under the threat, as I think, of a continuance of the purchases of silver under the silver-purchase law, there has never been any period of the world or any part of the world that found labor so universally and so profitably employed, as has been the case in the United States during that period, from 1879 to the beginning of the present year.

THE CONTRACTION AFTER THE CIVIL WAR.

Mr. JONES of Nevada. That remark makes it desirable for me to state more particularly the way in which a fall of prices operates. In considering the causes which create general distress, the advocates of the gold standard appear to think that there is no connection between cause and effect unless the effect operates concurrently with the cause. Yet any impartial mind can trace the great panic of 1873 to causes having their genesis in conditions whose operation began in 1865. When, in that year,

the country saw the two millions of men constituting the armies of the North and South withdrawn from fields of destruction to enter fields of production, it was believed that universal prosperity would bless this reunited people.

We had not yet come to consider the tremendous influence which money, that great instrumentality of production and exchange, exercises upon the fortunes of a people, and what infinite care should be exercised to see that its quantity increases *pari passu* with population and demand. We had not come to realize that such an increase is an indispensable necessity to utilizing all the hours and moments of a people, and keeping every man employed. In April, 1865, ten millions of a population that had not been using the money of the Union were added to the 24,000,000 which formed the population of the Northern States, without a dollar of money being added with which to do their business. That fact alone was equivalent to an enormous contraction of the currency.

It was a demand made by 10,000,000 of people of the same race and blood and of the same energetic and aspiring disposition as those of the population to which they were added. Those 10,000,000 found themselves without a dollar of money. The money volume that had been sufficient to do the business of only 24,000,000 people had to do the business of 34,000,000—a contraction of 33 per cent. Instead of prices rising or even remaining firm—instead of the country becoming more prosperous—as was to be expected when these enormous armies were disbanded, times began to grow harder, as every man now living who was then of age can remember.

Now, as I have already stated, whenever prices show a tendency to fall, all the forces of society are enlisted in holding them up. Every man who has property says to himself, "I will not sell my property for the prices ruling to-day. A year ago I could have got a better price for it, and things must improve." Thus moved by faith and hope, men hold on to their property, rather than sell at a reduced figure.

At the close of the war private debt among the people was less *per capita* than at any other period in the history of the country. By 1873 the whole framework of business was honeycombed with debt. Property in every direction was mortgaged.

THE BURNING UP OF GREENBACKS.

As if the contraction to which I have referred were not enough, we find that in 1866, during the Administration of Andrew Johnson, the Secretary of the Treasury, Mr. McCulloch, commenced destroying the money upon whose volume the prices of all commodities and property depended. He entirely ignored the fact that at the close of the war an enormous demand had arisen for money, with no increase in the supply, and that by degrees the 10,000,000 people of the South were drawing on the North for money to pay for cotton, tobacco, sugar, and everything else which the South could sell to the North. Thus the whole country, with its 34,000,000 people, was compelled to do all its business with the same volume of money that had formerly been sufficient for 24,000,000 only. So when the crisis came the weakest link in the chain broke and all fell to the ground. Then we were told that it was on account of the previous inflation.

Mr. HIGGINS. Will my friend object to an interruption just there?

Mr. JONES of Nevada. I have not quite got to the point of my answer to the Senator's first question. Everything collapsed. The banks of New York and the other great money centers, not caring to what extent the prices of property declined in the directions in which production was going on, gave no heed whatever to the complaints of the people and the cries of distress from all sections of the country. But the moment stocks began to fall in the New York market there came a demand from the banks upon the executive department of the Government to issue some $60,000,000 or $70,000,000 of greenbacks to relieve the situation. They never think the situation demands or deserves redress until the prices of the gambling securities in which they deal become affected.

Then followed for years a condition of protracted misery among the producers of the country. As I have already explained, while the volume of money is contracting the fall of prices is always greater than the percentage of the decrease in the volume of money would really warrant, for the very simple reason that owing to the instinct of thrift, when people find the universal trend of prices of property and commodities to be downward and that the money unit is rising in value the hoarding of money begins. Money, in other words, is withdrawn from use, its owners occupying a watchful and expectant attitude. But while from this cause prices fall lower than they otherwise would, yet at such periods almost anything that will inspire hope may cause a rise in prices. Whenever people who have hoarded their money believe that bottom prices have been reached and that it is again safe to invest in business, they will do so.

I recollect very distinctly when, in the year 1878, a continuous fall of prices brought the greenback to a level with gold and silver, and rendered really unnecessary a law for the resumption of specie payments. All that was needed was to let our population grow, as it was growing, at the rate of 3 per cent per annum with the supply of money that we had. The increasing demand for money—the supply being stationary—brought each paper dollar up to a level with a dollar in specie, the more readily because of the Treasury order giving to the greenbacks full legal-tender power by permitting the customs authorities to accept them in payment of customs dues.

Mr. CAREY. Will the Senator let me ask him a question there? Was it an injury to the country to have resumption at that time?

Mr. JONES of Nevada. It was an injury to the country not to have supplied it with a volume of money sufficient to keep pace with the increase of population.

Mr. CAREY. On the Senator's own statement that would have prevented resumption at that time.

Mr. JONES of Nevada. Does the Senator think that equity between debtor and creditor, the universal employment of labor, and hope and happiness in the household are things of no possible account, and that the resumption of specie payments was therefore more important than to have an equitable volume of money?

Mr. CAREY. The Senator has just described the sad condition we were in at the time resumption took place, because of the fall of prices. Was there not immediately after resumption good times in this country?

Mr. JONES of Nevada. I was just stating when the Senator interrupted me, that always when the volume of money is decreasing the instinct of thrift induces those who have money to hoard their money, to withdraw it from the channels of circulation, and that for that reason the percentage of the fall in prices is greater than the mere percentage of decrease of money. If, therefore, for any reason all the people could be led to believe that times were going to be good, such belief would have the effect temporarily to draw out the hoarded money and this of itself would constitute an addition to the circulation.

The general belief that the resumption of specie payments would bring prosperity had for a time that effect—an effect which was aided by the completion of the elevated railroads through the city of New York, so that the prices of property in the upper part of the city and the outlying suburbs began to rise. Those circumstances gave what was believed to be an assurance to men of enterprise and capital everywhere that there were going to be good times after resumption, much of the hoarded money was put in circulation, and for about two or three years we had some improvement. But there has not been the degree of prosperity that Senators suppose.

In 1890 I made an analysis of the official reports of the Massachusetts Labor Bureau, at a period when, as we were told, times were at their very best, and I found from those nonpartisan reports that an average of 10 per cent of the laborers were constantly out of employment. As labor is well organized in Massachusetts, what was true of that State must have been true of all other States of the Union. The Senator will find the actual figures in a speech which I had the honor to deliver in this Chamber in May, 1890.

But even were all the people at work it could not be said that they were prosperous if they had to be content with the bare necessaries of life. Taking into consideration the inventions of our mechanics and the wealth which they create, they ought to be able to live much better than they do. Senators point to some time in the past and say that the people are living better than they did then. Of course they are. It would be as logical to point to the time when men lived in the savage state and assert that they should not now complain, inasmuch as their condition is much better than it was in that remote age.

Mr. CAREY. Will the Senator please answer my question? It is all very nice of course to theorize about the savage and civilized condition. Please state at what time in the history of this country the people were in a better condition, when prosperity was more general among all people, than the period immediately following the resumption of specie payments?

Mr. JONES of Nevada. I have told the Senator that immediately following the resumption of specie payments, by reason of the liberation of money that had been hoarded, there was a sufficient volume for a couple of years and prices rose a little, but that spurt of comparative prosperity did not last long. Prices resumed the falling process and we have had generally falling prices from that day to this. An accidental circumstance created for a couple of years what by comparison might be called prosperous times.

Mr. PEFFER. Will the Senator from Nevada allow me to make a suggestion at this point?

Mr. JONES of Nevada. Certainly.

Mr. PEFFER. In addition to the increase of bank circulation there were from $28,000,000 to $30,000,000 silver dollars put in circulation and added along from year to year.

BANK MONEY ELASTIC—IN THE WRONG DIRECTION.

Mr. JONES of Nevada. Yes, but that amount was wholly insufficient for increasing wants. There was another thing which happened. The Senator from Wyoming, I believe, is in favor of that elastic currency which the banks furnish. Between 1873 and 1879, when prices were falling, and when the stringency of the money market was as sharply defined as at any period in the history of this country, when the distress was almost universal, when Federal troops had to be called out to suppress hungry and starving workmen, the banks then showed how elastic their currency could be—in the wrong direction.

It was then made to diminish instead of being increased. Although everybody knew that the people wanted more money, because prices were falling, the banks withdrew their currency at the very time when they ought to have increased it. But after 1879, when prices were rising, and it was manifest that there was in circulation a larger volume of money, the banks commenced enormously to increase their issues of notes. This sort of money, issued by corporations for their own profit, is always issued when it is not needed, and withdrawn when it is most needed. It was so then, and will always be so with bank notes. After the withdrawal came hard times.

WORKMEN'S WAGES.

Mr. CAREY. Will the Senator permit me to call his attention to another fact? He is a member of the Committee on Finance. Last year that committee was composed of those in favor of the unlimited coinage of silver, I think one member who was in favor of the issue of greenbacks and some who were in favor of discontinuing the coining of silver and the purchase of it. Some were in favor of a tariff for revenue only and some were in favor of a high protective tariff. That committee submitted a report with no minority report to the effect that wages had been generally rising in this country for a period of forty years and that the same condition existed all over the world, while the prices of the products of labor were going down. Now, is not that the best condition in a country, when wages go up and products go down?

Mr. JONES of Nevada. It takes time to cover all features of a question. I have not yet reached in its order the question of wages, which I deal with fully later on. I will merely remark now that nothing favorable can be inferred from the rates of wages prevailing until one knows how many men are relegated to idleness by reason of falling prices and consequent lack of profit in business. Wages, however, I will say, are falling, as is illustrated by the unprecedented strikes at present existing in England. Wages are falling in all gold-standard countries.

Mr. CAREY. The Senator says it is because of a shrinkage of money?

Mr. JONES of Nevada. Certainly. No man can doubt it who examines the situation and reflects upon it.

Mr. CAREY. How brought about?

Mr. JONES of Nevada. Brought about by a failure of the quantity of money to increase in accordance with the increase of population and business.

Mr. CAREY. There is not one man in ten in the United States of those who are discussing this question who believes that the panic has been caused by a shrinkage of the money volume.

Mr. JONES of Nevada. Of those who discuss it there is not one man in ten nor in twenty who investigates it. Men are prone to take for granted everything they read in the gold-standard newspapers and everything they hear from gold-standard orators, without making any investigation on their own part.

Mr. CAREY. I understand from the Senator's own statement that the wages of the laborer has gone up, but his prediction for the future is that wages will go down.

Mr. JONES of Nevada. The wages in all gold-standard countries are now falling; they are being cut down everywhere.

Mr. CAREY. I say according to the last official report we have, wages are rising and have been rising for forty years.

Mr. JONES of Nevada. We do not need official reports when we see men starving all around us, and starving in Great Britain and other gold-standard countries. We do not need official reports when no laboring man can put his hand on bread for his family at any hour of the day.

Mr. CAREY. We are not talking about the panic now, or the unnatural condition of things existing in the country.

Mr. JONES of Nevada. It is a perfectly natural condition of things and prevails, so far as laborers are concerned, in other countries also. A volume of money that does not keep pace with population and demand always ends in a panic. It brought the panic on here; it brought a panic on in Australia; it brought on conditions amounting to a panic in England. The condition of the workingmen of Great Britain, as I shall show later, was never so bad as to-day.

Mr. CAREY. Yet the report of the Senator's committee, the Finance Committee, made less than a year ago, went on to state that the prices of the laborer were higher in England and elsewhere in the world than heretofore—only a short year ago.

Mr. JONES of Nevada. For the number of men who have been retained at work, wages have at least not fallen, and in occupations in which labor is well organized have risen, owing to the immovable determination of the labor organizations that wages should not be permitted to be reduced. That process, as I have said, could continue for a time, but with prices of products falling wages can not continue rising, nor can they maintain any rise they may have secured. When the margin of profits is wiped out, wages can go no farther. So we see wages falling to-day in every gold-standard country. Falling prices simply mean the adjustment of prices and the ultimate adjustment of wages to the volume of money.

REGARDING OUR CIRCULATION PER CAPITA.

Mr. CAREY. I wish to state to the Senator that the volume of money in this country has not shrunk; that is, our per capita. Ignorant men like myself, men who have no understanding, must take the official reports of the Government as our guide, and not set our theories up over and above the official reports. The official reports show there was a slight shrinkage during Mr. Cleveland's first Administration—I think, 60 or 70 cents. They show there was an increase during the last Administration of about $1.70.

Mr. JONES of Nevada. Where did it come from?

Mr. CAREY. I am not talking about where it came from. That is the official report.

Mr. JONES of Nevada. I must have some knowledge of how it arises or where it comes from. Let me say as on this point, that we have had official reports and official reports. They are made with various objects in view. If we are talking about the danger of gold leaving the country, and how necessary it is to issue bonds to increase our gold reserve, then the gold stock in the country is very small; but if we undertake to show that there is not money enough to do the business of the country, then the gold stock is very large—in fact, there is plenty of it. It appears to depend entirely on the subject we are discussing as to how much money we have in the country.

Mr. CAREY. Then I understand the Senator to say the official reports are not reliable.

Mr. JONES of Nevada. I do not depend upon them at all, neither does any other student. We know they are incorrect. I want to know where the money comes from. We know the amount of greenbacks, the amount of bank notes, the amount of Treasury notes issued; we know the amount of silver coined under the Bland law, and the amount of Treasury notes under the Sherman law. We know what all those additions mean. We know it as well as anybody in the Treasury.

Mr. CAREY. The Senator's information, then, is more reliable than that of the Treasury Department.

Mr. JONES of Nevada. The Senator may be willing to accept any statement that is official, even if it be contrary to well-known facts, in order to carry out his theory, but I shall not do so.

Mr. TELLER. For the benefit of the Senator from Wyoming I should like to give a little illustration of the worthless character of the statistics we receive. The Treasury report put the amount of gold in England at $550,000,000, and has been putting it so for several years, while the statisticians of England have been consulting and debating and contesting the question whether it is not less than $400,000,000, and the Herschell committee the other day declared that it is $440,000,000. Yet the Government of the United States has put it right along (although the Department has been criticized publicly for so doing) at $550,000,000, or over $100,000,000 more than the estimate of any man who pretends to any kind of information on the subject. Any man who has given any attention to the question knows that it has been for years rated by the Department at over $100,000,000 more than it really is. And the same is the case with our own statistics.

Mr. JONES of Nevada. We can never get at the proper solution of this money question so long as intelligent men accept without investigation everything "official" that is told to them. Neither can the question be understood in any of its relations so long as men who are regarded by the country as authorities on the subject entertain the belief that one unit of money, of whatever material composed, has any more effect upon prices of property and commodities in the country than a money unit of any

other material; nor so long as men continue to talk of "intrinsic" value in money of any kind.

I shall now proceed to speak of the quantitative theory of money. I wish to say, preliminarily, that I have heard no Senator deny the scientific correctness of that theory; yet if it be correct the so-called standard of gold is a standard of gross injustice.

THE QUANTITATIVE THEORY OF MONEY.

Political economy, Mr. President, has been called "The dismal science." The most dismal branch of it, if men are to endeavor to *force* conclusions to fit some preconceived theory without reference to principles, is that which relates to money. The persistent determination to make the whole science subordinate to the absurdities of the gold standard has operated like a Westinghouse brake on the progress of the civilized world.

But there is one principle of monetary science that, if held steadfastly in view, will constitute an unerring guide through what would otherwise be a path of inextricable difficulty.

That principle is that the value of the unit of money in any country is determined by the number of units in circulation. In other words the value of every dollar depends on the number of dollars out.

The greater the number of dollars out, other things being equal, the less will be the value of each dollar; the fewer the number out, other things remaining the same, the greater the value of each—and this without any regard whatever to the material of which the dollars are composed. This is the key to the financial situation in the United States. Much more; it is the key to the financial situation in every land. Without this key it is in vain that the student attempts to unlock the door leading to the Arcanum of monetary knowledge. Unlike many of the locks made by man, the lock on *that* door is unpickable. The household of science is one that thieves can not break through and steal. He who would enter must first find the key. With this key in hand, the most secret recesses may be explored with confidence. Without it, the student travels in a circle—returning, after much labor, to the point from which he started upon his journey. Like one in a maze, when most confidently expecting to find his way out, he but sees himself coming up against impassable barriers.

To the possessor of this theory and of an impartial mind, that is to say, a mind in search of truth for truth's sake, there is no phenomenon of industry, of commerce, or of finance that is not accounted for. With it, all facts in the monetary world harmonize. All the teachings of history illustrate its force. It has therefore for support both reason and experience. It resolves all doubts; unriddles all enigmas; makes clear that which, without it, would be an insoluble problem of political economy. But in order to receive all the benefits of truth, men must not approach the investigation with a predetermination to prove some special theory. The truth is always its own justification.

No Senator will rise in his place and deny that, other things being equal, the value of each unit of money in a country depends on the total number of units forming the monetary circulation of that country. No Senator will attempt to deny that, all other things remaining the same, the prices of property and commodities in a country are regulated by the number of units constituting the monetary circulation of the country; and by the "number of units" I mean, of course, for this country the number of dollars, for France the number of francs, for Great Britain the number of pounds sterling, etc.

The quantitative theory, Mr. President, is not new. In the third century of the Christian era the Roman jurisconsult Paulus gave a description of money which indicates the acceptance at that early period of the principle of quantity as that to which the money unit owed its value. I invite special attention to this clear-cut statement:

The origin of buying and selling—

Says Paulus—

goes back to barter. Primitively, there was no money. One thing was not called "merchandise" and the other "price," but every one, according to his needs, and according to his circumstances, bartered things useless to him for those which would be useful to him; for it often happens that what one has too much of another lacks. But, as it would not always or easily happen that you had what I should have wished for, and that, conversely, I had what you wished to obtain, choice was made of a material which, being declared forever legal value, would obviate the difficulties of barter *by means of a quantitative equation*. And this material, stamped in the corner by the State, circulates with a power which it derives *not from the substance but from the quantity*. Since that time, of the things thus exchanged one is called merchandise, and the other is called price.

This description was deemed worthy to be incorporated in the Pandects of Justinian, compiled and promulgated in the sixth century, thus demonstrating that the lapse of three hundred years had not rendered it obsolete. It is as sound to-day as it was when first written.

John Locke, in his Considerations, relating to the value of money, said:

Money, while the same quantity of it is passing up and down the kingdom in trade, is really a standing measure of the falling and rising value of other things in reference to one another, and the alteration in price is truly in them only. But if you increase or lessen the quantity of money current in traffic in any place, then the alteration of value is in the money.

Locke further said:

The value of money in any one country is the present quantity of the current money in that country in proportion to the present trade.

David Hume, the historian, says:

It is not difficult to perceive that it is the total quantity of the money in circulation in any country which determines what portion of that quantity shall exchange for a certain portion of the goods or commodities of that country. It is the proportion between the circulating money and the commodities in the market which determines the price.

Ficthe says:

If the quantity of purchaseable articles increases, while the quantity of money remains the same, the value of the money increases in the same ratio; if the quantity of money increases, while the quantity of purchaseable articles remains the same, the value of the money decreases in the same ratio.

James Mill, in his treatise on Political Economy, says:

And again, in whatever degree, therefore, the quantity of money is increased or diminished, other things remaining the same, in that same proportion the value of the whole and of every part is reciprocally diminished or increased.

John Stuart Mill (Political Economy) says:

The value of money, other things being the same, varies inversely as its quantity; every increase of quantity lowering the value, and every diminution raising it in a ratio exactly equivalent.

And again, as I have already quoted in connection with my remarks on cost of production, Mr. Mill says:

Alterations in the cost of the production of the precious metals do not act upon the value of money, except just in proportion as they increase or diminish its quantity.

Ricardo (Reply to Bosanquet) says:

The value of money in any country is determined by the amount existing. That commodities would rise or fall in price in proportion to the increase or diminution of money I assume as a fact that is incontrovertible.

Ricardo further says:

There can exist no depreciation in money but from excess; however debased a coinage may become, it will preserve its mint value; that is to say, it will pass in circulation for the [so-called] intrinsic value of the bullion which it ought to contain, provided it be not in too great abundance.

John Stuart Mill again says:

We have seen, however, that even in the case of metallic currency the immediate agency in determining its value is its quantity.—*Principles of Political Economy*, volume II, page 89.

William Huskisson (The Depreciation of the Currency, 1819) says:

If the quantity of gold in a country whose currency consists of gold should be increased in any given proportion, the quantity of other articles and the demand for them remaining the same, the value of any given commodity measured in the coin of that country would be increased in the same proportion.

Sir James Graham says:

The value of money is in the inverse ratio of its quantity; the supply of commodities remaining the same.

Torrens, in his work on Political Economy, says:

If the value of all other commodities, in relation to gold, rises and falls as their quantities diminish or increase, the value of gold in relation to commodities must rise and fall as its quantity is diminished or increased.

Prof. De Colange, in the American Cyclopedia of Commerce, article "Money," says:

The rate at which money exchanges for other things is determined by its quantity. * * * Supposing the amount of trade and mode of circulation to remain stationary, if the quantity of money be increased its value will fall and the price of other commodities will proportionately rise, as the latter will then exchange against a greater amount of money; if, on the other hand, the quantity of money be reduced, its value will be raised, and prices in corresponding degree diminished, as commodities will then have to be exchanged for a less amount of money. * * * In whatever degree, therefore, the quantity of money is increased or diminished, other things remaining the same, in that same proportion the value of the whole and of every part is reciprocally diminished or increased.

Says Prof. Sidgwick, of Cambridge University:

The exchange value of any particular coin will vary in exactly inverse ratio to the variations in quantity of the aggregate.—*Principles of Political Economy*, page 251.

So absolutely clear are the leading writers that the value of money unit is, in every case, other things being equal, determined by the number of units out, and does not depend on the material of which the money may be composed, that they have not the slightest hesitation in asserting that the rule applies even to uncovered paper money, so that the value of every dollar of gold and silver in circulation is diminished or increased, according as the quantity of paper money is increased or diminished; and reciprocally as to all of these, the increase in the number of dollars of either kind diminishing the value of each dollar of the others, while the decrease in the number of either increases the value of each of the others, without the slightest regard whatever to the material of which either of the dollars is composed.

If this be so, if the value of the unit of money depends not on the material of the dollars but on their *quantity*, what becomes of the gold standard? If this be so, inasmuch as silver has been utilized as money since the dawn of creation, why abandon it now, unless Senators are prepared to abandon the automatic system altogether? If we must, by legislation, compel a change in the value of money (for that is what this measure means), why legislate so that it can change in one direction only, and *that* the direction which is always favorable to the classes that lend money and live idly on their incomes—the direction most injurious to society, most fatal to industry, most narcotizing to energy?

Prof. Stanley Jevons, in his work on Money and Mechanism of Exchange, says;

There is plenty of evidence to prove that an inconvertible paper money, if carefully limited in quantity, can retain its full value. Such was the case with the Bank of England notes for several years after the suspension of specie payments in 1797, and such is the case with the present notes of the Bank of France.

In his proposal for an economic and secure currency, the great authority, Ricardo, himself a most acute dealer in money, says:

A well regulated paper currency is so great an improvement in commerce that I should greatly regret if prejudice should induce us to return to a system of less utility. The introduction of the precious metals for the purposes of money may with truth be considered as one of the most important steps toward the improvement of commerce and the arts of the civilized life; but it is no less true, that with the advancement of knowledge and science, we discover that it would be another improvement to banish them again from the employment to which, during a less enlightened period, they had been so advantageously applied.

The distinguished economist and editor, Mr. J. R. McCulloch, in commenting on the principles of money laid down by Ricardo, says:

He examined the circumstances which determine the value of money, * * * and he showed that * * * its value will depend on *the extent to which it may be issued* compared with the demand. This is a principle of great importance, for it shows that *intrinsic worth is not necessary to a currency*, and that, provided the supply of paper notes declared to be a legal tender *be sufficiently limited*, their value may be maintained on a par with the value of gold, or raised to any higher level. If, therefore, it were practicable to devise a plan for preserving the value of paper on a level with that of gold, without making it convertible into coin at the pleasure of the holder, the heavy expense of a metallic currency would be saved.

It appears, therefore, that if there were security that the power of issuing paper money would not be abused; that is, if there were perfect security for its being issued in such quantities as to preserve its value relatively to the mass of circulating commodities nearly equal, the precious metals might be entirely dispensed with, not only as a circulating medium, but also as a standard to which to refer the value of paper.

Lord Overstone also admits that irredeemable paper money can, by a proper limitation of its issues, be kept at par with gold.

In adopting a paper circulation—

He says—

We must unavoidably depend for a maintenance of its due value upon the adoption of a strict and judicious rule for the regulation of its amount.

Supporting this view we find also that Alexander Baring, in his evidence before the secret committee of the House of Lords in 1819, said:

The reduction of paper would produce all those effects which arise from the reduction in the amount of the money in any country.

An early and distinguished authority in our own country, Mr. Gallatin, said:

If in a country which wants and possesses a metallic currency of seventy millions of dollars, a paper currency to the same amount should be substituted, the seventy millions in gold and silver, being no longer wanted for that purpose, will be exported, and the returns may be converted into a productive capital and add an equal amount to the wealth of the country.

When we know that these are views of the leading writers—all uniting in the assertion that that which determines the value of money is the quantity, not the material—it must excite our special wonder that Senators propose to destroy silver as money of final payment, or to repeal a law which by its slight addition to the quantity of money has at least tended to maintain, in some degree, among us the equities of time contracts and deferred payments. When Senators know that all great projects in this country, on which the employment of labor depends, are based upon the prices of commodities, and that when those prices are constantly falling workingmen must be relegated to idleness, that every debt must be paid in a dollar of increasing value, to the ruin of merchants and of the projectors of industrial enterprises in which labor should be employed, it is incomprehensible how they can advocate the establishment in this country of a gold standard, or of any standard except such as will furnish a sufficient volume of money for the business of the people.

With reference to Ricardo, it is to be borne in mind that his profession was that of stockbroker. Hence we must make allowance for his desire to maintain the gold standard—knowing, as he very well knew, that the gold standard meant a certain level of prices for commodities—that is to say, that it did not mean the possession of gold, but the ability of money-lenders, creditors, and the idle aristocracy and income classes of Great Britain to obtain all the comforts and luxuries of life at a level of prices getting constantly lower, for, if by those means, workmen were relegated to idleness, those idlers felt themselves not individually responsible. Their inquiry was: "Am I my brother's keeper?"

In a paragraph of the twenty-seventh chapter of his work on Political Economy, Ricardo makes the broad statement that a nation may be on the gold standard without having a solitary dollar of gold within its entire territory, provided only that, whatever may be the form of its money, the number of the units of that money shall not exceed the number of *gold* units which, if the country used gold money, would be its distributive portion of the gold of the world. That proportion is, of course, fixed by the general range of prices. Ricardo's statement is:

A currency is in its most perfect state when it consists wholly of paper money, but of paper money of an equal value with the gold which it professes to represent. The use of paper instead of gold—

He continues—

substitutes the cheapest in place of the most expensive medium, and enables the country, without loss to any individual, to exchange all the gold, which before it used for this purpose for raw materials, utensils, and food—by the use of which both its wealth and its enjoyments are increased.

It will be remembered that on Saturday I demonstrated, by citations from the leading writers that money has no value whatever except value in exchange—*purchasing power*—and that when the term "value of money" is used, it means only purchasing power and not any value, which, for commodity purposes, might attach to the material of which it is composed.

By limiting its quantity—

Ricardo says—

its value in exchange—

Which, as I have said, is the only value that money has—

is as great as an equal denomination of coin, or of bullion in that coin.

And he very properly adds:

There is no point more important in issuing paper money than to be fully impressed with the effects which follow from the principle of limitation of quantity.

Of course there is no point more important than that. The principle of limitation of quantity is of the very essence of the value of money, of whatever material it may be composed.

If money were unlimited in quantity it would have no value whatever. Nothing has value that is unlimited in quantity. If, instead of sand, the ocean beach were strewn with gold dust, it would have no value whatever as a commodity; yet if that gold dust were taken up and coined into pieces of money, *the number of such pieces being limited*, they would have value precisely as gold pieces have value to-day. And, on the other hand, as Adam Smith says, if gold should reach a certain degree of scarcity, the slightest bit of it might become as valuable as a diamond.

Ricardo, leaving no form of the statement untouched, recurs to the subject by making the following remark:

On these principles it will be seen that *it is not necessary that paper money should be payable in specie to secure its value;* it is only necessary that its quantity should be regulated according to the value of the metal which is declared to be the standard.

If it is not necessary for paper money, in order to be of equal value with gold money, to be payable or "redeemable" in gold, how can it be asserted that silver money, in order to maintain its value in relation to gold, should be redeemable in that metal?

Prof. Fawcett, in his work on Political Economy, says:

In discussing the laws of price, the principle was established that general prices depend upon the quantity of money in circulation compared with the wealth which is bought and sold with money, and also upon the frequency with which this wealth is bought and sold before it is consumed. If more wealth is produced and an increased quantity of wealth is bought and sold for money, *general prices must decline unless a larger quantity of money is brought into circulation.*

When Prof. Fawcett says that "general prices must decline unless a larger quantity of money is brought into circulation," he is but stating in another form of phrase that the value of money increases as its quantity diminishes. This is the quantitative theory. Prof. Fawcett further says:

The amount of money required to be kept in circulation depends upon the amount of wealth which is exchanged for money. Hence, *ceteris paribus, the amount of money ought to increase as the population and wealth of a country advance.*—*Political Economy*, page 371.

If the amount should be increased, surely the increase must be an increase of the quantity.

Mr. N. A. Nicholson, of Oxford, in his Science of Exchanges, says:

Whatever substance may be used as currency, an excessive quantity of it (more than is required by the wants of the community) necessarily causes a diminution of its purchasing power.

To show that even gold is subject to the same law of quantity, Mr. Nicholson asks:

Could a currency, then, consisting entirely of the best gold coin only, be depreciated?

To which he replies:

Certainly, provided that the exportation of gold could be altogether prevented, the amount in use would soon become greater than what was required by the wants of the community, and its purchasing power would diminish in the same proportion.

What Mr. Nicholson means by the "wants of the community" is the amount of money necessary to sustain prices at the international level.

Earl Grey, writing to Mr. Grenfell, one of the governors of the Bank of England, and referring to Ricardo, says:

I would remind you (though it is hardly necessary to do so) that in his admirable pamphlet on this subject, he (Ricardo) has shown the value of paper money issued by the authority of the state to depend upon its *amount* as compared to the wants of the state in which it circulates. No one, I believe, now doubts this to be true, and experience has proved that *inconvertible paper money will circulate not only without depreciation*, but even at a premium if the issues are sufficiently limited.—[Letter from Earl Grey, dated May 31, 1881. Quoted in The Bimetallic Controversy, by Gibbs & Grenfell, page 160.]

Prof. Shields Nicholson, of Edinburgh, in an article in the Nineteenth Century for December, 1889, states that every economist of repute since Ricardo's time has been an advocate of the quantitative theory of money.

Even a so-called debased coinage—that is, a coinage, each piece of which contains a smaller quantity of metal than the law prescribes—will maintain itself at par provided the total number of coins put in circulation be not too large. On this point, as I have shown, Ricardo says, that in circulation such coins will pass for the quantity of metal they *ought* to contain, provided they be "not in too great abundance."

With reference to this relation of quantity, and to the absolute necessity of an increase of money *pari passu* with the demands for it, Prof. Perry, of Williams College, says:

When, however, enterprises are multiplying and exchanges are being permanently increased in number and variety, then there must be a larger volume of money.—*Principles of Political Economy*, page 409.

With regard to the irredeemable paper notes of the Bank of England, issued on the suspension of specie payments in 1797, Prof. Perry says:

Cautiously issued at first, bank paper continued at par for several years after the suspension, which proves that when Government possess the monopoly of issuing paper money, and *carefully limits its quantity*, and both receives and pays it out at par, it may keep an inconvertible paper at par, or even by sufficiently limiting its quantity *carry it above par*.

How do gold-standard Senators, who talk of a sixty-cent dollar, explain the fact of a one-cent paper pound-sterling being at par with gold, or even at a premium over gold, without a penny's worth of gold existing in the entire kingdom? I suppose they will say the notes were sustained by the "credit of the government." Then, why did the credit of the government allow the notes later on, *when they were issued in larger quantity*, to depreciate in value?

All these great authorities agree, as I have shown, that the quantitative theory of money is correct, and that, instead of applying merely to gold, it applies to all money without discrimination or distinction of material.

Upon what principle of justice or wisdom, then I ask, can Senators advocate the repeal of a law which permits the continued utilization of silver, which has been money throughout all time? Why do they wish to repeal a bill which not only does not give too much money, but which, as is shown by the persistent fall of prices of commodities in the country, has not supplied even enough money for the wants of our people? The value of the notes issued under that law, instead of becoming less as time has elapsed, has become greater, showing, as I have stated, that there have not been too many of them issued, but too few.

I have heard no authorities cited by Senators on the other side. They prefer to be authorities themselves. They can not invoke in behalf of their contentions either the facts of history, or the works of leading political economists or philosophers in any country of the world. The junior Senator from Massachusetts [Mr. LODGE] by his resolution to prohibit the reading of speeches wished us to understand that it is better to deliver speeches on this question extemporaneously and without that thoughtful preparation to which so great a subject is entitled. I have heard no attempt to deny the propositions or postulates that we have laid down. We on our side are subject to the derision of all the gold-standard newspapers; even the cranks of the country are encouraged to "suppress" us; but, most remarkable circumstance, neither in the press nor in the Senate do we read or hear any answer to our arguments. We stand here for the prosperity of our country; for the welfare of all its people. We stand here advocating the wisdom, the duty, and the policy of having a reasonable increase in the volume of our money, an increase sufficient to maintain undisturbed the range of prices of the products of industry.

Until this is accomplished we shall constantly see willing workers relegated to idleness, owing to want of profit in business. We shall see the producers of the country looted by the money-lenders, who will receive the unearned increment on every contract, every bond, and every mortgage. Until this is accomplished, and the quantity of money keeps pace with demand, the real emancipation of man will not be achieved. Then only will the spiritual be fully enabled to take possession of the material. Then only shall we see every department of society advancing in intellectuality and in spirituality, for neither men nor women can ever become truly spiritual while engaged in a feverish hunt for the absolute necessaries of life.

AS TO REGULATION OF QUANTITY.

Mr. CAREY. Would it interrupt the Senator if I should ask him how he would regulate the quantity?

Mr. JONES of Nevada. I will reply to the Senator. In order that I may do so intelligently let me very briefly recapitulate the factors that enter into the question. In a condition of civilization dependent, as ours is, upon a system of almost infinite subdivision of labor, there is no human being who by his own efforts can supply even one of his own wants—none who can contribute more than a fragment of the labor necessary to the production of any one article necessary to life or to comfort. The agriculturist may be said to come nearest to independence, but in the present day even he must depend largely upon machinery, so that he is practically subject to the rule I have indicated.

The production of food, clothing, and all the other indispensable necessaries, to say nothing of comforts or luxuries of life, now depends upon the employment of a number of persons each of whom has acquired skill in the manipulation of a particular process or machine. For example, taking the case of a shoe as a familiar illustration, after the leather and other findings have been supplied, there are required sixty-four separate processes to produce the shoe. This makes of each person engaged in the work of manufacture but a fraction of a tradesman—but the one-sixty-fourth part of a shoemaker. He can, as I have said, supply, with his own labor, not even one of his wants. The most that he can do is to contribute a small fraction of the effort necessary to the production of any one article which he needs. Hence, in order to render his own labor effective in the supplying of his wants, it is absolutely indispensable that he should have something with which all wants can be supplied—something through which or by which to supplement his own efforts and his own products by the efforts and products of other men, and through and by which the products of the labor of other men can be effectively demanded, and in response to which they will without fail be instantly supplied. Without some means of thus commanding the efforts of others—of resolving and transmuting our own labor and its products at will, and at any moment, into the labor and products of other men—civilization as we know it could not exist for one day.

No man but a beggar makes a demand directly for a coat, a hat, a shoe, or anything else that he wants. Every man works in his own vocation, and from his labor or the products of his labor, obtains money. With this money he can demand and command the efforts and the products of the labor of other men. This, as I have already stated, makes the demand for money urgent and incessant. But this demand is not a demand for gold—except in so far as gold is money. If gold were not money it would represent a demand but for one thing—a metal, which, as a metal, serves but a trifling and inconsequential purpose in the economy of life. As a metal it would supply but one want—the desire for decoration; and that want, in comparison with all the material wants of life—how insignificant! What does it supply as money? Money supplies all wants, and therefore for gold as money there is an importunate and unceasing demand.

Mr. CAREY. How with silver?

Mr. JONES of Nevada. It is the same with silver. Silver money enables men to supply every want, not because it is silver, but because it is money. There being, as I have said, no substitute for money, however dear it may become—however much its command over commodities increases—it must be obtained, to meet maturing obligations, to save men from bankruptcy, and to purchase the necessaries and comforts of life. The demand for all necessaries and comforts is made by people. Were there no people there would be no need of money or anything else. As population increases there will be an increased demand for money. It makes no difference what the number of dollars may be with which a population starts on its career; when prices of commodities and property become adjusted to that number of dollars and thousands of millions of dollars of debts are contracted on the basis of those prices, the duty of the statesman is to see that equity and justice are not violated through changes in the quantity of the circulating medium by which those debts are measured.

When a given population has become accustomed to a certain quantity of money, to which all prices have become adjusted, if

the population increase at the rate of 2 per cent there will surely be needed 2 per cent more food, 2 per cent more clothing, 2 per cent more houses, and 2 per cent more of all other things that go to supply human wants. Inasmuch as those wants can only be supplied with money, it is clear that there should be an increase of 2 per cent in the quantity of money. Otherwise the change of price arising from changes in the relation of supply and demand affecting the commodities themselves will be intensified by changes brought about by variations in the quantity of money. There being a greater demand for money by reason of the increased population commodities can be exchanged only at a lower and lowering range of prices, which means that a constantly increasing quantity of the products of labor must be exchanged for a given sum of money.

This means the destruction of men who have agreed to make deferred payments, and, in this age, all great undertakings must necessarily be conducted through the medium of deferred payments. I assert, therefore, that as population increases the very least increase that should take place in the volume of money is an increase proportioned to the percentage of increase of the population. Does anybody doubt this? Can anybody answer the contention? Ah! Mr. President, I think not. But, it will be said, do you think silver money better than gold? I reply that under any circumstances it is just as good, and that by reason of the fact that there is not enough gold, we should under no circumstances abandon silver. The entire history of the world shows that there has never been too much of both.

Mr. CAREY. Will the Senator permit me to call his attention to the question I asked him. I asked the Senator how he would regulate the quantity of money, assuming that we have not the right quantity now.

Mr. JONES of Nevada. I have stated that the least quantity which should be added to the money volume is a quantity corresponding with the increase of population. Whenever the world shall be prepared to intelligently regulate the quantity of money by trusting to the wisdom of legislation to supplement the deficiencies of the yield from the mines there will not be the slightest difficulty in arriving at methods of regulation. That is a matter of mere detail. So long, however, as the creditor classes fear to trust the regulation of the money volume to human wisdom, so long as they prefer to abide by the automatic system, they should not distort that system in their own interest: they should not so legislate as that with each advancing year the burden upon the backs of the debtors shall become greater and greater.

THERE HAS NEVER BEEN TOO MUCH METALLIC MONEY.

When we know that the mines of gold and silver taken together have never produced too much of both metals to serve the purposes of money, there is no reason to assert that the mines of one metal alone will yield enough. We know that the placers, from which nine-tenths of the gold yield of the world has been obtained, have been exhausted, and that the earth has been raked as with a comb in the vain search for others. It is certain, therefore, that so long as the world relies upon metallic money the reliance must be on silver.

The only persons whose interests can be subserved by discarding silver as money of final payment and as a measure of value are the creditor classes, and they permit neither justice nor consistency to stand in the way of the achievement of their purpose. While professing to distrust legislative interference with money they destroy one-half the money of the world by legislation in their own behalf.

When, in 1816, Great Britain adopted the gold standard the yield of gold had been for some years declining. But that fact did not prevent Great Britain, whose creditor classes were then as they are to-day the governing classes of that country, from adopting that standard. They knew that whoever should be hurt by that transaction it would not be themselves. They undoubtedly expected that other nations would follow their example, but in this they were for a long time disappointed.

The accessibility of the French mint for the unrestricted coinage of both silver and gold enabled the world to utilize all the silver as well as all the gold yielded by the mines. Hence the action of Great Britain in the interest not of the masses of her people, but of the classes only, was prevented from inflicting upon society the injury which would otherwise have resulted. The bimetallic law of France held the metals together. It was as easy for the world to pay in gold the debts they owed to Great Britain as it would be to pay those debts if that country had maintained the double standard.

Mr. CAREY. It did neither good nor harm.

DEBTOR COUNTRIES, LIKE THE UNITED STATES, SUFFER MOST FROM DEMONETIZATION OF SILVER.

Mr. JONES of Nevada. It did neither good nor harm at that time. But as soon as the mints were closed to silver the harm, as would naturally be expected, began. With the demonetization of silver the creditor classes not only of Great Britain but of every gold-standard country, began to receive from their investments an increment unearned and unbargained for; and having now for twenty years enjoyed the privilege of receiving such increment it is regarded not as a privilege merely but as a right vesting by mere prescription in the privileged classes of all countries, against which the debtors are expected to make no defense. So we find that debtor countries like the United States—which have to pay annually an enormous amount of money, or its equivalent in the products of labor, to the creditor classes of Great Britain are called upon by the creditor classes not only of Great Britain but of our own country to go to the gold standard.

This country is a debtor country. It is not in the position of Great Britain, whose creditor classes, as Mr. Gladstone says, have ten thousand million dollars out at interest. There is no reason—none has been or can be shown—why the United States should go to the gold standard. This country needs an increasing volume of money as population and business increase. It is impossible for it to get gold except at the expense of ruinous and continuously falling prices—a fall of prices by and through which the property of the producing masses is being and will continue to be confiscated into the possession of the creditors.

If other countries want gold let them have gold. Especially let them have it if they are the countries to which we send our wheat, cotton, tobacco, meat products, and petroleum for sale, so that the prices of those commodities may be such as will properly compensate our farmers, planters, and others for their labor. What we want is enough money to maintain a firm range of prices, so that men will not have the discouragement of transacting business upon an inclined plane—producing goods upon one level and disposing of them at another and always a lower level.

Mr. CAREY. May I interrupt the Senator from Nevada?

Mr. JONES of Nevada. Yes.

Mr. CAREY. As I understand the Senator, he says that good money is made by simply putting the stamp of the Government on the face of it; and if we can not have both gold and silver it would be better to have silver than gold.

Mr. JONES of Nevada. Undoubtedly. The annual gold yield is almost all consumed in the arts and manufactures, and even if it were not, the quantity produced is wholly insufficient to maintain prices of commodities at a firm range, so that business can not be planned or conducted with any intelligent foresight.

THE UTILIZATION OF BOTH METALS NECESSARY.

Mr. CAREY. The Senator talks of the automatic theory which depends upon the production of these two metals. Can he on his own statement trust the automatic theory? Will it be safe to be guided by that in regulating the amount of money?

Mr. JONES of Nevada. By taking both metals and utilizing them to the full, justice may for a time be maintained. It has been demonstrated to the satisfaction of every impartial mind that there is not gold enough, and that there is no chance of getting enough, so that it is absolutely essential to continue the use of silver to the fullest extent. The production of silver is not so fugitive a work as that of gold—not so dependent upon accident. The larger proportion of the gold stock of the world is the production of nomads—only an infinitesimal portion having been produced by men who made the work the occupation of their lives. It has not been produced from mines or by means of machinery.

The production of silver, on the other hand, is a high art. It requires the best machinery, the best mechanics, the best engineers, and the best miners; and although mines of any great degree of fertility are extremely few, yet in the mines of moderate or slight capacity there is promise of enough of the metal, fortunately for the interests of society, to be yielded slowly and gradually through the years, an annual yield perhaps sufficient to meet the monetary demands of the world for some time to come. But the metal can not be poured out in a flood, as has been foolishly and ignorantly stated. The business is one that few men, even in the most favored of its periods, will be content to follow. Railroads have long penetrated every section of the mining regions of this country, yet but a very small number of the population, whether capitalists or working miners, engage in the business. It is a business in the nature of a lottery. While there is in it enough of hope to allure men of sanguine temperament who will take great risk on the chance of a great gain, there is at the same time enough of disappointment to discourage and repress any material increase in the numbers of those who might wish to follow the occupation or invest capital in it.

Mr. PEFFER. May I ask the Senator a question?

Mr. JONES of Nevada. Yes.

Mr. PEFFER. I wish to ask the Senator whether it is not a fact that a very large proportion of the gold which is the product of the mines come from the mines which produce silver?

Mr. JONES of Nevada. A very large amount of it, I will answer. The Comstock mines have produced on an average about 45 per cent gold and 55 per cent silver. The great silver fields have been extremely few—so few that their names have become familiar to every ordinary reader—the Comstock, Leadville, and Aspen. Where are any others? The Comstock lode, however, is now practically exhausted.

As for the great mines that we sometimes hear of being discovered in Mexico, I have always noticed that while the marks made in the highway by those entering Mexico for purposes of mining are the marks of shoes, the marks made on the return journey are of bare feet. Any man can judge for himself as to the profit of an occupation in a country of which such a state of things can be predicated.

The wonderful stories told of the ease of production of silver and its slight cost emanate from people who know nothing whatever about the question. The great and convincing truth is that with alleged profits exceeding those of almost any other business, capital does not enter it; and with wages of labor higher than average wages in other occupations workingmen do not engage in it. As I have stated, but a very small proportion of the population of this or any other country engage in that business, though it is free and open to all. Show me any other business in the world in which the profits are said to be so large, and I will show you a business which will be overcrowded in two months. There is no overcrowding here.

[At this point the honorable Senator yielded to Mr. VOORHEES.]

Monday, October 23, 1893.

Mr. JONES of Nevada. Mr. President, when I yielded the floor on Saturday, I had been diverted by the questions of my friend, the Senator from Wyoming, from the direct line of my remarks. I was attempting to demonstrate that the standard of a country could not be gold, that it could not be silver, that it could not be any especial material, but that of whatever material the money might be composed the standard of a country is and must be quantitative; that the value of the monetary unit depends upon the number of units out. In support of my contention, I cited the opinions of the ablest political economists—the leading thinkers and writers on the science. I wish this morning to continue for a few minutes the consideration of that proposition, and in that connection to deal with a "fad," if I may so term it, of the gold-standard press.

DOES THE ARGUMENT FOR QUANTITY IGNORE THE QUALITY OF MONEY?

It is said that in arguing for the free coinage of silver and for the increase of the *quantity* of money we forget the *quality* of money. There is a great delusion about the quality of money. Why, Mr. President, there is no quality in money except that imparted to it by *quantity*. Whatever quality it has is *the creation* of quantity. The only quality that money has is that by which it exercises command over property and services. The extent of that command, exercised by each piece, can be determined only, and is determined wholly, by the number of pieces out. As I have shown by citations from the leading authorities, the term value, as applied to money, has no meaning whatever except *purchasing power*.

Until men come to perceive this they can not understand the first principles of the subject, and if they attempt to discuss it will find themselves revolving in a circle, making no progress with the discussion, but always coming back to the point from which they started. Yet nothing seems more difficult to dislodge from the minds of men who have looked into the question only superficially than that there is some value in money apart from purchasing power.

All the authorities agree, not only on that point, but also that this value (purchasing power) of each monetary unit is determined (other things being equal) by the quantity of those units in circulation. The only consideration of consequence, therefore, in respect to the value of money is that it shall remain unchanging through time. This effect can be secured only by regulation of the *quantity*. Of this doctrine, as enunciated by the economists, there can be no possible denial, consistent with the principles of reason.

The statement that there is some quality in money independent of that derived from its quantity is based on the exploded idea that money has or should have "intrinsic" value, as if value could be intrinsic, or could reside in an object.

IS IT THE CREDIT OF THE GOVERNMENT THAT KEEPS SILVER AT A PARITY WITH GOLD?

In like manner, it is said by the advocates of the gold standard that the reason why the silver dollar maintains a dollar's worth of value or purchasing power is because the credit of the Government is back of it, and that it is that credit which keeps silver money at parity with gold.

It is *not* the credit of the Government that keeps it at a parity. Seventy millions of people are constantly striving for the money of the country, and it is this *strife*—this competition of all the people to get money—that keeps the metals at a parity. No matter what the credit of the Government might be, if the people were to strive harder for *one* metal than for *the other* it would be impossible to keep them at a parity.

If it is the credit of the United States that keeps them at a parity, why is it supposed that free coinage, or a larger number of silver dollars, if put out, would endanger the parity?

Is it pretended that the extent of the credit of the United States is only a few hundred million dollars? Let us test this question of credit. Suppose the United States should issue $3 000,000,000 *in bonds;* does any one mean to say that they would not be at par? We know that the Republic has already in one generation paid a national debt of nearly that amount, and when we bear in mind the number and the energy of our people there can not be a doubt that the credit of the Government could keep all those bonds at par without the slightest difficulty. The credit of Great Britain, which contains but a little over half our population, keeps consols for a larger amount than this nearly at par. But the issue of bonds and the prices of bonds *are* matters involving credit.

The keeping of money at par, and having bonds at par, is a totally different affair.

Notwithstanding the high credit of the United States—a credit not excelled by any government in the world—no man in his senses will for a moment pretend to say that we could issue three or four thousand million dollars, whether of gold or any other kind of money, and keep that quantity of money at par with the gold standard of the present time. Prices of commodities would rise far above present gold prices, and it would be impossible to keep so much money at a parity with the much smaller quantity of gold that is now in circulation in gold-using countries.

Even if the number of dollars thus added were of gold, the fall in value of each dollar, caused by the enormous issue, would constitute an entirely different gold standard; that is to say, the range of prices of commodities which would then prevail would be a range wholly different from that which now prevails.

The idea that the value of a Treasury note issued by a Government such as ours is not based on the number issued, but on something behind the note, or upon the credit of the Government, deforms the whole idea of money. It is clung to because people have been accustomed to look upon money as something of "intrinsic" value, and on that theory they have been at a loss to account for the fact that uncovered paper dollars, when sufficiently restricted in number, have precisely the same purchasing power as gold money, quantity for quantity. There is no question of credit about it. No man takes a piece of money of any kind, whether gold or silver or paper, as a piece of credit. If it is not legal tender it is not, in the true and full sense, money at all: if a full legal tender it needs nothing behind it but the law which makes it a legal tender for all debts and demands, and a *regulation of its quantity*, to maintain the monetary unit at any desired level of value.

It is not the credit, but the power of the Government that is behind it in the law of legal tender, and in the right to increase or diminish the issues. Taxes are payable in money, and debts are payable in money, and the only way that people can get money with which to pay debts or taxes is by competing with one another for it in all the occupations of life. It is this universal competition to get it that fixes the value of all kinds of money, as it is competition that fixes the value of all other things. In this work of competition the number of dollars to be competed for (other things being unchanged) must determine the value of each dollar.

The quantitative theory does not mean that all countries would require to maintain the same quantity of money in order to arrive at the same result. The immemorial habits and customs of the people of each country fix for them the per capita which they need. The French peasantry keep a good deal of money stored away in old stockings. But even with the quantity of money in France much greater than the quantity of money in this country, money would not, unit for unit, have the same effect upon prices in a country like France that it would have in a country like the United States, in which the habits of the people are altogether different. But, other things remaining unchanged in any given country, the volume of money regulates the range of prices, or, to state the same thing in other terms, it is the volume of money that regulates the value of each of the units of money. The character of the material of money has nothing whatever to do with fixing the value of money. It is always the *quantity*—the *number of dollars* in comparison with the demand for dollars—that fixes their value.

In the case of metallic money the regulation of quantity is effected by nature through the limitations placed upon the pro-

duction of the metals. In the case of paper money, the regulation would depend upon the wisdom of legislation. The effect of limitation of quantity is precisely the same in both cases.

If the quantitative theory be not correct—if the value of the dollar is determined not by the number of dollars out, but by what there is behind these dollars, or what they are *based on*—then the adherents of the gold standard have absolutely no defense against the plan at one time suggested that the Government should issue money on the basis of land—the money to be lent to farmers on an appraisal of the value of their land.

If the theory be correct that something must be "behind" money, and something other than the demand of all the people must be a "basis" for money, it is wholly impossible to answer the theory which contemplates land as a basis for money, or as being behind money. That theory is entirely erroneous, but is derived naturally from the idea that money must have something as a basis or something behind it. The fact is that all that is a basis for money is the universal demand for it, and that is basis enough. Nothing need be behind it except the law of legal tender, which compels every man to take money in payment of debt.

The farmers of this country are a most intelligent and patriotic class of men. All that needs to be done in order to show them that they are wrong in demanding an issue of new money to be loaned on land as a "basis" is to demonstrate to them the true principles of monetary science, especially the principle that, other things being equal, the value of each dollar is determined by the number of dollars out. But it is impossible to demonstrate their error if it be insisted or if it be true that money must have any other basis than the demand of all the people for it. If it be true that money must have something concrete upon which it shall rest as a basis, then the theory that land is a good basis for money can not be controverted. Land is better than gold, which, notwithstanding its weight, may take wings. But it is not true, and the land-loan theory is wrong. The quantitative theory is impregnable and intelligible, and its general and universal acceptance would immediately dispel all monetary illusions. When it comes to be understood that it is the increase or the decrease of the *quantity* of money in the community that installs justice or creates injustice, the situation will immediately become as plain as day.

STANDARDS OF VALUE.

We are informed by so-called "financiers" and statisticians, and by an army of ready-made political economists among the gold-standard press—gentlemen who have not taken the trouble to carefully study the subject—that the value of gold is unchanging, and that to attempt to depart from what is called the "gold standard" would be to set at naught all the principles of justice, and even to defy the very laws of nature. This is an argument used only since the demonetization of silver. Up to that time it was well recognized by all who gave any attention to the subject of money, and is still well recognized by all the authorities on political economy, that both silver and gold are variable in value. So serious indeed have, from time to time, been the variations in the value of money that thoughtful men—some of them distinguished economists—have long observed and commented on the gross injustice which such variations involve, and various suggestions have been made of methods for securing stability of value in the monetary unit.

Up to the period when the creditors discovered the ingenious plan of surreptitiously increasing by an appeal to the legislative arm of all governments the value of all debts due, and to become due, to them, by depriving debtors of the immemorial right to pay in either of the two metals, it was acknowledged by the most eminent economists that the adoption of a single metal as a so-called "standard" of money did not secure so great a degree of uniformity in value as the adoption of both metals. This may seem a paradox to those who have not reflected on the essential nature of money and upon the method by which it obtains what is termed its "value," which it does through the medium of the prices of commodities. They ask: How can there be a standard composed of two things? Must not a standard be one? Can it be two or more?

DISCUSSION CLOUDED BY MISAPPLICATION OF THE WORD STANDARD.

There can be no doubt that the discussion of the value of money is much clouded by the entirely unwarranted application of the word "standard" to the material of which money is made. The idea of a standard is of something that is absolutely uniform and unchanging. Now, the only uniformity there is about gold is that, like all other elementary substances, it is, chemically considered, always the same, but people do not care for gold because of its chemical properties. It is as money that all the people desire it. Undoubtedly, those who keep their eyes always on the metal itself, and not on the manner in which it is fulfilling its monetary duty, think it is unchanging in value, and so long as they confine their gaze to the metal alone, they must always continue to think so. Suppose that in the case of a machine, as a steam engine, a certain pressure of steam—say 100 pounds—were the normal pressure for the accomplishment of a prescribed purpose, and that if that degree of pressure were maintained the most efficient service could be rendered consistent with safety. Imagine what would happen if, instead of noting the oscillations of pressure by observing the movements of the indicator upon the gauge, the engineer should simply fasten the figures "100" in bold type to the end of the indicator!

In such case, no matter how violently the pressure of steam rose, how correspondingly the needle became deflected, or how far it persisted in its course around the dial, a superficial glance would always show that the indicator pointed to "100"—a degree of pressure understood to be entirely safe for that engine, and best adapted to steady and uniform action of the machinery to which the engine supplied motive force. This absurdity is precisely analogous to the course pursued by the creditor and annuitant classes and the champions of the gold standard. They pin to gold the word "standard," and no matter how wild its vagaries or violent its oscillations, its movements are always apparently the movements of the "standard," so that whatever point it reaches is assumed to be the correct point. They wholly divert the attention of the onlooker from the objects which it is the function of money to measure—thousands of objects whose relative positions taken altogether would unmistakably demonstrate that gold was changing in value.

THE STANDARD IS NOT THE MATERIAL OF MONEY, BUT THE NUMBER OF UNITS OF MONEY.

The seeming paradox involved in the idea that what is called a "standard of value" may be composed of more than one material is made plain when it is borne in mind that it is not the material, but the quantity, of money which constitutes the standard. The quality to which in the case of value the word "standard" is applied is *not a quality inhering in the material of the money*. Value, as I have shown, does not reside in any article or in the substance of any article. When the consideration to be kept in view is not an object but a service—not a material but a function—the instrument by which that service or function is performed need not necessarily be limited to one material. Inasmuch as the purpose to be served is the attainment of a correct result, whatever the material by which it may be accomplished, such number of materials as may be indispensable to that end should without hesitation be employed. If we wish to obtain a clock which shall indicate the correct time we do not insist that it shall be made of one material. The material of which money is made is no more a standard of value than the material of a clock is the standard of time.

The yardstick which by statute is declared to be the model for all other yardsticks is made of bronze, but bronze is not therefore a standard of length. A bushel measure may be composed of any material, or of any number of materials combined, but this makes no difference so long as the precise purpose sought is attained, namely, the securing of perfect acuracy of measurement. If we assume the model or "standard" bushel measure to be composed of brass, it is not the brass that is the "standard of measure." Assuming that all bushel measures were made of brass, then this particular piece of brass comprising the model constitutes a standard by which to test the metal of which all future bushel measures may be made, but this does not constitute brass *per se* a "standard" of cubical content.

All the functions of money are performed through the medium of prices in the manner I have already indicated. It is the *quantity* of money, irrespective of the material of which it is composed, that determines what shall be the general level of prices. Credits aid in the establishment and maintenance of prices, but credits are themselves based on the quantity of money available for liquidation. They can be safely extended only to the degree to which money payments can, in the ordinary course of business, be made. No one will pretend to say that credits can be wisely extended beyond that point.

Hence a gold standard means the maintenance of a level of prices consistent with the quantity of gold in use as money, which means a level of prices on the average the same as those prevailing in gold-using countries. This must be clear, from the consideration that if from a country which possessed no gold mines all the gold had been sent out, it could be attracted back only to buy commodities; which clearly means that unless the prices of the commodities forming the subject of international trade were for the moment lower here than in the country from which the gold should come, we could not have exported the commodities except at a loss.

THE TABULAR STANDARD.

I have said that the injustice of a variable money unit has at various times led to suggestions for the remedy of the evil. As early as 1822 an English writer named Lowe proposed that au-

thoritative returns should be collected, from a variety of localities, showing the prices of commodities of most general consumption, and that from those a table of reference be constructed, having regard to the comparative quantities consumed in an average household. By following, he said, the course of prices as shown by such returns all contracts which by their terms were payable in money could, according as they matured, be adjusted in accordance with the principles of equity, and the value of money thus be kept constant.

Some eleven years later a scheme somewhat similar was proposed by another English writer, named Scrope, the author of a work on political economy. In 1838 G. R. Porter, author of The Progress of the Nation, gave publication to another plan involving the same general features, with tables of prices of fifty leading commodities, showing their average monthly fluctuations for a period of years.

Commenting on those plans, Prof. Jevons, who himself fully recognized the evil of the varying value of money, writing so late as 1875, says:

Such schemes for a tabular or average standard of value appear to be perfectly sound and highly valuable in a theoretical point of view, and the practical difficulties are not of a serious character. To carry Lowe's and Scrope's plans into effect a permanent commission would have to be created and endowed with a kind of judicial power. The officers of the department would collect the current prices of commodities in all the principal markets of the kingdom, and by a well-defined system of calculations would compute from these data the average variations in the purchasing power of gold.

Inasmuch as Prof. Jevons was one of the most ardent and distinguished of the champions of the gold standard, it must surprise some of the eminent statisticians of this country who think things are perfect only when they emanate from Great Britain, to know that so eminent an economist and Englishman had actually admitted that gold was a varying standard of value, and was not as immutable as truth itself, which, to these Anglo-Americans, gold will always appear to be so long as it is the money of Great Britain.

Prof. Jevons continues:

The decisions of this commission would be published monthly, and payments would be adjusted in accordance with them. Thus, suppose that a debt of £100 was incurred upon the 1st of July, 1875, and was to be paid back on the 1st of July, 1878, that the value of gold had fallen in the ratio of 106 to 100 in the intervening years—

And in passing let me remind Senators that instead of falling the value of gold has *risen* at an average rate of 2½ per cent per annum as shown by the fall in the general level of wholesale prices for the past twenty years, ever since the year when the United States demonetized silver. Prof. Jevons, however, for good reasons, suggested the idea of a fall, and speaking of such fall, he adds—

then the creditor would claim an increase of 6 per cent in the nominal amount of the debt.

There is not a doubt that in the case of a fall in the value of gold as supposed by Prof. Jevons, the creditor would insist on equitable compensation for the fall: he would insist on being made whole to the full extent of the increase of prices of commodities—for that is what is meant by a "fall" of gold money or any other kind of money. But in the case which more immediately comes home to the great producing masses, the persistent and ruinous fall in the prices of the products of farm and factory for the past twenty years, and the consequent and ruinous increase of the burden of debt, the creditor sees no equity to be asserted by the debtor and denies that this persistent and extraordinary fall of prices is an injury to men who have borrowed money with which to buy homes or to enter upon business enterprises in the hope and expectation that the prices of their products would enable them to pay interest and to repay the loan without depriving them of their entire property.

Prof. Jevons then enters upon a discussion of details affecting the work of the commission which he suggests, and refers to the confidence which could not fail to be entertained in the labors of such a body, in view of the monthly publication, which he recommends, of the figures on which their calculations might be based, and the names of the localities from which such figures had in each case been taken. This would give full publicity to all the data and admit of the results being verified, so that any departure from accuracy could at once be detected. He then adds this significant comment:

Whatever method were adopted, however, *the results would be better than if we continued to accept a single metal for the standard*, as we do at present. (Money and the Mechanism of Exchange. Appleton's edition, page 331).

Prof. Jevons knew and admitted that France, when giving unrestricted coinage to both metals without distinction, had, for three-quarters of a century, kept the two metals at a parity under circumstances of extraordinary variation in their relative yields from the mines; and, while too loyal to suggest that they did things better in France than in England, he could not avoid stating his conviction that some plan should be adopted which would secure equity of contracts caused by changes in the volume of money. In closing his chapter on the subject he says:

Such a standard would add a wholly new degree of stability to social relations, securing the fixed incomes of individuals and public institutions from the depreciation from which they have often suffered.

Observe how careful he is not to suggest to the creditors that in the process of time an opposite effect might possibly come about, namely, that they themselves might be compelled, in the interest of justice, to yield or waive some of the unearned increment, the wrongful advantage, which under the single standard of gold would come to them from a literal but unjust interpretation of the terms of bonds, mortgages, and time contracts. Prof. Jevons knew that the only possible chance of getting his proposed plan into favor was by giving prominence to the considerations which weighed in favor of the *creditor*. He continues his statement of the advantages that would follow the adoption of the plan:

Speculation, too, based upon the frequent oscillation of prices, which takes place in the present state of commerce, would be to a certain extent discouraged. The calculations of merchants would be less frequently frustrated by causes beyond their own control, and many bankruptcies would be prevented.

Periodical collapses of credit would no doubt recur from time to time, but the intensity of the crises would be mitigated, because as prices fell the liability of debtors would decrease approximately in the same ratio.

But this approximate decrease of the liability of debtors, which this distinguished economist knew to be just and to be for the enduring welfare of his country and the world, is the very thing that the creditors cry out against, and which they are determined at all hazards to prevent.

Alfred Marshall, professor of political economy in Cambridge University, England, recognizing the injustice of gold as a standard of deferred payments, favors recourse to a tabular standard. He especially recognizes the injury to all classes of workers by their relegation to idleness through the operation of a defective monetary system.

In a paper read in 1885 before the "Industrial Remuneration Conference" of Great Britain, Prof. Marshall said:

A great cause of the *discontinuity of industry* is the want of certain knowledge as to what a pound is going to be worth a short time hence. With every expansion and contraction of credit prices rise and fall.

And as credit is based on money an expansion or contraction of the volume of money results in an expansion or contraction of the volume of credit. I have already shown by quotations from the various economists that the level of commercial prices rises or falls in general accord with the increase or decrease of the quantity of money. Prof. Marshall continues:

This change of prices presses heavily even on those who kept themselves as far as possible from the uncertainties of trade, and increases in many ways the intensity of commercial fluctuations. For just when private traders and public companies are most inclined to reckless ventures the interest which they have to pay on borrowed capital represents an exceptionally small purchasing power, because prices are high. And in the opposite phase, when their resources are crippled by the stagnation of business, the lowness of prices compels them to sacrifice a much greater amount of real wealth in order to pay their interest. When traders are rejoicing in high prices, debenture and mortgage-holders and other creditors are depressed, and when the pendulum swings the other way traders, already depressed, *are kept under water by having to pay an exceptionally heavy toll to their creditors.*

This is not the statement of an advocate of silver, but of one of the most distinguished professors of political economy now living, and he is not referring to a "dishonest silver dollar," but to a dishonest gold pound. Prof. Marshall continues:

This serious evil can be much diminished by a plan which economists have long advocated. In proposing this remedy I want government to help business, though not to do business. It should publish tables showing as closely as may be the changes in the purchasing power of gold, and should facilitate contracts for payments to be made in terms of units of fixed purchasing power.

After describing his plan, somewhat similar to the plan of Prof. Jevons, Prof. Marshall says:

On this plan if A lends B £1,000 at 4½ per cent interest and after some years the purchasing power of money had risen by an eighth, B would have to pay as interest not £45, but a sum that had the same purchasing power as £45 had at the time of borrowing, that is, £40. And so on. The plan would have to win its way into general use, but when once it had become familiar *none but gamblers would lend or borrow upon any other terms*, at all events for long periods.

These quotations from Prof. Marshall will be found in the third report of the Royal Commission on the Depression of Trade, at pages 422 and 423.

Here are men of highest eminence in this science—Prof. Jevons and Prof. Marshall—strongly recommending the abandonment of gold as a standard of deferred payments—that is to say, as a standard of value, because of its unfitness for that function owing to its variability.

Yet we are told by the political economists who edit our gold-standard newspapers that gold is an unchanging and unchangeable "standard!"

All these discussions of plans for the elimination from bonds, mortgages, debts, and contracts of the injustice perpetrated by changes in the value of money, were doubtless inspired by the dis-

covery that among the laws of Elizabeth's time a statute was found directing that certain colleges, as those of Oxford, Cambridge, Eton, etc., should, in letting out their lands for long terms, provide that a certion portion of the rent should be paid to the college, not in money, but in "corn," the English term for wheat and other cereals. The object of this statute, it appears, was to protect the parties from the injustice effected by changes in the value of money. "Bread corn," that is to say, wheat, was considered by Mr. Francis Horner, chairman of the celebrated bullion committee of the House of Commons, as "the real and paramount standard of all values." John Locke, in his work on the value of money, preceded Horner in the expression of the same idea. He said:

Wheat, in this part of the world, and that grain which is the constant general food of any other country, is the fittest measure to judge of the altered value of things in any long tract of time.

Our own distinguished economist, Prof. Francis A. Walker, recognizes, as Prof. Jevons recognized, the wrongful exactions imposed by changes in the value of money. He refers to such changes as unavoidable in connection with metallic money, but nevertheless as something of the first importance to avoid, in the interests of justice. He ascribes the changes in part to the very character of the work of mining as being full of accidents arising from natural and insurmountable causes. On this point Prof. Walker says:

The very nature of metal deposits, the work of agencies long extinct, and the utterly unaccountable way in which such deposits occur, especially in the case of gold and silver, render it inevitable that periods of highly stimulated production should be followed by periods of comparative inactivity or complete lethargy, to the serious prejudice of money in its functions as the standard of deferred payments.

And in discussing the suggestions of Locke and Horner to the effect that wheat is a better standard than the metals for the adjustment of time contracts, Gen. Walker continues:

There is no reason to believe that the metals furnish a better standard for the adjustment of long-term contracts [than wheat]. Indeed, quite the reverse is probably true. Through considerable periods breadstuffs maintain their cost of production much more steadily than do the metals.

In support of this contention he advances these points: "The vast breadth of arable land of reasonably uniform quality; the simplicity of the processes of agriculture and the wide diffusion of the art of tillage; the comparative immunity of the soil amid ravages which greatly impair, perhaps permanently cripple, manufacturing, and, in an even greater degree, mining industry; the limited applicability of the principle of division of labor to agriculture, and *the relative inefficiency of machinery in its operations.*"

Gen. Walker accounts for the failure of society to adopt some plan for the preservation of the equities in deferred payments by advancing the following reasons:

The manifest convenience of having that for the standard of deferred payments which is also the medium of current exchanges, the indolence and want of initiative which lead to the acceptance of what is nearest at hand and most familiar, a superstitious veneration for the precious metals—

I do not think that if Gen. Walker were writing to-day he would assert that there was any "superstitious" veneration for silver, though there can not be a doubt that his statement is strictly true with reference to gold. He continues:

a superstitious veneration for the precious metals, together with great ignorance as to the conditions and history of their production, have combined to withstand the important reasons which favor the adoption of corn rents, corn interest, and corn annuities, in the case of long leases, long loans, and fixed charges upon land.

He fails, however, to mention what is undoubtedly the lion in the path, namely, the determination of the creditor classes and money-lenders and their agents, the bankers of the great cities, to secure advantages to themselves at the cost of no matter how much injustice. There was no exhibition of "indolence" when those classes secured in 1873 the demonetization of silver, and above all there was no "lack of initiative." On the contrary, there was such an exhibition of initiative in their own interest as had never before been exhibited, except in the case of the creditor classes of Great Britain. These creditor classes and their agents in every country are capable of all the initiative necessary to secure themselves every advantage. They have not power of initiative enough to use their money themselves in business, nor the energy, skill, or disposition to do so, but they have sufficient power of initiative to see that all risks, even of those changes in the value of money which have been brought about by the machinations of the creditors themselves, shall be run by those who borrow from them, or buy from them on credit, or undertake to lease property from them for a term of years.

I have dwelt a little at length upon this question of a "tabular standard," or "multiple tender," not because I think it would be necessary if there were an intelligent regulation of the quantity of money, but in order to draw attention to the fact that notwithstanding the loud assertions of the gold-standard champions with reference to the invariability and unchanging value of gold, it has for hundreds of years been recognized that gold and silver were variable in value. Indeed, I might extend the time to thousands instead of hundreds of years, for an expression made use of by Aristotle appears to imply that he was cognizant of changes in the value of money.

With the money institution—which is the most important institution for the knitting together of society—properly and intelligently guarded: with both gold and silver fully availed of, and the deficiencies of the mines supplemented as, with the growth of population, industry, and commerce they should be, by duly limited quantities of legal tender paper money there could be no difficulty in maintaining equal and exact justice in all contracts, bonds, mortgages, and debts of every character. Of the wisdom and necessity of such a course only interested casuists can complain.

HAS GOLD APPRECIATED?

It is asserted by the advocates of the gold standard that there is no insufficiency of that metal for the purposes of money. If before the demonetization of silver there was only enough of both metals combined, how can men justify the assertion that there is now enough of one of them alone to answer all demands without rendering necessary a fall of prices of commodities? It will be conceded that value depends on the relation of demand to supply. No reason has ever been or can be given why money is not subject to that law. What, then, was the demand for gold in 1871 at the time Germany resolved to go to the gold standard? There were but three countries of Europe that were then formally on the gold standard—Great Britain, Portugal, and Turkey—and of these Turkey was making no demand for coin, but conducting its business with irredeemable paper.

Six of the other countries of Europe had nominally the bimetallic standard, namely, France, Italy, Belgium, Switzerland, Greece, and Spain; but of these only two, Belgium and Switzerland, were actually using coin, all the others, by reason of wars then but recently concluded, using inconvertible paper, and making no demand for coin of either metal. The countries then formally on the silver standard were Germany, Austria, Russia, Sweden and Norway, Denmark, and Holland. Of those Austria and Russia were without coin, and transacting their business on inconvertible paper money. The people of the United States, as is well known, were also at the time transacting their business with paper money. Placing the several countries in separate categories, according to their actual condition in 1871, we have the following results:

Countries making demand for gold alone: Great Britain and Portugal.

Countries making demand for gold or silver, indifferently: Belgium and Switzerland.

Countries making demand for silver alone: Germany, Sweden and Norway, Denmark, and Holland.

Countries making no demand for coin of either metal, but using inconvertible paper money: Austria, Russia, Turkey, France, Italy, Greece, Spain, and the United States.

In Belgium and Switzerland, both of which were on the bimetallic standard, silver money was as useful and as welcome as gold, so that those countries made no demand that was imperative for either of the metals in preference to the other. In Germany, Holland, Sweden, and Norway there was no demand for gold as money. All the other countries named, with the exception of Great Britain and Portugal, were at that time, as matter of fact, upon the paper standard and made no demand for gold. The population of those two countries, therefore (being in 1870, respectively, 31,600,000 and 4,000,000, or in all less than 36,000,000), comprised the entire population of Europe and America that made an imperative demand on gold for monetary purposes. Let us compare that demand with the demand of to-day.

What are the countries of Europe and America now demanding gold, struggling for it, and endeavoring to conduct their business with it? Those actually on the gold standard are the following:

Great Britain, with a population of 38,000,000; Germany, 50,000,000; Austria, 40,000,000; Turkey, 33,000,000; Scandinavian union (Norway, Sweden, and Denmark), 9,000,000; Egypt, 7,000,000.

As our bonds have always been paid in gold we must add to this group our own country with its 67,000,000 population. Inasmuch as Holland and the countries of the Latin Union have closed their mints to the unrestricted coinage of silver, and although not on the gold standard have entered upon the struggle for gold in order to make international payments, we must also add the 85,000,000 comprising the combined populations of Holland, France, Italy, Switzerland, Belgium, and Greece—resulting in a colossal struggle for gold participated in by 330,000,000 people—and this notwithstanding the admission of Mr. Giffen that *substantially none of the gold yielded annually from the mines be-*

comes (or if minted, remains) money, but is absorbed by the arts and manufactures!

This is a population *nine times* that which in 1871 made demand for gold, yet we are informed by the advocates of the gold standard that there is an ample supply of gold for all purposes, and that the fall of commercial prices has been brought about by new inventions!

PREDICTIONS AND ADMISSIONS AS TO APPRECIATION OF GOLD.

We are, however, able to show that at various times during the progress of the fall of prices, but prior to the looming up of the silver question, the change that was taking place was attributed, even by champions of the gold standard, to the insufficiency of the monetary supply. In fact, before the fall began it was by some writers foreseen as a danger lurking in monometallism.

Before any nation of Europe thought of imitating the example of Great Britain by going to the gold standard, Prof. Stanley Jevons expressed his sense of the danger of a rise in the value of money which would be incurred by such a movement. No man then living was better entitled to be heard on any subject relating to money, his researches having placed him in the first rank of investigators and economists. Writing to M. Wolowski, the eminent French economist, in acknowledgment of a tract on the subject of money on the 12th of January, 1868, Prof. Jevons said:

As regards the theory, I feel strongly in what an admirable manner you have set forth the principles of the so-called "double standard," and *the danger we might run of a rise in the value of gold were silver entirely demonetized.*

Knowing the hopelessness of any movement to induce the creditor classes among his own countrymen to replace the gold money of Great Britain by silver, yet seeing that if other nations should demonetize silver the value of gold would rise, Prof. Jevons in his communication to Wolowski added:

Yet, it is only by a more or less replacement of this kind [a replacement of silver for gold in Great Britain] that a rise in the value of gold would be prevented.—*Investigations into Currency and Finance*, page 320.

In an article in the London Economist of May 8, 1869, Prof. Jevons said:

I think that the growth of population and trade *tends to lower prices by increasing the use of gold.*

Of course in the term "use of" Mr. Jevons included "demand for," as an increased use involves an increased demand.

In 1871, two years before the demonetization of silver, Ernest Seyd made a prediction regarding the effects that would follow demonetization, which, in the light of subsequent facts, must be deemed nothing less than remarkable. He said:

It is a great mistake to suppose that the adoption of the gold valuation by other States besides England will be beneficial. It will only lead to the destruction of the monetary equilibrium hitherto existing, and cause a fall in the value of silver, from which England's trade and the Indian silver valuation will suffer more than all other interests, grievous as the general decline of prosperity all over the world will be.

The strong doctrinism existing in England as regards the gold valuation is so blind that, when the time of depression sets in, there will be this special feature: the economical authorities of the country will refuse to listen to the cause here foreshadowed; every possible attempt will be made to prove that the decline of commerce is due to all sorts of causes and irreconcilable matters. The workman and his strikes will be the first convenient target; then speculation and over-trading will have their turn. Later on, when foreign nations, unable to pay in silver, have recourse to protection; when a number of other secondary causes develop themselves, then many would-be wise men will have the opportunity of pointing to specific reasons which in their eyes account for the falling off in every branch of trade. Many other allegations will be made totally irrelevant to the real issue, but satisfactory to the moralizing tendency of financial writers. The great danger of the time will then be that, among all this confusion and strife, England's supremacy in commerce and manufactures may go backwards to an extent which can not be redressed, when the real cause becomes recognized and the natural remedy is applied.

ADMISSIONS OF MR. GIFFEN ESPECIALLY.

Among the most doughty of the champions of the gold standard and most determined opponents of bimetallism stands Mr. Robert Giffen, statistician to the London Board of Trade. His writings constitute the very arsenal from which all the advocates of gold monometallism draw their ammunition. Hence I shall be pardoned for quoting him freely. Before the silver question became the burning question that it now is, Mr. Giffen put himself on record with reference to the cause of the baleful fall of prices. He declared that the cause was continuing and persistent, and one from the uninterrupted action of which a continued and progressive fall of prices was naturally to be expected. He shows that there was need for an *increase*, not a decrease of money, if prices were to be maintained firm.

In a paper read before the Statistical Society of London, in January, 1879, Mr. Giffen said:

There is a general agreement that during the last few years there has been a heavy fall in prices. * * * It is usually a fall in price which cripples the weaker borrowers and causes bad debts, and this is a beginning of losses by which stronger borrowers are in turn crippled, further falls in prices ensue, and more bad debts and losses are produced. When we see so many failures as are now declared, therefore, we may be sure that they are preceded and accompanied by a heavy fall in prices.

In discussing in the same article the question of the insufficiency of the annual current gold yield to meet the monetary wants of the world, Mr. Giffen says:

It is a moderate calculation that if only the countries which used gold in 1848, including their colonies, were now using it, the requirements to correspond with the increased population and wealth *would be at least three times* what they were, assuming prices to remain in equilibrium.

But, he adds:

While during the last thirty years the annual yield of gold has been falling away from its first superabundance *the current demands for the metal have certainly been growing with marvelous rapidity.*

Now, observe his next statement. Speaking of the extraordinary demands made by the addition of Germany and the United States (upon resumption of specie payments) to the list of gold-standard countries, and the practical inclusion of France in the same list, he says of these new demands:

They have been supplied very largely by a continued pressure upon existing stocks *till an adjustment has at length been made by a contraction of trade and fall in values.*

No man who can read that statement can doubt that it is an unequivocal admission of the fact that the cause of the fall of prices is the insufficiency of the gold supply to meet the natural wants of trade and industry. But, according to Mr. Giffen, the mere increase of population is not the sole element in determining the fact of such insufficiency. He goes on to say that since 1848 the wealth per head has increased enormously. And, after showing that the wealth of Great Britain for the period of ten years, 1865–1875, had increased by 27 per cent, he continues:

Not only must the requirements of gold-using people be increased by 50 per cent to allow for the natural increment of population, *but another 50 per cent must be added for the greater wealth per head.*

Referring to the great fall of prices since 1873 he says:

Two causes only have been suggested. One is a great multiplication of commodities and diminution of the cost of production due to the progress of invention, improved facilities of communication, lower freights, international telegraphy, and like circumstances. The other is, that the precious metal used for the standard money—viz, gold—has become relatively scarcer than it was, its production being diminished on the one hand, and the demands for it on the other hand increased. The former of these causes [multiplication of commodities and diminution of cost of production] was discussed quite lately by Mr. Fowler in the Contemporary Review, and a greater weight assigned to it than to the latter cause. *I am disposed to give greater weight to the latter.*

That is to say, he is disposed to ascribe the fall of prices to the insufficiency of the quantity of gold.

He continues:

To a large extent, however, the two causes are not in conflict. The question is of money prices—the relation of money to commodities. Whether it is commodities that multiply, or gold that diminishes or does not multiply in proportion, the relation between gold and the mass of commodities is equally changed. It is quite conceivable that if gold were to increase in quantity and its cost of production to diminish, as other commodities increase in quantity and have their cost of production diminished, there would be no change of any kind in gold prices. Commodities would be more abundant, but the abundance *would make itself felt in a rise of money wages, salaries, rents, and profits, and not in lower prices. That it is felt in lower prices now appears to be absolute proof that the relation between gold and commodities has changed, that they have not increased in quantity and had their cost of production diminished pari passu.* In addition, however, while not denying that there has been a change on the commodities side of the balance, I would go further, and maintain that *what has happened to gold in the way of diminished production and increased demands upon it, arising from other causes than the multiplication of commodities, must have had great effect.*—*Essays in Finance*, series II, pages 22 and 23.

In showing why it was that what has happened to gold "has had great effect," Mr. Giffen goes on to say:

In round figures, therefore, there have been new demands in the last thirteen years for about two hundred millions [pounds sterling, equal to $1,000,000,000] in gold, an amount very nearly equal to the whole production of the period, although a larger amount than the annual production of that period had been necessary in previous years to maintain the state of prices which then existed. As the maintenance of equilibrium in the matter of prices is only possible, other things being equal, by means of *a supply of gold to meet the wear and tear of coin and the increase of the population using gold* in numbers and wealth—and the ordinary demands of that kind before 1872 amounted in fact to twelve millions sterling annually—it is difficult to imagine *how all these extraordinary demands could have existed without contributing to that change in the course of prices which we should have expected beforehand as the consequence, and which in fact occurred.*—*Essays in Finance*, series II, page 25.

Not only is it difficult, as Mr. Giffen says, to imagine how those greatly increased demands could have been made without producing the effect of a fall of prices, but to a mind not blinded by prejudice it is wholly impossible to conceive how prices could have sustained themselves under the circumstances.

Referring to the mode in which an insufficiency of money would express itself, Mr. Giffen proceeds:

The way scarcity or abundance of gold would tell upon the money market would be by producing monetary stringencies and periods of temporary difficulty and discredit, by which, perhaps, the tendency to inflation in prices at one time would be checked, and the tendency to depression at another would be aggravated. The average rates over the whole period when these stringencies were occurring might be lower than at times when they were fewer, but the mere fact of successive stringencies would help to produce the effect described on prices. Now, the course of the money market since 1871, when the German Government began to draw gold from London, *has been full of such stringencies.* The crises of 1873 and 1875 were no doubt precipitated by them; and since 1876, in almost every year except 1879 and 1880, there has been a stringency, of greater or less severity, *directly traceable to, or aggravated by, the extraordinary demands for gold and the difficulty of supplying them.*

Looking at all the facts, therefore, it appears impossible to avoid the conclusion that the recent course of prices, so different from what it was just after the Australian and Californian gold discoveries, *is the result in part of the diminished production and the increased extraordinary demands upon the supply of gold.*

In a paper of Mr. Giffen's read before the Statistical Society of London, in December, 1888, published in the journal of that society for that month, he said:

We can say positively that the recent change from a high to a low level of prices is *due to a change in money*, of the nature or in the direction of absolute contraction.

And after showing the extremely slight additions that had been recently made to the stock of gold he said:

The stock with additions has had to do more work, and *it has only been able to do so because prices have fallen.*

In the same paper, speaking of the effects of this insufficiency of gold he said:

It is obvious beyond all question that these effects may be important. *The debtors pay more than they would otherwise pay, and the creditors receive more.* The matter is thus not unimportant to the two large classes of people who make up the community. *Appreciation is a most serious matter to those who have debts to pay. It prevents them gaining by the development of industry as they otherwise would.*

PROF. JEVONS AND MR. GOSCHEN.

So well convinced was Prof. Jevons of the injustice of gold as a standard for deferred payments that in 1875 he wrote of it:

It should cease to be the permanent standard of value because, as I have explained in chapter 25 (of Money and the Mechanism of Exchange), long enduring debts and transactions will be regulated by the tabular standard of value, the amounts of debts although expressed in gold, being varied inversely as gold varies in terms of other commodities.—*Investigations in Currency and Finance*, page 297.

Discussing the effects on prices of an increased demand for gold the same writer in an article in the Contemporary Review for May, 1881, says:

It stands to reason, of course, that if several great nations suddenly decide that they will at all costs have gold currencies to be coined, in the next few years *the annual production can not meet the demand*, which must be mainly supplied, if at all, out of stock. *The result would doubtless be a tendency to a fall of prices.*

And after referring to the gold stock in Great Britain, and the considerable gold fields of the British colonies, he added:

If these foreign nations insist upon having gold currencies, *they must pay our price* for gold, and they must, in raising the price, *benefit us* and our colonies.

In 1883 Mr. Goschen, afterward chancellor of the exchequer of Great Britain, read a paper before the Bankers' Institute of London, on the "Probable results of an increase in the purchasing power of gold." After showing that within ten years an enormously increased demand had arisen for gold, and that in that time Germany, the United States, Italy, and Holland had absorbed $1,000,000,000 of it, Mr. Goschen said:

Economists will accordingly ask themselves what result, if any, is such a phenomenon likely to have produced? I think there is scarcely an economist but would answer at once, "It is probable, it is almost necessary, it is according to the laws and the principles of currency, that such a phenomenon must be followed by a fall in the prices of commodities generally. Just as a large amount of gold poured into Europe in 1852 and subsequent years created a rise in prices, so the counter phenomenon must produce a fall.

And at the same meeting of the Bankers' Institute at which Mr. Goschen's paper was read, Mr. Giffen stated that if the supply of new money were not sufficient to maintain the equilibrium between demand and supply—considering the increase of population and wealth—"then we may have a long-continued fall of prices from generation to generation, *and this will probably have a very great effect as time goes on.*"

PROF. ROGERS AND GEN. WALKER.

The total insufficiency of gold for the monetary purposes of the world, considering the unequalled extension of industry and commerce, is emphasized by Prof. Thorold Rogers, in an article in the Princeton Review for January, 1879.

Speaking of the "rapid rise in the economic value of gold," he says:

The fact has been commented on with considerable but unequal force by M. Laveleye, in a recent number of the *Revue des Deux Mondes*, where he alleges, and *on good grounds*, that the annual produce of this metal is *not more than sufficient to cover the annual wear and tear of the currencies.*

And he adds:

Unless we are to assert that the values of gold and silver do not depend on the demand which exists for them and the means for supplying that demand, it must follow that *a large demand brought to bear on a limited supply will affect the values of those precious metals, and through them lower prices.*

Writing in 1879 of the effects of demonetization of silver, our leading American economist, Prof. Francis A. Walker, now president of the Massachusetts Institute of Technology, said:

The second immediate consequence of the German demonetization has been an enhancement of the purchasing power of gold, now left throughout pretty much all Europe *to perform the whole office of money which six years ago was performed by a money mass composed both of gold and silver.* The latter having been thrown out of its use as full-valued money, and remitted to the purposes of small change or banished to the East, the value of the former has, *by a necessary consequence, risen greatly*, even in the few years that have intervened since this disastrous act was accomplished.

The effects upon industry and trade of a diminishing money supply in enhancing the burden of debts and fixed charges and in disparaging the profits of business and hence reducing the motives of production, have been discussed so much at length that we need only inquire here as to the fact.

Two notable pieces of testimony on this subject have been given to the public within the past few weeks. In an article in the January number of the Princeton Review Prof. Thorold Rogers, of Oxford, in discussing the causes of the present general disturbance of commerce, writes as follows:

"The first cause in importance, the most general, and, in all probability the most enduring, is the rapid rise in the economical value of gold.

"While the area of civilization is widening and, therefore, the demand for an adequate currency is being extended, the most populous state of Europe has abandoned a silver for a gold currency, and has had, as a fruit of a successful war with France, an exceptional power of attracting gold to itself, with singular success indeed, to the incredible misfortune of its people. Germany has effected a monetary revolution on the grandest scale, and has beggared its own industries.

"Taking into account the growing intercourse of civilized nations, and particularly the sensitiveness which they feel at any event which may check the activity or derange the machinery of trade and production, it appears that *at no time has the drain on the existing stock of gold been so sharp and rapid as at present.*"

On the 28th of December the London Economist, in a remarkable article on the causes of the present depression of prices which that journal finds to be greater than after the panic of 1857 or that of 1866, gives as the principal causes the following:

First. *There has been a diminution in the supply of gold.*

Second. There has been *a marked increase in the demand for gold.* The effect of the adoption of a gold standard in Germany, as well as in some other European countries of minor importance, has been, as we have clearly seen, to depreciate the value of silver, measured by a gold standard, in an extraordinary manner. Large masses of silver have been demonetized and thrown upon the market. But, on the other hand, *large masses of gold have been required to take their place, while, as has been shown, the supply has been actually diminishing.*

The Economist concludes that there has been a real fall in prices to the extent of 16 per cent since 1869. This is an undoubted appreciation of gold, because it represents a real increase in the purchasing power of gold.

What does an increase of 16 per cent in the purchasing power of gold mean?

It means an addition of one-sixth to the burden of every existing debt, national, corporate, and private, payable, as are nearly all the public and by far the greater part of the private debts of the world, in gold. It means that on every day which the laboring man gives to work to pay his share of the interest and principal of such public debts, or to meet the interest or principal of the mortgage on his cottage or his farm, his hours of labor shall be, not twelve, but fourteen. In those last two hours' drag, if brain and hand grow weary with the strain and toil, he should know whom to thank, the financiers and political economists who, at a time when the production of the two historical money metals jointly was at a standstill, or even diminishing, accomplished the great monetary reform of throwing the stock of one of them, accumulated through thousands of years, out of its uses as money of full power in Europe, remitting it to the office of small change, and sending the remainder to swell the treasures of the Orient; all for the sake of a mathematical and metrical unity of coinage and exchange.—*Money Trade and Industry*, page 191 *et seq.*

Within the year a piece of testimony has been contributed to the discussion as to the appreciation of gold, which one would suppose, by reason of its source and timeliness, should serve to awaken thought among even the most fanatical of the adherents of the gold standard. It will be remembered that in 1886 the British Government appointed a royal commission to inquire into the "recent changes in the relative values of the precious metals." This became known as the Gold and Silver Commission. It was naturally composed of men of ability and distinction—twelve in number—among whom was Mr. Leonard Courtney. Regarding the genesis of the fall of prices the commission, as is well known, divided—six of the members maintaining that it was to be looked for mainly in causes affecting commodities; the other six mainly in causes affecting gold.

Among those who believed that the change was for the greater part due to causes affecting commodities was Mr. Courtney. Now, after six years of further investigation and reflection, Mr. Courtney expresses a change of conviction, or, more correctly, a progress of conviction toward the ground occupied by what may be called his opponents on the commission. In an article in the Nineteenth Century for April, 1893, he says:

I was one of the six members of the Gold and Silver Commission who could not see their way to recommend bimetallism, and reported, "When we look at the character and times of the fall in the prices of commodities * * * we think that the sounder view is that the greater part of the fall has resulted from causes touching the commodities rather than from an appreciation of the standard." In the same paragraph we had said, "We are far from denying that there may have been, and probably has been, some appreciation of gold," though we held it impossible to determine its extent.

Mr. Courtney then continues:

Let me make a confession. I hesitated a little about this paragraph. I thought there was perhaps more in the suggestion of an appreciation of gold than my colleagues believed, but whilst I thus doubted I did not dissent.

He then goes on to say:

I am now satisfied that *there has been an appreciation of gold greater than I suspected when I signed the report*, and I should not be able to concur in the same paragraph again. My conclusion is built upon many reasons, and it seems to me to explain many phenomena otherwise inexplicable.

Mr. Courtney admits that the fall of prices is as much as 30 per cent, which means an appreciation of 43 per cent in the purchasing power of gold; and referring to its effect, he says that even if it were but 10 per cent it "would just counteract all that we [the English people] have done in the last fifteen years in the reduction of the national debt."

And he continues:

We have reduced the nominal amount, but the real burden is unaltered. The pressure of all debts, public and private, has increased. Nor is this all. Although it is immaterial to commercial and industrial activity what may be the scale of prices, high or low, when a scale is reached and maintained, yet the transition from high prices to low is extremely restrictive of enterprise.

The person who enters on the use of things—that is, the man who creates enterprise, whether in industry or commerce—has his wealth nibbled away by those who have money claims upon him, and the man who trades on borrowed capital trades as little as possible if he finds his assets shrinking compared with his liabilities. Differences must also constantly arise between masters and workmen, between the producers of a raw material and the creators of the finished product, in a word—between all who coöperate to put something on the market—if they find its selling price mysteriously diminishing, and their shares of it have to be perpetually adjusted.

And Mr. Courtney adds:

It is a dream to suppose that gold is stable in value. * * * It has undergone a considerable appreciation in recent years, and industry and commerce have been more hampered by its movement than they would have been had silver been our standard. Whether the appreciation will be maintained undiminished is uncertain, but every step taken toward the further demonetization of silver must tend to the enhancement of the value of gold.

But, Mr. President, it would be useless to multiply testimony. No man who bears in mind the enormous increase in the demand for gold, and the fact that most, if not indeed all, of the current annual yield is absorbed in the arts and manufactures, can for a moment entertain a doubt that the metal has enormously appreciated.

AS TO IMPROVED METHODS OF PRODUCTION.

The advocates of the gold standard in this country assert that the fall of prices, which they are compelled to admit began the very year of the demonetization of silver, is not due to such demonetization, but is a mere coincidence; and that it is in fact due to new inventions and consequent improvements in the various arts and industries.

But it is to be observed that such improvements have been the characteristic of all periods of time since the application of steam to the various processes of industry. While improvements of detail calculated to facilitate production have undoubtedly been a feature of the mechanic arts during the past twenty years, yet for far-reaching invention, for radical improvement in all the round of industries, that period is not to be compared with the twenty years preceding, during which the prices of commodities not only were not falling but were in fact rising, and when the business of the world, instead of being in collapse as a consequence, was more prosperous than at any former period in history.

Economic writers have made all readers familiar with the red-letter character of the period from 1850 to 1873, during which the Californian and Australian discoveries were reinvigorating the almost exhausted energies of the commercial and industrial world, which for a period of thirty years prior had suffered from the dry rot of a money volume not keeping pace with demand. With the new supplies of money came universal prosperity in the form of rising prices—notwithstanding the extreme activity of invention and improvement in methods of manufacture. In discussing this question the advocates of the gold standard leave it to be inferred that no inventions or improvements in methods of production were ever made prior to 1873, and are driven by the logic of their contention to the absurd conclusion that with that year was ushered in a new order of the ages. There is no reason whatever for supposing anything of the kind.

Mr. Giffen, in a paper read by him before the Statistical Society of London, in January, 1879, referring to the period from 1848 to 1877 (the period which, except the last four years, was characterized by rising prices), said:

The peculiarity of the period has been *the increase of mechanical invention and the constant augmentation of goods.*

And he went on to show that in the period named the annual output of pig iron in England had increased 300 per cent, of cotton exports 400 per cent, of shipping clearances 400 per cent, and in other departments of business in like proportion.

And writing in 1885, he said:

The same reply may also be made to the suggestion that the multiplication of commodities accounts for the entire change that has occurred. There is no reason to suppose that the multiplication of commodities relatively to the previous production has proceeded at a greater rate since 1873 than in the twenty years before that. Yet before 1873 prices were rising notwithstanding the multiplication of commodities; and since that date the tendency has been to decline. *The one thing that has changed, therefore, appears to be the supply of gold and the demands upon it; and to that cause largely we must accordingly ascribe the change in the course of prices which has occured.* * * * *The very thing is happening which we should have expected to happen if there had been a pressure upon gold.*—*Essays in Finance*, Series II, page 28.

Writing of the great fall of prices between 1809 and 1849, which he ascribed to the falling off in the supply of the money metals by the closing of the South American mines, and commenting on the arrest of that fall and the setting on foot of a contrary movement by the California discoveries, Prof. Jevons says:

Thus while industry, trade, and property were rapidly advancing in Great Britain and other parts of the world there was no corresponding advance in the production of the precious metals. *Prices both in gold and silver continually receded.* Now, if while *the introduction of railways, telegraphs, and innumerable other improvements* accelerated the extension of trade and the consequent demand for the precious metals no new discoveries of the precious metals had been made, what must have ensued? Prices must have continued in the downward course they had pursued for thirty or forty years before. *But they did not continue in this course.* On the contrary they *turned upwards in a sudden and decided manner* as shown in the body of this tract. And *this change was simultaneous with the discovery of the new gold fields.* Half the prerogative instances of Bacon are exemplified in this question, and *if the philosophy of observation and common sense may be applied to statistical matters we can draw but one conclusion—that prices have risen in consequence of the gold discoveries.*

But Prof. Jevons continues his reflections beyond this, and in order to accentuate the blessings which the yield of the new gold discoveries had been to the world, he says:

The gold discoveries have had the double effect of arresting the fall of prices and then raising them. The total effect is not merely the rise that has occurred, but that rise plus the fall that would have occurred. This goes a considerable way to explain why prices have not risen so high as the vast supplies of gold might have led us to expect.—*Investigations into Currency and Finance*, page 110.

There is not a period of history since the invention of James Watt that has not been characterized by new inventions and improvements.

Mr. Tooke, in the first volume of his History of Prices, published in 1838, referring to the several causes of a rise of prices observed to occur between 1792 (one hundred years ago) and 1819, says:

And as *the improvements in agriculture and manufactures*, all tending greatly to reduce the cost of production, *were in progress during the whole period*, although not so rapidly in the earlier part of it, they must have operated as a corrective against so great an advance in price of those articles to which they applied as might from the operation of other causes have been expected. This cause need, therefore, only be incidentally referred to.

The same author, in one of his later volumes, dealing with the period from 1848 to 1856, after the gold discoveries, says:

The rapid increase in every part of the world, the improvements in the navigation and speed of ships, the rapid spread of population into new and fertile regions, *the quick succession of important discoveries in practical science and the ceaseless activity with which they are applied to increase the efficiency of all mechanical appliances* * * * are all causes which singly and conjointly have assisted to accelerate the rate of progress; (but with all this) the influence of the new supplies of gold year by year *has probably been that particular cause* or train of causes which has modified in the most powerful degree the economical and commercial history of the last nine years.

From those statements it will be observed that so far as concerns new inventions and improved methods they have been a constant feature of industry in periods both of high and of low prices from the date of the invention of the steam engine to the present time. And while it is conceded that in one or two industries radical improvements have within the past twenty years been effected, yet in the vast mass of processes, no revolutionary change has occurred, or anything to justify the extraordinary fall of prices which has occurred—not in the products of one or two classes of industries merely, but of all classes of industries—no less of those involving finished products than of those involving raw materials, both of the factory and the farm.

OUGHT THE UNITED STATES TO FOLLOW THE EXAMPLE OF GREAT BRITAIN?

If the gold standard contributes to the welfare of the peoples adopting it, there must be some method of ascertaining that fact. There must be some external evidences of the prosperity which it is said to impart.

We are told that gold is especially the proper medium for the money of rich nations, and that Great Britain, being a rich nation and having a gold standard, and gold alone for money of full legal tender, we should follow the example of Great Britain, and that if we did not do so we should be placed alongside India, Mexico, South America, and so on.

We do not dispute that there is great wealth in Great Britain, but when it is said that Great Britain as a nation is rich, we are placed upon inquiry as to what constitutes a rich nation.

On this point I quote a pertinent suggestion of John Ruskin's. He says:

Respecting riches, the economist has to inquire, first, into the advisable modes of their collection; secondly, into the advisable modes of their administration.

Respecting the collection of national riches, he has to inquire, first, whether he is justified in calling the *nation* rich if the quantity of wealth it possesses, relatively to the wealth of other nations, be large, *irrespectively of the manner of its distribution.* Or does the mode of distribution in any wise affect the nature of the riches? Thus, if the *King alone* be rich (suppose Croesus, or Mausōlus), are the Lydians or Carians therefore a rich *nation?* Or if a few slave-masters are rich, and the nation is otherwise composed of slaves, is it to be called a rich *nation?* For if not, and the ideas of a certain mode of distribution or operation in the riches, and of a certain degree of freedom in the people, enter into our idea of riches as attributed to a people, we shall have to define the degree of fluency or circulative character which is essential to the nature of common wealth; and the degree of independence of action required in its possessors—questions which look as if they would take time in answering.

And further. Since the inequality, which is the condition of riches, may be established in two opposite modes—namely, by increase of possession on

the one side and by decrease of it on the other—we have to inquire with respect to any given state of riches precisely in what manner the correlative poverty was produced; that is to say, whether by being surpassed only or being depressed also; and if by being depressed, what are the advantages, or the contrary, conceivable in the depression. For instance, it being one of the commonest advantages of being rich to entertain a number of servants, we have to inquire, on the one side, what economical process produced the riches of the master; and on the other, what economical process produced the poverty of the persons who serve him, and what advantages each on his own side derives from the result?—*Munera Pulveris*, page 22.

Does it then, Mr. President, make any difference how the riches of a nation are distributed? Let us take a case near home in order to enable us to see the situation clearly. The late Mr. Jay Gould lived in a village or small town on the Hudson, adjacent to the city of New York. He was believed to be worth at least $100,000,000. Even if no other man in the village was worth a dollar, it could still be said that that village was a rich village because Mr. Gould lived in it. In a certain limited sense, as words are usually understood, that would doubtless be true. But, *cui bono?* The fact that Mr. Gould was rich did not make the other inhabitants of the village rich. One swallow does not make a summer.

It is said that the income of one duke in England amounts to hundreds of thousands of dollars a month, from rents alone. This fact, in one sense, may be said to make England a rich country; but, in the true sense of the term, does it mean anything to affirm that by reason of the riches of the Duke of Westminster England is a rich nation? A nation is not made up of dukes. May it not be that the people at large, instead of being the richer, are the poorer, for the riches of the Duke of Westminster? And when the example of Great Britain, as a rich nation, is held up to the admiring gaze of our people by the gentlemen who are so devoted to the gold standard, do they intend us to understand that a nation is rich because a few of its people are rich?

WHAT CONSTITUTES A NATION?

If the wealth of a nation be concentrated in the hands of a few persons, while the masses of the people are steeped in poverty, what a travesty it is upon words to say that the nation is rich. What is a nation? Is it mere *land* without reference to the people who dwell on it? Manifestly not. If, then, it means *people*, does the word "nation" express only that limited number of people who are rich?

This was the idea of polished and cultured Greece, in which the artisans and all that portion of the population corresponding with the working classes of our time, were *slaves*. It accorded sufficiently well also with the Roman idea—one-half the population of the Roman empire (according to Gibbon) consisting of slaves—not black slaves, but *white*—being persons, of whatever race or blood, conquered in war. But the classes of white men that were formerly slaves are now freemen and constitute the great body of every community.

Any description of a nation which should leave them out of account would be a description which would omit the most indispensable part of society—the makers of *things*—the producers of wealth—as contradistinguished from the drones and idlers, and that portion of the community which, instead of producing wealth, merely juggles with the counters by which wealth is computed. In this age, what significance can attach to the expression "a rich nation," if it mean only that a few persons residing in a country are the possessors of large wealth, or of all the wealth of the country? Any correct definition of the term could include only nations in which wealth is generally diffused among the people.

In that sense Great Britain is not a rich, but a very poor, nation. Like most European countries, it is a nation in which a few are rich, while the great masses of the people are steeped in poverty. The persons who constitute the nation, in the sense of those who speak of Great Britain as a *rich* nation, are the creditor classes—and they are the most active, alert, and watchful in their own behalf of any "nation" in Christendom. That country is, by situation and circumstances, naturally a commercial country; and its creditor classes have, from the earliest times, determined to dominate the commercial world, and especially the world of which *we*, *to-day*, form part. Before the application of steam to the purposes of industry, many nations of the continent excelled Great Britain in the arts and manufactures. Failing to find a market in Europe, the eyes of the commercial and financial aristocracy turned at an early day to the American colonies. Here they saw a market which they were determined to enjoy without competition. Not only without competition from other European countries, but without competition even from the colonists themselves.

LONG-STANDING DETERMINATION OF GREAT BRITAIN TO EXPLOIT THE INDUSTRIES OF THE UNITED STATES.

In 1660 the first of the navigation acts was passed which compelled the colonists to use only English ships in the work of transportation. In 1663 another law was enacted which required that all the articles which the colonists might desire to buy in Europe should be bought in the markets of England. Heavy penalties were prescribed for the violation of such laws. In 1669 Parliament declared that no wool, yarn, or woolen manufactures of the American plantations should be shipped, or even laden to be transported from thence to any place whatever.

In 1719 it declared that the erecting of manufactories in the Colonies tended to lessen their dependence upon Great Britain. In 1732 a law was passed forbidding hats or felts to be exported from the Colonies or even to be loaded on horse, cart, or other carriage for transportation from one plantation to another. So determined were they to repress and put down, by the strong hand, all attempts on the part of the Americans to produce the articles required by their own situation and circumstances, that in 1750 Parliament went to the extreme length of prohibiting by law "the erection, or continuance, of any mill or other engine for slitting or rolling iron, or any plating forge to work with a tilt hammer, or any furnace for making steel, in the Colonies" under the penalty of £200.

Every such mill, engine, forge, or furnace was declared a common nuisance, which the governors of the provinces were bound to abate within thirty days under a penalty of £500. In the same year a prominent and well-known London publication on "Trade"—a great authority in its time—a work written by a person named Gee, exhibited the tone and spirit of English public opinion regarding the industrial development of the Colonies. That writer said:

> Manufactures in our American Colonies should be discouraged and prohibited. We ought always to keep a watchful eye over our colonies, to restrain them from setting up any of the manufactures which are carried on in Great Britain, and any such attempts should be crushed in the beginning, for if they are suffered to grow up to maturity it will be difficult to suppress them. * * *
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> Our colonies are in much the same state as Ireland was in when they began the woolen manufactory, and as their numbers increase will fall upon manufactures for clothing themselves, if due care be not taken to find employment for them in raising such productions as may enable them to furnish themselves with all the necessaries from us. As they will have the providing rough materials for themselves, so shall we have the manufacturing of them. If encouragment be given for raising hemp, flax, etc., doubtless they will soon begin to manufacture if not prevented.
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> Therefore to stop the progress of such manufacture it is proposed that no weaver have liberty to set up any loom without first registering at an office to be kept for that purpose. That all slitting mills and engines for drawing wire or weaving stockings be put down: * * * that they shall be prohibited from manufacturing hats, stockings, or leather of any kind. This limitation—

The author is good enough to say—

> will not abridge the planters of any liberty they now enjoy—on the contrary, it will then turn their industry to promoting and raising those rough materials. * * * If we examine into the circumstances of the inhabitants of our plantations and our own, it will appear that not one-fourth part of their product redounds to their own profit, for out of all that comes here they carry back clothing and other accommodations for their families, all of which is of the merchandise and manufacture of this kingdom.

Now, note how early the shrewd "foreign investor" began to get in his work upon the people of this country. Mr. Gee says:

> All these advantages we receive by the plantations, *besides the mortgages on the planters' estates, and the high interest they pay us, which is very considerable*, and therefore every care ought to be taken in regulating all the affairs of the colonists that *the planters are not put under too many difficulties, but encouraged to go on cheerfully!* * * * New England and the northern colonies have not products enough to send us in return for purchasing their necessary clothing, but are under very great difficulties, and therefore any ordinary sort of clothing sell with them; and when they have grown out of fashion with us they are new-fashioned enough for them.

I may add, as a pertinent suggestion at this point, that we still find New England sending no wheat or cotton abroad, so that the fall of prices of those leading articles of export is not a matter of so supreme importance to the people of that section as it is for other parts of the country.

All this, Mr. President, shows that from the earliest time the eyes of the alert money lenders of Great Britain have been turned to these "plantations" as the fertile field for the cultivation and development of British prosperity.

That was written nearly one hundred and fifty years ago, and to this day it can truthfully be written that the interest we pay them is "very considerable." If the silver-purchase law be repealed, and the dollars of every man's debt be thus made more valuable to the creditor, the interest will yearly grow more and more "considerable," to the hearty satisfaction of our "foreign investor," who accordingly is urging this repeal with unfeigned enthusiasm.

GREAT BRITAIN THE GREAT CREDITOR NATION OF THE WORLD.

One hundred years ago, at a time when France was the only rival of England, Edmund Burke, speaking of the money power of Great Britain, said:

> Our capital gives us a superiority which enables us to set at defiance all the efforts of France to rival our manufactures. The powers of capital—

He added—

> are irresistible in trade. It dominates; it rules; it even tyrannizes in the market; it entices the strong and controls the weak.

No better description of the effects of capital, as it is utilized by the British capitalist, was ever given. Fifty years later, Sir

Robert Peel, in debating the corn laws, still understood its influence when he said:

That we may retain our manufacturing preëminence we must neglect no opportunity of securing to ourselves those advantages by which that preëminence can alone be secured. * * * The accumulation of wealth—that is, the increase of capital—is one of the chief means by which we can retain the eminence we have so long enjoyed.

And Prof. Senior, in one of his Oxford lectures (1830), ingenuously admits the manner in which the prosperity of Great Britain and its great creditor classes is maintained. "*The mine worked by England*," he says, "*is the general market of the world!*"

In a report made in 1854 by a commission appointed by Parliament to inquire into the operations of the mining laws of Great Britain the following statement appears:

The large capitals of this country are the great instruments of warfare against competing capitals of foreign countries, and are the most essential instruments now remaining by which the supremacy of our manufactures can be maintained—the other elements—cheap labor, abundance of raw material, means of communication, and skilled labor, being rapidly in process of being equalized.

All these statements, as to the purpose of the legislative and governmental policies of Great Britain, lead up directly to the statement made by Mr. Gladstone in his speech in the House of Commons on the 28th of February last, in opposition to the motion of Sir Henry Meysey Thompson with reference to the Brussels conference.

"England," said Mr. Gladstone, "is the *great creditor* of the countries of the world; of that there can be no doubt whatever; and *it is increasingly the great creditor* of the countries of the world. I suppose there is not a year which passes over our heads which does not largely add to the mass of British investments abroad. I am almost afraid to estimate the total amount of the property which the United Kingdom holds beyond the limits of the United Kingdom; but of this I am well convinced, that it is not to be estimated by tens or hundreds of millions. One thousand millions probably would be an extremely low and inadequate estimate. Two thousand millions, or something even more than that, is very likely to be nearer the mark. I think, under these circumstances, it is rather a serious matter to ask this country whether we are going to perform this supreme act of self-sacrifice."

The act of self-sacrifice, to which Mr. Gladstone referred, was whether Great Britain should even discuss the question of giving a larger use to silver as currency. In giving utterance to those views Mr. Gladstone simply repeated in another form what had before been so often stated. The gist of his statement is contained in his opening remark, that "England is the great creditor of the countries of the world."

Now, Mr. President, it is well known that the United States is one of the great *debtor* countries of the world. If it would be an act of self-sacrifice for the creditor classes of Great Britain to bring to a halt the unjust and constantly growing appreciation of gold, would it not be an act of wisdom on the part of the American Senators to do what may be in their power, in the interest of their own people, to bring about that result without reference to the self-sacrifice of the creditor classes of Great Britain?

Mr. Gladstone's highest estimate—namely, that the property which the United Kingdom holds beyond its own limits, may be £2,000,000,000, or $10,000,000,000, is sustained by the statements of eminent writers. Prof. Cairnes calculated that according to the returns of imports and exports the creditor classes of Great Britain receive every year, on their foreign investments, not less than $500,000,000, which would be the interest on $10,000,000,000 at 5 per cent. This computation was made in 1874; and we may rest assured the amount has not been reduced since then.

And Prof. Thorold Rogers, in his work on the Economical Interpretation of History, says:

* * * An enormous and incredible mass of foreign and colonial securities is held by British investors. I am confidently assured by those who know the facts well, that at least two thousand millions sterling of such securities are held in Great Britain, and ear-marked on the stock exchange. We in England hold all, or nearly all, the colonial securities, the Indian debt, and so large a mass of foreign debt that no large purchase can be made of such foreign debt on any but the London Stock Exchange. Now, interest must be paid on such liabilities, and of course, in accordance with the rule laid down before, the ordinary way in which such an amount of interest is paid, as is implied in the above-stated indebtedness, is by *goods*, the amount or value of which makes the aggregate of imports appear to be vastly in excess of the aggregate of exports. * * * In fact, the annual interest which the borrowers contract to pay is expressed in the currency of the United Kingdom, or in the currency of the borrowing state and community, and in theory such debtors are bound to pay in money. In practice, however, they pay in *goods, generally in raw materials*, or in articles which our climate will not allow to be produced, or not to be produced in so useful a form. *Hence a country like our own, to whom other countries are largely indebted, always gets its raw materials, and some other articles, at the cheapest rates possible.—The Economic Interpretation of History*, page 98.

Why, Mr. President, the very object of Great Britain in maintaining the gold standard is that her creditor classes may get the products of other people's labor at the "cheapest rates possible." They want American wheat and American cotton at the "cheapest rates possible," and they are getting them cheaper and cheaper as time elapses.

It needs no prophet to safely predict that by the repeal of the purchasing clause of the Sherman law they will get our products very much cheaper than ever.

While Great Britain appears to be receiving gold as interest on her foreign investments, yet what she really receives is not gold itself—which she does not want—but commodities at the range of prices consistent with the existing quantity of gold money. If the $500,000,000 of interest, which Prof. Cairnes calculated was received each year by Great Britain, were received in money, it would be a sum greater than the entire monetary supply of the kingdom, and, were it possible to be obtained, would produce such a rise of prices of all commodities as would create a revolution in the industries and trade of the country. But no country can retain more than its distributive share of the gold of the world.

INJURIES INFLICTED ON THE PEOPLE OF GREAT BRITAIN BY THE ADOPTION OF THE GOLD STANDARD.

The creditor classes are, and well may be, content to receive, not the money, but the materials which the money will buy. Producing nothing by their own labor, they can observe without regret a constant fall in the prices of the products of other men's labor. They know that it would be impossible to obtain the gold, and that, if obtained, it would be good only for its purchasing power as money. For hundreds of years, as I have shown, it has been the determination of those classes to dominate the commercial and industrial world. They are too intelligent to attempt, in this age, a domination of *force*. They know how to acquire domination by strategy. This was the basis of their determination to limit the supply of money to gold alone.

When they decided to adopt the gold standard they knew that the quantity of money in circulation determined the value of the monetary unit. Before taking that step they were not unaware of the difficulties that would be encountered, but not being themselves producers of wealth *they* had nothing to fear. The miseries which their course might inflict upon others was not a matter which concerned them. In the investigation by the parliamentary committee, made prior to the adoption of the gold standard, the manufacturing interests of Great Britain were represented by wise and thoughtful men, who foresaw and delineated the consequences that must ensue from the carrying out of the gold policy, but the executive department of the Government of Great Britain turned a deaf ear to the statements of the manufacturing and agricultural classes, and listened only to those of the bankers and money-lenders. To their interest, then, as at all times since, every other interest was subordinated.

In describing the consequences of the parliamentary enactment which placed Great Britain on the gold standard, Sir Archibald Alison says:

The capital which had been realized during the war [with Napoleon] had been so great, the influence of the moneyed interest so powerful, that the legislature became affected by the desires of its possessors. The monetary bill of 1819, before many years had elapsed, added 50 per cent to the value of money and weight of debt and taxes. * * * Small landed proprietors were generally ruined from the fall of prices; the magnates stood forth in increased lustre from the enhanced value of their revenues. Industry was querulous from long-continued suffering; wealth ambitious from sudden exaltation.—*Continuation of History of Europe*, volume 1, page 3.

And again he says:

The effects of this sudden and prodigious contraction of the currency were soon apparent, and they rendered the next three years a period of ceaseless distress and suffering in the British Islands. The accommodation granted by the bankers diminished so much, in consequence of the obligation laid upon them of paying in specie, when specie was not to be got, that paper under discount at the Bank of England, which in 1810 had been £23,000,000, and in 1815 not less than £20,660,000, sank in 1820 to £4,672,000, and in 1821 to £2,722,000. The effect upon prices was not less immediate or appalling. They declined in general—

The historian says—

within six months to *half their former amount*, and remained at that low level for the next three years. Distress was universal in the latter months of the year 1819; and that distrust and discouragement was felt in all branches of industry, which is at once the forerunner and the cause of disaster.

The land-owners of Great Britain at the time of the passage of the bill numbered 160,000 persons. By reason of the ruinous consequences of the fall in prices they became reduced in the course of seven years to 20,000 in number, or less than one-fifth, while 15 per cent of the population became the subject of support by organized charity. The idleness and distress among the people became so universal that mass meetings were held in all towns and cities, some of which were attended by as many as 60,000 persons. Collisions with the troops occurred, in which many were killed and wounded.

Speaking of the effects of this same bill establishing the gold standard, Sir James Graham, in his tract entitled "Corn and Currency," published in 1826, says:

Whether we regard private debts or public burdens, the effects of the measure of 1819 have been to enact that *for every less sum owing a greater shall be paid;* prices falling, but pecuniary engagement remaining undiminished, the farmer has no profit, the landlord no rent, the manufacturer no customer, the laborer no employment; a revolution of property and a derangement of the whole frame of society must necessarily ensue.

But the writer significantly adds that—

Amidst the ruin of the farmer and of the manufacturer, the distress of

the landlords and the insurrections of a populace without bread and without employment, one class flourished and was triumphant: the annuitant and the tax-eater rejoiced in the increased value of money; in the sacrifice of productive industry to unproductive wealth, in the victory of the drones over the bees.

But these sufferings had no effect then and similar sufferings have none now on men determined to gain an advantage for themselves at the expense of the masses of the people.

Ever since the establishment of the gold standard the business of the English people, and that of all people having the gold standard, has been subjected to frequent and violent panics, resulting from the incongruities and absurdities of a money system wholly insufficient, and growing yearly more insufficient, for the performance of the task imposed upon it. But, as was to be expected, when anything occurs calculated to expose the monstrosity of a system under which rich and powerful classes are increasing their riches and perpetuating their power, the professors of political economy and the writers for the daily press attempt to account for its eccentricities by the most absurd and contradictory hypotheses—even Prof. Jevons, a most distinguished economist, actually connecting the causation of the numerous panics, periodically occurring in Great Britain, with the recurrence of the spots on the sun!

Our statisticians, economists, and statesmen who laud the gold standard and recommend its adoption by the United States, may flatter themselves that their theories are supported by the supposed fact that England is a rich nation, but we know nothing about the riches of a nation until we shall ascertain how those riches are distributed. The distribution of wealth in a country is a subject upon which it is difficult to arrive at very exact information. Those whose business it is to write upon public questions, especially in monarchical countries, deem it a patriotic duty to give rose-colored views of the conditions of society.

A POET'S DESCRIPTION OF ARTISAN LIFE IN ENGLAND.

Such a picture is one that I am about to read from an address recently delivered by Sir Edwin Arnold at Birmingham, in England. When people read such descriptions of the conditions of life, which they suppose to exist among the masses of the people of Great Britain, it is no wonder they call it a rich nation; no wonder they call the gold standard a great standard; no wonder that the creditor classes should welcome such statements, and hold them up to the admiring gaze of an appreciating world as evincing the beauties and excellencies of the gold standard. Sir Edwin Arnold said:

Upon the face of facts, is life—even were it transient—so bad a thing as some people make out? Look at common modern existence as we see it, and note to what rich elaboration and large degrees of comfort it has come. I leave aside for the moment uncivilized nations and the bygone struggles of our race; its wars and woes; its tyrannies and superstitions; all of which history has greatly exaggerated, not telling us of the contemporaneous contentments. I invite you briefly to contemplate an artisan's existence in your own Birmingham. Let alone the greatness of being an Englishman, and the supreme safety and liberty of his daily life, what king of old ever fared so royally? What magician of fairy tales ever owned so many slaves to bring him treasures and pleasure at wish? Observe his dinner board! Without being luxurious, the whole globe has been his servingman to spread it.

The currants in this dumpling are a tribute from classic Greece, and tinned salmon or kippered herring a token from the seas and rivers of Canada or Norway. He may partake, if he will, of rice that ripened under the hot skies of Patna or Rangoon; of cocoa—that "food of the gods"—plucked under the burning blue of the equator. For his rasher of bacon the hog express runs daily with 10,000 grunting victims into Chicago. Dutch or Brittany hens have laid him his eggs, and Danish cows grazed the daisies of Elsinore to produce his cheese and butter. If he drinks beer, it is odds that Russia and Bavaria have contributed to it the barley and the hops; when he has finished eating, it will be the Mississippi flats or the gardens of the Antilles that fill for him his pipe with the comforting tobacco. He has fared, I say, at home as no Lucullus ever fared; and then, for a trifle, his daily newspaper puts at his command information from the whole globe, the freshness and fullness of which make the news-bearers of Augustus Cæsar, thronging hourly into Rome, ridiculous. At work, machinery of wonderful invention redeems his toil from servitude and elevates it to an art.

Is he fond of reading? There are free libraries open to him, full of intellectual and imaginative wealth. Is he artistic? Galleries rich with beautiful paintings and statues are prepared for him. Has he children? They can be excellently educated for next to nothing. Would he communicate with absent friends? His messengers pass in the Queen's livery bearing his letters everywhere by sea and land; or in the hour of urgency the ariel of electricity will flash for him a message to the ends of the kingdom at the price of a quart of small beer. Steam shall carry him wherever he wants to go for a penny a mile; and when he is sick, the charitable institutions he has too often forgotten in health render him such succor as sick goddesses never got from Æsculapius, nor Ulysses at the white hand of Queen Helen.

Does he encounter accident? For him as for all others the benignant science of our time, with the hypodermic syringe or a waft of chloroform has abolished agony; while for dignity of citizenship he may help when election time comes by his vote to sustain or to shake down the noblest empire ever built by genius and valor. Let the fancy fill up the imperfect picture with these thousand helps and adornments that civilization has brought even to lowly lives; and does it not seem stupid and ungrateful to say, as some go about saying, that such an existence, even if it were transitory, is not for itself distinctly worth possessing?

No man can doubt that in presenting this picture the distinguished poet and writer is perfectly sincere. So long as the rich and cultured classes in those countries are enjoying life, it is a great comfort to them to suppose that all others enjoy it. They concern themselves very little with the sufferings or burdens of the workers, and especially of those who are relegated to idleness. They have no personal knowledge of those conditions. It is gratifying to their sense of humanity to suppose that enforced idleness is unavoidable. They would never think of holding the gold standard responsible for it. These things are supposed to be inevitable. They find so many good things in their own path that they assume something of a like good fortune for everybody else.

For idleness the only suggestion they have to make is that charity shall be brought to bear. So conditions are investigated only with reference to the effects which philanthropy may have on them. Even the philanthropists, the persons who have some heart, and those who see the miseries of the masses as matters of daily observation, are disposed to regard them as the results of natural causes, or of the inscrutable decrees of Providence. The literature, therefore, which deals with the real condition of the masses of the people is very limited. How few examine those conditions at their sources.

We can, however, ascertain some general facts which may aid us in arriving at a judgment as to the wisdom of the national policies that dominate the Government of Great Britain, of which none can be more important than its monetary policy.

CONCENTRATION OF WEALTH IN GREAT BRITAIN.

The concentration of wealth in that country is illustrated by the distribution of the national debt, amounting to over $3,500,000,000, which, a short time ago, the official returns showed to be held in the hands of only 126,331 persons, thus averaging $30,000 to each person owning the debt. The greater prosperity of the French people is illustrated by the wider and more general distribution of the public debt of that country. Even so long ago as 1867 that debt was held in the ownership of 1,095,683 persons, averaging but $2,000 each, and since that time it has obtained even a wider distribution.

The following statement of the distribution of land ownership in Great Britain and Ireland is a summary from the recent work on political economy by Prof. J. S. Nicholson, of Edinburgh:

England and Wales, total area, 37,000,000 of acres. A body of men not exceeding 4,500 own *more than half*. Less than 280 people own *one-sixth* of the inclosed land. Sixty-six people own one-eighteenth part, or 2,000,000 acres. One man owns 186,397 acres.

Ireland, total area, 20,000,000 acres. Two hundred and ninety-two people own one-third. Seven hundred and forty-four people own one-half. There are three persons owning more than 100,000 acres each.

In Scotland the figures are still more striking. Total acreage about 19,000,000. One owner has 1,326,000 acres and 32,000 in England as well. There are five owners with more than 300,000 acres each. Twelve men own one-quarter of all Scotland. Nine-tenths of the whole of that country belongs to fewer than 1,700 people.

The following summary is still more startling:

Two-thirds of the whole of England and Wales owned by 10,207 persons.

Two-thirds of the whole of Ireland owned by 1,942 persons.

Two-thirds of the whole of Scotland owned by 330 persons.

One man owns an entire county extending across Scotland. One land owner in Scotland a few years ago appropriated 300 square miles of land to a deer forest, evicting many families to make room for the deer.

SOME PROSE-WRITERS' DESCRIPTIONS OF LIFE IN THE POET'S COUNTRY.

In a book entitled Breadwinners Abroad, Mr. Robert P. Porter, late Superintendent of the United States Census, speaks of a district he visited—the nail-making district near Birmingham, England, within a few miles of the spot at which was delivered the glowing description I have read from the remarks of Sir Edwin Arnold. Mr. Porter says:

It is said that 24,000 persons are engaged in this dismal district making nails and rivets. Though within 7 miles of the great and prosperous city of Birmingham no one seems to know or care about this army of men, women, young girls, and children condemned to a life of wretched slavery. * * * The inhabitants of this desolate district are among the most industrious and yet the most wretched in England. They are engaged in making all kinds of nails, rivets, and chains. The work is done in little smithies attached to the hovels in which the workers reside. * * * These houses, as a rule, contain little or no furniture. They are filthy and wretched beyond description. What spare time the unhappy nailer's wife gets from nursing the baby and preparing the meager meals is spent at the smithy fire pounding away at the anvil until late at night. But the extra work that the woman does, combined with that of one child—say a girl of 14—will barely keep the family from starvation. * * * The most cruel part of this business is that young women should be allowed to work at what is called the "olivers," a heavy iron machine worked by means of two wooden treadles. I found numbers of girls making large 8-inch bolts on these machines, and indeed they seemed to work with masculine firmness and with far more vigor than the men. * * * Their earnings do not exceed $1.25 per week.

In this way mothers, daughters, and mere children toil and slave on from year to year—indeed one man told me that nails had been made here for over a century in this way. How they exist is a mystery to me. They live in hovels, they are poorly fed, and poorly clad. They marry early, and sev-

eral girls not over 17 were pointed out to me as mothers of children 2 and 3 years of age. The men have an unmuscular look; most of them are very pale and lean and leaden-eyed. The small nailers are not protected by the English factory act and they work in their father's shops sometimes until late at night. The time to see the nailers at work is at night. The sharp din of the hammer on the anvil, and the dull rapid thud of the oliver as it flattens the heads of the nails and spikes still rings in my ear from last night. I can see the bright sparks from the forge, the red-hot nails clattering down to join their cooler brethren, the bending forms of the men, the women and the girls, little children creeping into the clattering, scintillating nail shop for the sake of warmth, and every now and then the red flames from the forges illuminating the scene and making more distinct the wierd form of these shadowy creatures doomed to a never-ending industrial treadmill.

In some cases I found mothers and three, and even four, daughters at the forge. In most of such instances, the father, I was told, spent his time in the public house, and the united earnings of the entire family would be less than 35. Many of the nailers actually starve, and cases of the deepest sorrow are not uncommon. "Misery," as the London Standard correspondent wrote, "so deep and dreadful that the most graphic pen can but faintly convey its depth of sorrow is witnessed." * * * Not long ago a journalist of ability undertook to show the desperate condition of the working classes here. I do not mean the idle, worthless, good-for-nothing people, but just such industrious people as those described in this letter. He sent the result of his inquiries to a Liberal journal and the manager refused to publish the facts. He wrote: "It is better not to call attention to such matters. It could do no good." * * * It is time the truth about industrial England is told. The London Standard has dared to speak out on the condition of labor in the Black Country, and when that paper makes the following statement I can say that actually accords with some of the horrible facts which have come within my observation during my stay in this dismal region:

"Women within a few days of their confinement have been known to work in the agony of exhaustion in order to earn a few pence at the hearth—not the hearth of home, but the hearth of the forge; they have been known to return to work in a day or two after childbirth, emaciated in constitution, weak and weary for the want of simple nourishment. Their children, ragged and ill-fed, have to lead miserable and wretched lives, with no hope before them but a life of wickedness and vice."—*The Breadwinners Abroad*, chapter 48.

Should it be said that these statements are from the pen of an American writer, we need not trust altogether to Americans.

PAUPERISM IN LONDON.

In a letter of Mr. Arnold White, a prominent citizen of London, England, in the daily Times of that city, dated January 11, 1893, we find a statement of a few significant facts which give us a striking view of the condition of that class of people in England which the well-to-do call the lower orders. Mr. White states that according to an official publication—the Directory of the charitable associations of London—a great body of associations which number nine hundred and eighty-six, there were received by those organizations in cash during the year 1892 the sum of £6,246,136 (over $31,000,000), to be distributed among the poor. He adds that from his long and intimate acquaintance with the city he is certain that at least twice that sum is given each year as private charity.

Even if we assume an equal sum only to be given, there are $60,000,000 a year expended in organized and unorganized charities in the city of London. At the rate of $2 a week (and people would hardly give more, as a regular weekly gratuity, to paupers) this sum would support 600,000 persons *all the year round*. This is 12 per cent of the entire population of London.

Inasmuch as the people of European cities are not given to indiscriminate charities, it must be assumed that of this large number of persons a considerable proportion are cases of chronic idleness.

In accordance with the *laissez-faire* maxims of the period, the enforced idleness that comes of a volume of money shrinking in comparison with the demand for it is charged to the dullness of trade—never to the policies of the Government—which are supposed to have no responsibility for dullness of that character. In ninty-nine cases, however, out of one hundred this dullness is caused by a shrinking money volume—a matter wholly within the correcting power of the Government.

The estimate of Mr. Arnold White is sustained by estimates based upon actual investigations. But who would care to make those investigations?

None but those who have to do with the classes immediately concerned. Not the prosperous; not the creditor classes; not the bankers; not the cultured and the literary classes. Who would undertake a work which may well make the stout heart quail? That which wealth, culture, and refinement disdained or neglected to do, religious enthusiasm, not for the first time, undertook. And I will say here in behalf of the writer I am about to quote, that as his book created a sensation in England, there was appointed a committee of most distinguished persons to investigate his career and his work, and after investigation that committee made a unanimous report commending him and his work in the most hearty manner and approving his efforts for the improvement of the condition of the unfortunates of whom he writes.

THE FATE OF ENGLAND S SUBMERGED TENTH.

Gen. William Booth, in his book entitled In Darkest England, gives some idea of the condition of a large class of his countrymen. In the introduction of his subject he says:

In setting forth the difficulties which have to be grappled with, I shall endeavor in all things to understate rather than overstate my case. I do this for two reasons: First, any exaggeration would create a reaction; and, secondly, as my object is to demonstrate the practicability of solving the problem, I do not wish to magnify its dimensions.

He then proceeds:

The denizens in darkest England for whom I appeal are, first, those who, having no capital or income of their own, would in a month be dead from sheer starvation were they exclusively dependent upon the money earned by their own work; and second, those who, by their utmost exertion, are unable to attain the regulation allowance of food which the law prescribes as indispensable even for the worst criminals in our jails. I sorrowfully admit that it would be Utopian in our present social arrangement to dream of attaining for every honest Englishman a jail standard of all the necessaries of life. Sometime, perhaps, we may venture to hope that every honest worker on English soil will always be as warmly clad, as healthily housed, and as regularly fed as our criminal convicts—but that is not yet. Neither is it possible to hope for many years to come that human beings generally will be as well cared for as horses.

Mr. Carlyle long ago remarked that the four-footed worker has already got all that this two-handed one is clamoring for: "There are not many horses in England which are able and willing to work which have not due food and lodging and go about sleek-coated and satisfied in heart." You say it is impossible. "But," said Carlyle, "the human brain, looking at these sleek English horses, refuses to believe in such impossibility for English men." Nevertheless forty years have passed since Carlyle said that, and we seem to be no nearer the attainment of the four-footed standard for the two-handed worker. "Perhaps it might be nearer realization," growls the cynic, "if we could only produce men according to the demand, as we do horses and promptly send them to the slaughterhouse when past their prime," which of course is not to be thought of. What then—

Asks Gen. Booth—

is the standard toward which we may venture to aim with some prospect of realization in our time? It is a very humble one, but if realized it would solve the worst problems of modern society. It is the standard of the London cab horse.

When in the streets of London a cab horse, weary, or careless, or stupid, trips or falls and lies stretched out in the midst of the traffic, there is no question of debating how he came to stumble before they try to get him on his legs again. The cab horse is a very real illustration of poor, broken-down humanity; he usually falls down because of overwork and underfeeding. * * * If not for his own sake, then merely in order to prevent an obstruction of the traffic, all attention is concentrated upon the question of how we are to get him on his legs again. The load is taken off, the harness is unbuckled, or, if need be, cut, and everything is done to help him up. Then he is put in the shafts again and once more restored to his regular round of work. That is the first point.

The second is that every cab horse in London has three things: a shelter for the night, food for his stomach, and work allotted to it by which it can earn its corn. These are the two points of the cab horse's charter. When he is down he is helped up, and while he lives he has food, shelter, and work. That, although a humble standard, is at present absolutely unattainable by millions—literally by millions—for our fellow men and women in this country. Can the cab horse charter be gained for human beings? I answer yes. * * *

The first question, then, which confronts us is, what are the dimensions of the evil? How many of our fellow-men dwell in this darkest England? How can we take the census of those who are fallen below the cab-horse standard to which it is our aim to elevate the most wretched of our countrymen?

The moment you attempt to answer this question you are confronted by the fact that the social problem has scarcely been studied at all scientifically. Go to Mudie's and ask for all the books that have been written on the subject, and you will be surprised to find how few there are. There are probably more scientific books treating of diabetes or of gout than there are dealing with the great social malady which eats out the vitals of such numbers of our people.

Of late there has been a change for the better. The report of the Royal Commission on the housing of the poor and the report of the committee of the House of Lords on sweating, represent an attempt at least to ascertain the facts which bear upon the condition of the people. But, after all, more minute, patient, intelligent observation has been devoted to the study of earthworms than to the evolution, or rather the degradation of the sunken section of our people. Here and there in the immense field, individual workers make notes, and occasionally emit a wail of despair, but where is there any attempt, even so much as to take the first preliminary step of counting those who have gone under.

Gen. Booth then enters upon an estimate, based upon an actual industrial census of East London, of the conditions of the people throughout the country as a whole. Counting the houseless and the starving, as well as the criminals and the members of the pauper workhouses—all who get relief, whether indoors or outdoors, as well as those who get neither—and including England only, without reference to Scotland or Ireland, after enumerating the actual figures upon which his estimates are based, he sums up the case as follows:

This brings my total to 3,000,000, or, to put it roughly, to one-tenth of the population.

According to Lord Brabazon and Mr. Samuel Smith, between two and three millions of our population are always pauperized and degraded.

Mr. Chamberlain says—

I am still quoting from Mr. Booth's book—

there is "a population equal to that of the metropolis"—that is, between four and five million—"which has remained constantly in a state of abject destitution and misery." Mr. Giffin is more moderate. The submerged class, according to him, comprises 1 in 5 of manual laborers, or 6 in 100 of the population. Mr. Giffin does not add the third million which is living on the border line.

Between Mr. Chamberlain's four millions and a half and Mr. Giffin's one million eight hundred thousand, Gen. Booth says he

is content to take three millions as representing the total numbers of the destitute. He continues:

Darkest England may be said, then, to have a population about equal to that of Scotland. Three million men, women, and children—a vast despairing multitude, in a condition nominally free but really enslaved—these it is whom we have to save.

It is a large order. England emancipated her negroes sixty years ago at a cost of £40,000,000 sterling, and has never ceased boasting about it since. But at our own doors, from Plymouth to Peterhead, stretches this waste continent of humanity—three million human beings who are enslaved—some of them to taskmasters as merciless as any West Indian overseer, all of them in destitution and despair.

Is anything to be done with them? Can anything be done for them? Or is this million-headed mass to be regarded as offering a problem as insoluble as that of the London sewage, which, feculent and festering, swings heavily up and down the basin of the Thames with the ebb and flow of the tide.

In a recent publication entitled Masses and Classes, a review of social and industrial life in England, the author, Henry Tuckley, quotes Canon Blackley, of the Church of England, as saying that:

The proportions which pauperism attained among the old were not easily ascertained, but as the clergyman of a large parish he had examined the registers of death in his charge, and had found that of those parishioners who in eleven years had died over 60 years of age, 37 per cent had died in the receipt of pauper relief. Moreover, at his request, seventy or eighty other clergymen had made similar inquiries, and their returns placed the proportion at 45 per cent. These returns related to all classes all over England, and if the number of those who provided for themselves were deducted, what lesson did we learn but the horrible lesson that, roughly speaking, half our working people, if they reached 60 years of age, were doomed to die as paupers.

The same author quotes Mr. Joseph Chamberlain as stating at a public meeting in England that—

at the present time, of the working classes, one in two, if he reaches the age of 60, is almost certain to come upon the poor law for his subsistence.

Mr. Chamberlain continues:

It may well be that some of these deserve their fate; they may have been brought to it by intemperance or misconduct of some kind or another. But nobody will persuade me that that is true of all of them [cheers], or even of the larger portion of them. It is impossible that one out of two of the industrial population of this Kingdom have done anything to deserve the fate which under existing circumstances is inevitably in store for them. [Cheers.]

Now, Mr. President, what American heart can fail to be moved by such descriptions of the conditions under which an enormous number of the people of England live? We look in vain for the sturdy yeomanry with whom song and story have made us familiar. Instead, we find great estates reserved for game, or placed under pasture, while the millions who might make a living on the land are starving.

CONDITIONS OF CHILD LABOR IN THE HOME OF THE GOLD STANDARD.

What American can have patience with the laudations he hears of the riches of Great Britain, when he knows that parents are compelled to force their children of tender years to hard and dreary labor in order that the family taken altogether may eke out a bare existence. Great numbers of little boys and girls, the future men and women of Great Britain, are wearing out their young lives in order that the nation may be called rich, and may be held up to the admiring gaze of the people of the United States.

In an able work upon The Wages Question, referring to the conditions of child-labor in England, Gen. Francis A. Walker says:

We know that mill owners are harassed with applications from their hands to take children into employment on almost any terms, and that the consciences of employers have required to be reënforced by the sternest prohibitions and penalties of the law to save children 10, 7, or 4 years old from the horrors of "sweating dens" and crowded factories, since the more miserable the parents' condition, the greater becomes the pressure on them to crowd their children somehow, somewhere, into service; the scantier the remuneration of their present employment, the less becomes their ability to secure promising openings or to obtain favor from outside for the better disposition of their offspring. Once in the mill, we know how little chance there is of the children afterwards taking up for themselves another way of life.

We know, too, that in the agricultural districts of England gangs of children of all ages, from 16 down to 10, or even 5 years, have been formed and driven from farm to farm, and from parish to parish, to work all day under strange overseers and to sleep at night in barns huddled all together, without distinction of sex. (Page 201.)

And he adds:

So late as 1870, children were employed in the brickyards of England, under strange task masters, at 3½ years of age. Account is given us, sickening in its details, of a boy weighing 52 pounds carrying on his head a load of clay weighing 43 pounds 7 miles a day, and walking another 7 to the place where his burden was to be assumed.—*The Wages Question*, page 202.

Quoting from the reports of some English Government inspectors, the same author says:

Speaking alike of the weaving sheds of the cotton districts and of the woolen districts, Dr. Bridges and Mr. Holmes, in their report to the local government board, in 1873, say: "The work is done in the great majority of cases by women; a considerable portion of these are married, and the practice of working until the last stage of pregnancy and of returning to work within a month, sometimes within a fortnight, or even a week, of childbirth, is as common in the West Riding (of York) as in Lancashire." An old factory surgeon says: "I regard the mother's return to the mill as almost a sentence of death to the child." It is also a fruitful source of permanent injury to the mother herself.—*The Wages Question*, page 52.

What a picture for the instruction of the American working classes, whose duty it becomes to see that the creditor classes of their own country do not exploit them with a gold standard as the working classes of Great Britain are exploited by the creditor classes of that country.

John Ruskin well understood the conditions of his countrymen, with regard to the distribution of wealth, when he said:

Though England is deafened with spinning-wheels, her people have not clothes; though she is black with the digging of fuel, they die of cold; and though she has sold her soul for grain, they die of hunger.

And the great heart of Mrs. Browning—moved by the sight of hundreds of thousands of little hands prematurely set to labor to aid in piling up the riches which enable the American admirers of the gold standard to state that Great Britain is a rich nation—what does it say? Hear the pathetic appeal of a woman to the stony hearts of the classes for whose benefit those riches are accumulated:

Do ye hear the children weeping, O, my brothers,
Ere the sorrow comes with years?
They are leaning their young heads against their mothers,
And *that* can not stop their tears.
The young lambs are bleating in the meadows;
The young birds are chirping in the nest,
The young fawns are playing with the shadows;
The young flowers are blowing towards the West—
But the young, young children, O, my brothers,
They are weeping bitterly;
They are weeping in the playtime of the others,
In the country of the free.

The riches, Mr. President, that are built up on the foundation of children's tears may excite the admiration of those who are thoughtless enough to look at ends without regarding means; but the policies that permit it, or that render it necessary, are not policies to be held up to the emulation of a free and independent people who do not propose to be enslaved, whether by law or by conditions having equal force with law. The people of this Republic will be on their guard against a system which renders necessary a sacrifice of the great body of the people, not merely men and women, but little, helpless children—the men and women of the future—in order that the nation which tolerates it may pass for a rich nation, and be held up to the world as the exemplar of a perfect civilization.

THE BATTLE OF WATERLOO.

At the demand of the creditor classes the gold standard was adopted in England after the Napoleonic wars, in order that the war debt, a large portion of which was incurred in paper, might be paid in gold. In his Financial History of England, Mr. Doubleday states his belief that for a portion of the war period the pound note with which the public securities of Great Britain were bought was not worth in specie over 7 or 8 shillings in the pound—about 33 to 38 per cent.

The debt being afterward by law made payable, pound for pound, in gold, it is obvious that the bondholders of Great Britain then mulcted the people of that country, as, at a later period, the public creditors of the United States mulcted the people of this country. The English people supposed that they had long since paid the expenses of the struggle with Napoleon, but, by the annual increase in the value of the pound sterling, that struggle is costing them more and more as the years go by. Although the war is over so far as concerns the destruction of men in uniform and on the battle-field, yet their destruction continues *without* uniform, and *without* the formidable formalities of battle-lines. Although three-fourths of a century have elapsed since that war terminated, the conflict still rages.

The bonds that were issued to pay the expenses of those wars are increasing in value at the same rate at which gold increases, which, for the past twenty years, is at the rate of 2½ per cent per annum. Napoleon has been dead for two generations. In his will, by formal words and solemn injunction, he bequeathed to France the duty of avenging upon England the untimely death to which it had consigned him. He might have saved himself the trouble. He has found avengers whom he little suspected among the Englishmen themselves.

The public creditors, by the increasing exactions which from year to year they are making through the operation of the gold standard in the payments of interest on the war debt, have already by means of idleness and starvation brought to ruin, desolation, and death millions of such brave men as defeated Napoleon. The masses of the people of great Britain, though able to cope with an open foe on a field in which they recognized the enemy, have not been on their guard against the insidious attacks of the crafty adversary who presented himself in the guise of a compatriot, who under the authority of law by a subtle manipulation of money has continued the slaughter.

The creditor classes of Great Britain having, by their merciless exploitation, reduced their artisan classes, through the instrumentality of the gold standard, to the helpless and pitiable state which their own writers describe, have finally established such conditions in that country as render it impossible for them

longer to make what they deem sufficient return on their money. Hence they seek abroad the investments and profits that, were their wisdom as great as their cupidity, they would be able to find at home. In the search for foreign investments they naturally seek as most desirable the country in which consumption is greatest. No country in the world can, in the earnings or expenditures of its people, compare with the United States. Our people consume fully three times as much as the average consumption per capita of the people of Europe.

OUR COUNTRY DOES NOT NEED FOREIGN MONEY.

Under a proper monetary condition the people of this country would not need foreign money. We should be able to attend to our own business and to maintain justice and equity among our own people without asking permission from foreign countries. The British Government is determined to treat the United States as an annex to Lombard street; and their efforts are seconded by a few persons in this country who delight to be known rather as citizens of the world than of the United States. The masses of the people of this country will not permit a perpetual injury to be inflicted on them simply because the Government, or governing classes, of some other country are so indifferent to the welfare of their own people as to maintain a shrinking money standard, which constantly relegates large numbers to idleness.

The people of the United States are too brave to be enslaved by military power. The combined armies of the earth, with all the powder, shot, and shell they could bring to bear, would be impotent to reduce to a condition of servitude the fearless and undaunted people of this country. But, Mr. President, many a man who can encounter even death itself with a smile, can not face a hungry family; and a people that never could be conquered by a foreign foe may be reduced to abject submission by a few foreigners, coöperating with a few of their own people, through the subtle and clandestine manipulation of the volume of money. Without financial independence, political independence is but an empty name.

If the creditor classes of Great Britain can have their way now in establishing the financial measures of this country, and can dictate, as they are dictating and shaping, the national policies of this Republic, the sufferings and heroism of our forefathers have been in vain. What does independence mean? Hear Webster's definition of it:

Absence of dependence; exemption from reliance on others or control from them; self-subsistence or maintenance; direction of one's own affairs without interference.

These are all self-evident significations of the term. But it is said that independence means freedom to make our own *laws* without interference from others. Laws about what? Does independence mean the right to make laws to prevent Great Britain from sending her troops here to reduce this country to possession? By no means. What would she do with the country? Of what use would possession be to her unless she could tax us or compel us to pay tribute? That question was settled sometime ago. But why should Great Britain put herself to the trouble and expense now of sending troops here to reduce this country to possession when she can secure all the tribute she wishes by voluntary acts of Congress—which contract our money volume, acts by which the value of gold will be enormously enhanced? What more can she have or wish to have, than the right to tax the labor of this country? That right she has already in a measure secured—that is to say, her creditor classes have secured, by their success in compelling our people to render tribute to them through the ingenious and unsuspecting operation of our own laws, first, by the demonetization of one of the money metals in which our debts to Great Britain were payable, and, secondly, when Congress sought to correct that error, then, by the violent and little less than criminal interposition of the executive officers of our Government in behalf of the bondholder, to his unfair advantage and against the interests of the producing masses of this country.

The governing classes of Great Britain are much better off to have this country take the trouble of passing its own laws in so far as concern the police regulations and the maintenance of internal order, while permitting those classes to reap all the benefits to come from the possession of what are tantamount to large colonial dependencies, teeming with an active, enterprising, and vigilant population. They get $80,000,000 a year in interest, and on other accounts, from the great dependency India; they get probably thrice that much from the United States, which, if the pending measure become a law, will displace India as the principal dependency of Great Britain, though out of regard for our creditors and foreign rulers we will not give them the trouble to appoint agents to collect taxes and tribute. We will ourselves see that they are paid.

Owing to the poverty of the people of India it is impossible that much more can be extorted from them in the form of tribute to the creditor classes of Great Britain; but so far as concerns the people of the United States, their very activity, energy, ingenuity, and enterprise form the groundwork of the hope of Great Britain and her creditor classes that here they may find a field worthy of their effort. They are intelligent enough to know that any form of tribute exacted from the people of this country must be in clandestine form; for while the people of India are unable to defend themselves the people of the United States have but clearly to perceive the evil in order instantly to apply a remedy.

Hence the necessity of calling gold a "standard," so that all propositions to increase the volume of money in accordance with population may be met by the objection that there is no more of the "standard" with which to make possible an increase, and that however much a fall of prices may be regretted it is unavoidable!

They keep out of view, and out of reach of the people, the truth as to a standard, which is, that it is not a material but a *quantity*. To them, gold commends itself because its limitation of quantity is extreme. With a gold standard it is impossible to have much money—impossible to have such increase as to keep creditors from looting the producers of the world.

The London Daily News, in its issue of May 10, 1892, speaking of bimetallism editorially, says:

"For Great Britain, preëminently the creditor among all nations, to adopt it, would be midsummer madness, indeed." "Bimetallism," it adds, "would shake to its foundations the financial fame and supremacy of Great Britain." Well, Mr. President, if the installation of justice would have the effect of shaking to its foundation the financial fame and supremacy of Great Britain, it only shows how far removed from the true standard that fame and supremacy are. The "supremacy" to which the Daily News refers is the power of the creditor to extort from his debtor more than is called for by the contract.

There can be no doubt that the restoration of silver to its full function as money of ultimate payment would tend to lessen that power, would tend to retard the further appreciation of gold. But that tendency would not deprive the creditor of anything to which he is rightfully entitled. It would simply render it less easy for him to commit a fraud; less easy to compel the debtor to return more than was agreed upon. The argument that England's financial supremacy would be destroyed by the free coinage of silver may be a justifiable argument to present to the moneyed classes of Great Britain, but it is incomprehensible how it can be presented to the people of the United States.

EFFECT OF THE GOLD STANDARD ON IRELAND.

The effect which that standard is having upon the people of Ireland is well summed up by Archbishop Walsh, of Dublin. In an interview originally printed in the Dublin Freeman's Journal, and since published in a pamphlet entitled Bimetallism and Monometallism, Archbishop Walsh says:

Here is where the difficulty comes in. In all such cases the farmer is under the obligation of paying, year after year, an amount specified in pounds shillings and pence. But then this rent, or other annual payment which he has to make, though it is thus specified in amount, is really increasing, that is to say, *becoming more burdensome from year to year*.

To bring the matter to a point, it comes to this, that year after year more corn, more hay, more cattle, have to be sold by the farmer to enable him to get the gold which is required to meet that annual payment.

But, of course, if he has not more corn, more hay, or more cattle to sell, he can not, out of what he has to sell, get enough to enable him to make that payment.

And, plainly, the longer the term for which his "fixed" annual payment has to be made, the more disastrous must be the results to him.

As for the tenant-purchaser, he probably thinks that, after the extra pressure of the first few years, he may look back to easy times for the rest of his life. He little knows what is before him. If things go on as they are, it will be harder for him ten or twelve years hence to pay £40 a year than it would be for him to pay £50 a year now. But of all this he knows nothing. How could he? His only idea is that a pound is always a pound, a sovereign is always a sovereign. So in the belief that the yearly payment, when it is reduced to £40, will be well within his reach, he puts his head into the halter.

Archbishop Walsh continues:

This aspect of the case is brought out forcibly also by the Belgian economist, Emile de Laveleye:

"This consideration," he says, "especially affects Ireland. * * *

"If you can let tenants hold their lands for nothing, it would be all right; but if they have to pay a fair rental, either to landlords or to the Government, or to purchase at a fair price, they must then sell produce so as to procure the amount requisite for purchase or for a fair rent.

"If the price of this produce is very low, and is still falling lower, then the tenants will be incapable of raising the required sum, and it will be necessary to evict them * * * or to cancel their debts.

"The supply of gold being wholly insufficient, a fall in prices must ensue; hence *the ruin of Irish cultivators in spite of home rule*."

THE POSITION OF THE UNITED STATES GOVERNMENT.

Last summer the British Government knew that a great discussion was soon to take place in this country upon the silver question; having observed the published statements that an extraordinary session of Congress was to be called for the purpose of debating it. Knowing the strength of the free-coinage sentiment among the masses of the people of this country, Great Britain deliberately threw down the gauntlet of defiance to the

United States by closing the mints of India to free coinage. And, assuming that when Great Britain spoke all discussion on the part of other nations was closed, we had the assurance of the chancellor of the British exchequer, in Parliament on the 8th of August last, that the order in council had forever destroyed bimetallism! This statement he made in a tone of supreme triumph and cynical satisfaction.

Where was the United States Government during this time—the United States, of all the nations of the earth the most interested? The position of our Chief Magistrate on the question is well illustrated by the line from Emerson:

I am the doubter and the doubt,

but in the words of the supplemental line, the Genius of the Republic admonishes the President as well as Great Britain:

They reckon ill who leave me out.

The people of the United States, Mr. President, do not propose to be left out of the consideration as to what shall be the material or the quantity of their money. Great Britain may have what material and what quantity of money it pleases, and may extort usury in compound or in quintuplicated form from such nations as India and Egypt, whose people are the remnants of exhausted races and have not the genius or the strength to defend themselves. But *we* are not yet a dependency of Great Britain, and our President is not a governor-general who can issue orders in council. The people of this country propose to regulate their own affairs, without orders in council or orders from Downing street.

Instead of calling Congress together for the purpose of adopting the true American policy of an instant remonetization of silver, as the answer of the United States to the order of the British Government, the Executive of the Republic is found to be the head and accepted chief of a new party, composed of members of the two leading political parties, who find no inspiration in the Declaration of Independence, and no authority in the Constitution of the United States, by which our people, after a century of self-government, can extricate themselves from the net which the so-called and self-styled "great creditor nation" and "great rich nation" has set for mankind.

If we are to be governed by Lombard street and by British policies, if we are really to be controlled by the English governing classes, and if they are to decide upon what is to be taken as money in the United States, would it not be well, in order to save them trouble, for us to declare by statute law that the unit of money hereafter in this country shall be the pound sterling? In that way the English creditors will be saved a great deal of trouble in making their computations.

Is there not some danger, if we do not adopt this plan and accept their unit of money as *our* unit of money, that we shall be placed alongside Mexico and India and the Argentine? Had we not better, while it is yet time, and before the Constitution of the United States has become obsolete, as it will become under the operation of the gold standard, adopt this plan by a constitutional amendment, or (which will be equally binding) by a decree of the Chief Magistrate?

For the first time in our national history we find ourselves putting into execution, through officers elected by the people of the United States, plans formulated in Downing street. Verily, Mr. President, time has its revenges.

Inasmuch as the policies of Great Britain are so much better than ours—so much better than those planned for us by Washington, Hamilton, Jefferson, Madison, and the others whom we have evidently been mistaken in regarding as great men—it is clear that it was the error of the centuries that these colonies ever became independent States. Who were Washington, Hamilton, and Jefferson—those arch-enemies of Great Britain—that they should be named on the same day or in the same century with Presidents who offer up "daily prayers" that the delay occasioned by the Senate in carrying into execution plans for gold monometallism, rejected by the founders of our Government, may not bring discredit and dishonor to the United States?

Who, especially, was Washington that he should bid his countrymen beware of entangling alliances with foreign nations on the ground that a republic could not expect favors from monarchies? We have learnt in these modern days that it is better to *make* alliances with foreign nations—*monetary* alliances—and to keep advising them daily that we intend to be "honest" and to pay our debts in the "honest" money which *they* designate after they have "cornered" the material, which, as they assert, is the only "honest" money material. Who were the framers of our Constitution that they should impose on their countrymen unsound, unstable, and dishonest currency composed of gold and silver, instead of gold alone?

These men, whose foresight, sagacity, and political genius have been regarded as among the marvels of all time, are relegated to the rear by modern statesmen who, in the words of the present President of the United States, wish our currency "to be of such character as will demonstrate abroad our wisdom and good faith, thus placing us upon a firm foundation and credit among the nations of the earth." Immortal shade of Washington! Would it not be better to demonstrate this *at home?* What has "abroad" got to do with us? If it be justice that is sought, is there to be no justice *at home?* Why "*abroad?*" I do not wish to exaggerate, but I suppose it to be universally conceded, both abroad and at home, that the United States is not merely the greatest nation now of the earth, but the greatest that ever has been of the earth, and that it gives promise of becoming, not smaller, but greater, with the advance of time.

Is it necessary for the splendid citizenship of this mighty Republic, the possession and inheritance of 70,000,000 of alert and aspiring people, to be vindicated by daily protestations of honesty to a few usurers who have been paid far more than their contract called for, and more than was agreed to be paid them? Such an idea disparages citizenship of a free Republic, and sets up as the model and standard of perfect political wisdom the relation held by *subjects* to *monarchs*, more wise than those they govern, monarchs who know what they are about when they prescribe the gold standard as the unfailing remedy for all overweening aspirations on the part of the masses of the people.

THE SILVER QUESTION ARISES OUT OF THE CLAIMS OF THE HOLDERS OF UNITED STATES BONDS.—ARE THOSE CLAIMS JUST?

All discussions of the silver question have arisen out of the claims of the holders of United States bonds to be paid the principal and interest of the bonds in gold, yet there is no debt of the United States that by the will or consent of the people or of Congress was ever made payable in that metal. Where, by the terms of the bonds, any mode of payment was prescribed, the words used were either "lawful money," which would mean coin or paper, or else the word "coin," which would mean either gold or silver. The word "gold" was never used.

The act of February 25, 1862, authorizing the issue of $500,000,000 of 5-20 bonds provided that the principal of the bonds should be payable simply in "dollars," making no mention of the material of which the dollars should be composed. It provided specially, however, that the interest should be payable in coin. It is clear, therefore, that the act contemplated the payment of the principal in lawful money of the United States, whatever that money may be. Having provided that the interest should be paid in coin the act set apart the coin receipts from customs for that purpose.

The act of March 3, 1863, under which the 10-40 bonds were issued, makes the principal and interest of those bonds payable in coin.

That no portion of the bonds of the United States, except the interest, was by the original law authorized to be paid in anything but lawful money was attested by the honorable Senator from Ohio [Mr. SHERMAN] in a letter written by him to the Hon. A. Mann on the 20th of March, 1868, Mr. Mann being a resident of Brooklyn, N. Y. Under that date, as appears by various printed publications, the honorable Senator wrote a letter of which the following is a copy:

DEAR SIR: I was pleased to receive your letter. My personal interests are the same as yours, but, like you, I do not intend to be influenced by them. My construction of the law is the result of careful examination, and I feel quite sure that an impartial court would confirm it if the case could be tried before a court. I send you my views as fully stated in a speech. Your idea is that we propose to repudiate or violate a promise when we offer to redeem the principal in legal tender.

I think the bondholder violates his promise when he refuses to take the same kind of money he pays for the bonds. If the case is to be tested by law, I am right. If it is to be tested by Jay Cooke's advertisement, I am wrong. I hate repudiation or anything like it; but we ought not to be deterred from doing what is right by the fear of undeserved epithets. If under the law as it stands the holders of the 5-20's can only be paid in gold, then we are repudiators if we propose to pay otherwise. If the bondholder can legally demand only the kind of money he paid, then *he* is a repudiator and extortioner to demand money more valuable than he gave.

Yours truly,

JOHN SHERMAN.

These were the views, and correct views, of the honorable Senator from Ohio at the time this letter was written. There is no doubt, however, that upon the passage in 1869 of the act to strengthen the public credit, and in 1870 of the act providing for the refunding of the national debt, the United Stated States waived and abandoned the right to pay in lawful money and guaranteed payment of both principal and interest of the bonds in coin.

THE ACT TO STRENGTHEN THE PUBLIC CREDIT GUARANTEED PAYMENT IN COIN.

At the time of the passage of the act of 1869 it is clear that no one had any idea that the bonds were payable in gold alone. As the act is very brief, I will read it:

Be it enacted, etc., That in order to remove any doubt as to the purpose of the Government to discharge all just obligations to the public creditors, and to settle conflicting questions and interpretations of the laws by virtue of which such obligations have been contracted, it is hereby provided and de-

clared that the faith of the United States is solemnly pledged to the payment in *coin* or its equivalent of all the obligations of the United States not bearing interest, known as United States notes, and of *all the interest-bearing obligations* of the United States, except in cases where the law authorizing the issue of any such obligation has expressly provided that the same may be paid in lawful money or other currency than gold *and silver*. But none of said interest-bearing obligations not already due shall be redeemed or paid before maturity unless at such time United States notes shall be convertible into coin at the option of the holder, or unless at such time bonds of the United States bearing a lower rate of interest than the bonds to be redeemed can be sold at par in coin. And the United States also solemnly pledges its faith to make provision at the earliest practicable period for the redemption of the United States notes in *coin*.

Any one who can read the English language can clearly perceive that this act makes no promise of payment in gold. On the contrary, it specifically recognizes the fact that the "coin" promised in the former act is coin of *either gold or silver*. The idea with which the act was passed was that all the obligations of the United States were to be paid, not as was at first agreed, in "lawful money," but, as this act now stated, "in coin or its equivalent," with the single exception of obligations as to which it had been "expressly provided that the same be paid in lawful money or other currency than gold or silver."

THE REFUNDING ACT FIXED THE STANDARD OF THE COIN.

The act of July 14, 1870, providing for the refunding of the national debt, authorized the Secretary of the Treasury to issue certain classes of bonds therein named to the amount of altogether some $1,500,000,000, "*redeemable in coin of the present standard value.*" Those bonds when issued had printed upon them the following statement:

This bond is issued in accordance with the provisions of an act of Congress entitled "An act to authorize the refunding of the national debt," approved July 14, 1870, amended by an act approved January 20, 1871, and is redeemable at the Treasury of the United States after [stating such number of years as applied to the various descriptions of bonds whose issue was provided for in the act] *in coin of the standard value of the United States on said July 14, 1870.*

On the date of the passage of this act of July 14, 1870, the standard coin of the United States consisted of a gold dollar and a silver dollar; the gold dollar containing 25.8 grains of standard gold and the silver dollar 412½ grains of standard silver.

No change which the Government might afterward make in the standard or character of its coins could deprive the creditors of the right in this act guaranteed to them of payment in coin of the *then standard value*. But neither could any executive officer lawfully deprive *the people of the United States* of the option in this act secured *to them*, to pay in coin of either gold or silver of the then standard value.

If the act was good to guard the creditor against any subsequent alteration in the standard of value by which the true value of the debt could be reduced, it was equally good to secure the debtors—the people of the United States—against any alteration in the standard of value by which the true value of the debt might be increased. Whatever changes might be made in one direction or the other, the rights of the parties were now specifically fixed and determined in writing, even though at a grievous loss to the debtors. If after the enactment of this law the United States should see fit to demonetize both gold and silver and resort to paper money or to coins of platinum, or other metal, still the rights of these creditors held good to be paid in coins of either gold or silver and not in paper money or platinum.

Should the United States, before the maturity of those bonds, provide a new coinage of gold and silver in which the dollar should consist of but one-half or three-fourths the number of grains of pure metal of either gold or silver contained in the standard coins of July 14, 1870, then the creditors could rightly decline to receive such coins in payment, and their legal rights could not be overridden or prejudiced by any such alteration of the standard. So, on the other hand, if the laws of the United States should later provide for a coinage system in which the dollar of gold should contain a larger number of grains of gold than that which was the standard of July 14, 1870, or the dollar of silver a larger number of grains of silver, no injustice could be done the creditors by enforcing the bond according to its terms requiring payment in the smaller dollar, which was the standard on July 14, 1870; and it would be then, as it always has been, the imperative duty of the executive officers of the Government to carry out the law according to its plain and unmistakable terms.

After the passage of the demonetization act by the United States, gold and silver bullion, as was foreseen by the creditors, began to part company. In this process no change took place in the purchasing power of silver. The change that took place, as has been demonstrated time and again, was in gold, which was rapidly appreciating in value by reason of the enormously increased demand for it. All the statistics of the subject, as printed from day to day and month to month by the gold-standard papers themselves, go to demonstrate that the change that was taking place was a change in the value of gold, while the purchasing power of silver—not merely of the silver dollar, but of silver bullion—remained related to commodities substantially as it, in common with the gold dollar, had been related to commodities before the act of demonetization.

But the gold dollar, being taken as the standard, and silver and everything else being measured in terms of gold, the change, as it progressed, and as gold became more and more valuable, had the appearance of a change in the value of silver bullion, which was said to have fallen. Had the bondholders, therefore, received their pay not even in silver dollars, but merely in silver bullion, they would have received all the purchasing power that the gold dollar in common with the silver dollar had at the time the act of 1870 was passed, which provided for payment in coin of either metal, and all that the gold dollar had when they bought the bonds. They would have received even more, as the proofs are that silver not only had not lost any power over commodities but had slightly gained, owing to the want of sufficient money-volume to maintain the exchanges of the world. This being the case, I ask any gold-standard Senator to answer how the payment of the bonds, principal or interest, in silver (had the payment been so made) could have inflicted the slightest possible injury on the public creditors?

The gold dollar had in 1870 a purchasing power of say 100 per cent. The silver dollar had precisely the same purchasing power; it would buy precisely the same amount and number of commodities in general as would the gold dollar. The purchasing power of silver bullion remains the same to-day, in relation to commodities in general, that it was then, while the gold dollar has steadily kept rising in its power over commodities, until to-day it has a purchasing power substantially 50 per cent greater than it had in 1870, or 150 in 1893 to its 100 in 1870.

But this is no reason why the people of the United States, who had contracted to pay only 100 per cent of purchasing power, as that purchasing power stood in 1870, should to-day be paying, or be bound hereafter to pay, 50 per cent more value than had been agreed upon.

The determination of the officers of the United States therefore to pay the bonds in gold, added enormously and causelessly to the just burden of the debt. Had the bonds been paid, according both to the spirit and the letter of the contract, in either gold or silver, as might have best suited the convenience of the Treasury and the interests of the people, which were and are the interests of justice, an enormous amount of money—an enormous amount of *wealth*—would have been saved to the people of this country.

Mr. STEWART. And they would have been out of debt.

Mr. JONES of Nevada. Yes, they would have been entirely out of debt.

Not merely saved in the amount wrongfully and unrighteously paid out to the bondholders, but in the colossal sums which have been needlessly lost to our people, especially our producers of wheat, cotton, and other articles of export by reason of the unprecedented fall in prices.

DOES THE HONOR OF THE GOVERNMENT REQUIRE THAT THE BONDS BE PAID IN GOLD?

It is said that the honor of the Government would be tarnished if it did not pay its obligations in gold; that its credit would be destroyed, and that it would be ranked among the nations that have repudiated their lawful obligations.

The honor of the United States, Mr. President, does not rest upon the word of interested self-seekers and their casuistical defenders. It abides in the patriotism of the people who have never consented to pay more than their honest debts merely to receive the questionable and interested plaudits of their creditors. The idea that a debtor must pay more than he justly owes in order that he may be on good terms with his creditor is an idea worthy of the feudal ages, when men upon bended knees swore homage to the lord of the manor. It is a piece of sycophancy and absurdity of which the people of this country and of this age will not be guilty. This Republic has never failed to meet its indebtedness, and it is the only country in the world that has never made default in the payment of its obligations. The most powerful governments of Europe have made such defaults.

[At this point the honorable Senator yielded to Mr. STEWART.]

Mr. JONES of Nevada. Mr. President, there is hardly a nation on earth except the United States that has not at sometime paid its obligations or the interest on them in a money less valuable than that in which it agreed to pay. The people of the United States have scrupulously guarded their honor by a faithful observance of every obligation, not only in the spirit, but in the letter. But while the people have always maintained their honor by observing justice, the officers whom they have chosen to execute their laws have joined hands with the creditors of the country in extorting from our citizens, under the

name of honor and honesty, more than the people had agreed to pay.

In disregard and in open defiance of the law, these officials have aided the public creditors to loot the taxpayers of the country. For the executive officers to interpret an obligation of the United States in such a manner as to pay over to the creditors of the country from the public funds a greater value than the people contracted to pay, was a gross violation of the instrument constituting the contract between the parties.

I do not charge that it was done through any want of desire to do what was right, but if done from zeal for the honor of the country it was a most mistaken zeal, and was not authorized or warranted by the law. So far as concerns the essential fact, which is the loss suffered by the people of this country, it has had precisely the same effect as if those officials had deliberately altered the words of the bonds, so that instead of agreeing to pay $1,000 the United States had agreed to pay such amount greater than $1,000 as gold has appreciated in value—or about 2¼ per cent per annum for the past twenty years. Their reward for this consists of the loud, interested, and obnoxious praises of the cunning schemers who have used the officials of the United States as tools to assist them in plundering the public Treasury under the plea that what they were doing was honest, and that the honor of the United States demanded it.

In the execution of laws for the payment of money, officials must take cognizance not merely of the rights of the creditors, but the rights of the people. If the officials choose to act as trustees for the creditors, they should not forget that they were chosen as trustees and agents of the people. The people reserved to themselves the option of paying their debts in either gold or silver, for the very purpose of being protected against any contingency, whether of legislation by foreign countries with respect to either of those metals, or any combination of circumstances which might involve a change of conditions in the production of the metals, or otherwise.

THE OPINION OF THE ATTORNEY-GENERAL.

The position of the United States was very clearly stated by Attorney-General Devens in 1877, in a letter replying to an inquiry of the then Secretary of the Treasury, now the honorable Senator from Ohio [Mr. SHERMAN]. In order to show the foundation of the opinion of the Attorney-General, I will first read the letter of inquiry of the Secretary of the Treasury:

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., April 21, 1877.

SIR: I beg leave to call your attention to, and ask your opinion upon, the following questions growing out of the refunding act of July 14, 1870, to wit: Can I stipulate in the body of the 4 per cent bonds about to be issued that they shall be redeemable in coin of the present standard value; that is, the standard value at the date of their issue, or must it be the date of the law?

I submit a statement prepared by the Hon. H. M. French, Assistant Secretary, having reference to the laws.

It may become important to the public interests to make the new bonds payable in coin of the present standard, that is, gold coin. Some doubts have been expressed upon whether previous bonds issued under acts passed prior to 1873 are not legally payable in silver coin. This question may become important, as any doubt upon the legal terms of a public security affects its value.

Very respectfully,

JOHN SHERMAN,
Secretary.

Hon. CHARLES DEVENS,
Attorney-General.

The reply of the Attorney-General was as follows:

DEPARTMENT OF JUSTICE, *Washington, April 26, 1877.*

SIR: In answer to your letter of the 21st instant requesting my opinion upon the following question growing out of the refunding act of July 14, 1870, to wit, "Can I stipulate in the body of the 4 per cent bonds about to be issued that they shall be redeemable in coin of the present value, that is, the standard value at the date of their issue, or must it be the date of the law?" I have the honor to reply:

The act provides for the issue of bonds "redeemable in coin of the present standard value." The word "present" undoubtedly refers as a matter of date to the time when the act was passed, and not to the time when the bonds were thereafter issued. It contemplated that a long period would elapse before it would finally be carried into effect, and that changes in the coinage of the country might occur during that period.

Whatever changes in the coinage should occur these bonds were, however, to be redeemed in coin of the standard value as it existed at the date of the act. By this provision the holder was guarded against any depreciation that might take place in the value of the coin, and the Government would not be compelled to pay the additional value should the coinage be appreciated. All the bonds issued under the act were to stand alike, no matter what was the date when such bonds were issued. Each was to be redeemable in coin which was included in the authorized coinage of the country at the date referred to, it being of the standard value as it then existed. Since the law was passed no change has taken place in the standard value of the coin. It is understood that there has been a certain change in the coinage of the country and that silver dollars have now ceased to exist practically as coin.

It has been further provided by the statute of February 12th, 1873 (Revised Statutes, sections 3585, 3586), that "The silver coins of the United States shall be a legal tender at their nominal value for any amount not exceeding $5 in any one payment."

Notwithstanding this practical change in the coinage of the country and the passage of this act in regard to legal tenders, the form of bond to be issued by you should not be changed so far as the mode in which it is to be redeemed is concerned. It was not intended that this should be varied according to the changes which might be made in the coinage, because a definite rule was given by reference to the coin of a particular date. That which will pay the bonds heretofore issued under this act will pay the bonds which you may hereafter issue.

It can not be authoritatively said that the words "Payable in coin" or "Payable in gold" are equivalent to the words used by the statute. Even if this leaves open for discussion the question whether bonds issued under this act are or are not redeemable in silver coin of the character and standard which existed July 14, 1870, it is not a doubt which it is in your power to remedy by the use of words in the bond other than those which this statute provides.

While I comprehend the difficulty suggested in your letter and the convenience that there might be in removing any question upon this matter, I am, therefore, of opinion that it would not be safe to issue the bonds, except as redeemable in coin of the standard value of July 14, 1870.

Very respectfully, your obedient servant,

CHAS. DEVENS, *Attorney-General.*

Hon. JOHN SHERMAN,
Secretary of the Treasury.

What did the Attorney-General mean when he said that it would not be "*safe*" to issue the bonds, except as redeemable in coin of the standard value of July 14, 1870? He surely meant, if he meant anything, that the statute must be construed according to its plain terms—and it is very clear that he considered that the issue of bonds payable in gold would be a violation of the statute.

With reference to the suggestion of the Secretary of the Treasury that some doubts had been expressed as to whether previous bonds issued under acts passed prior to 1873 were not legally payable in silver coin, the opinion of the Attorney-General was that it was not a doubt which it was in the power of the Secretary of the Treasury to remedy by the use of any other words in the bond than those provided by this statute. His meaning is clear, that any doubt on the subject was one that could be resolved and removed by legislation only, and not by the unauthorized dictum of an executive officer.

The Secretary of the Treasury, upon reading this opinion of the Attorney-General, must have concluded that he was entirely without authority to pay these bonds, or the interest on them, in gold coin. No other inference can be drawn from his recommendation to Congress at the opening of the subsequent session. In his report dated December 3, 1877, he suggests to Congress that provision be made by express act for payment in gold coin. Had he supposed that the law of 1870 and the provisions printed on the bond authorized the payment of gold alone, why should he have suggested the enactment of affirmative legislation to authorize such gold payments? The Secretary's recommendation was as follows:

If, therefore, the public interests demand the issue of silver dollars—a subject hereafter discussed—it is respectfully submitted to Congress that an express exception be made requiring that gold coin alone shall be paid for principal or interest on bonds issued to public creditors since February 12, 1873, the amount of which is $707,990,700. These bonds have entered into the markets of the world. If the market value of the silver in the new coin is less than the gold dollar, a forced payment in the new coin is a repudiation of a part of this debt.

Congress did not act on this recommendation. One would suppose this fact to be notice, if any were necessary, to the officials of the United States that Congress did not agree with the Secretary in his interpretation of the case, whether upon the law or the facts. Congress did not see that either the law or the equities required any readjustment. Congress knew, as all men knew, that the bondholders had taken very good care of themselves already, and had in 1870 provided for full, and more than full, payment by the passage of the provision for payment in *coin* of either metal.

From all the facts in the case, none of the executive officers of the Government could have for a moment been ignorant of the meaning and determination of Congress in respect to the matter.

BOND-BUYERS ALWAYS SCRUTINIZE THE STANDARD OF PAYMENT.

People who buy bonds do not buy them from altruistic motives. They buy them for their own profit and advantage. They buy bonds of the United States as they buy all bonds, only after careful scrutiny of the terms on the face of the bonds, and of the laws by authority of which these bonds have been issued. They look sharply to the figures which show the dates of payment of principal and interest, but above all, and rising beyond all other considerations, they look to the *medium*, or as they term it, the standard in which the payment is, by the terms of the bond, to be made.

To suppose that such a feature is neglected would be to suppose that public creditors, the keenest of men, had lost their cunning. Every bond ever issued has, in plain terms, stated on its face the authority for its existence. It contains a clear citation of the law or laws which constitute the reason for its being. These laws are open to public inspection. No class of persons better than public creditors so well understand the limitations which the laws of all civilized nations place upon the functions of executive officers with respect to issuing bonds or incurring debts or obligations on behalf of their country. They know that the duties of those officers in connection with loans are specified in the laws by which the loans are authorized to be effected. Hence these loans are examined as with a mental mi-

croscope to see that no doubt exists as to the authority of the officer who executes the securities, and as to all other particulars concerning payment of the obligation. If they did not observe on the bond the plain printed statement that it was payable in the standard coin of the United States of July 14, 1870, they must have been blind indeed.

I have never heard a denial by anyone having knowledge of the legislation under which the bonds were issued that it is the legal right of the United States to pay those bonds in either gold or silver coin. It is said that at the time of the negotiation of the bonds silver money was out of use in this country. The sufficient answer to that is that gold was equally out of use. It is said that the bonds were sold to citizens or subjects of countries in which silver was not recognized as money. This was certainly not true of Germany, in which country early and considerable sales were made.

Germany was on the silver standard until December, 1871, and had considerable silver in its coin for a long time after that. Besides, our bonds were not, either by their terms or by implication, payable in foreign countries or in the money of those countries. They were payable *within the United States*, and it was distinctly affirmed on their face that they were payable in *dollars of the United States*. If the citizens or subjects of foreign countries who bought such bonds did not understand what a dollar of the United States meant, they could not have had the slightest difficulty in ascertaining; and of course they did ascertain.

THEY PAID FOR THEIR BONDS IN THE CHEAPER METAL.

At the time when all these transactions took place one of the money metals was cheaper than the other. For such of the bonds as any creditor bought it was his option to pay in either the cheaper or the dearer metal. He exercised his option by paying in the cheaper metal—which, at the time, was gold, which was 3 per cent less valuable than silver. He knew that by the terms of the bonds it was the option of the people of the United States, whenever the time of payment should arrive, to do as they had been done by—namely, to pay in the metal which at the time of payment should be the cheaper. If the creditor had, as he did have, a specific option and exercised it in his own behalf and for his own benefit and advantage, what reason can be advanced why the debtors should abandon an equally specific option residing in them?

THE MATTHEWS RESOLUTION LEFT NOT A SHADOW OF DOUBT AS THE MEANING OF THE LAW.

But to place the matter beyond possibility of doubt or peradventure, this whole question as to whether the bonds of the United States were lawfully payable in either gold or silver at the option of the United States was thoroughly discussed by the representatives of the people in both Houses of Congress in 1878, prior to the passage of the silver-purchase law of that year. On the 16th of January, 1878, the Hon. Stanley Matthews, then a Senator from the State of Ohio, in view of the claims of the bondholders and their henchmen in Congress that the bonds were legally payable in gold alone, submitted to the Senate a concurrent resolution designed to call forth the views of the members of the House and Senate nine years after the passage of the act of February 28, 1870. That was time enough for second thought. The preamble of the resolution recites the condition of existing laws relating to the payment of United States bonds, and as I think the document will be found interesting reading, I ask the careful attention of Senators to it:

Whereas by an act entitled "An act to strengthen the public credit," approved March 18, 1869, it was provided and declared that the faith of the United States was thereby solemnly pledged to the payment in coin or its equivalent of all the interest-bearing obligations of the United States, except in cases where the law authorizes the issue of such obligations had previously provided that the same might be paid in lawful money or other currency than gold or silver; and

Whereas all the bonds of the United States authorized to be issued by the act entitled "An act to authorize the refunding of the national debt," approved July 14, 1870, by the terms of said act were declared to be redeemable in coin of the then present standard value, bearing interest payable semi-annually in such coin; and

Whereas all bonds of the United States authorized to be issued under an act entitled "An act to provide for the resumption of specie payments," approved January 14, 1875, are required to be of the description of bonds of the United States described in the said act of Congress approved July 14, 1870, entitled "An act to authorize the refunding of the national debt;" and

Whereas at the date of the passage of the said act of Congress last aforesaid, to wit, the 14th day of July, 1870, the coin of the United States of standard value of that date included silver dollars of the weight of 412½ grains each, declared by the act approved January 18, 1837, entitled "An act supplementary to the act entitled 'An act establishing a mint and regulating the coins of the United States,'" to be a legal tender of payment, according to their nominal value for any sums whatever: Therefore,

Be it resolved by the Senate (the House of Representatives concurring therein), That all the bonds of the United States issued or authorized to be issued under the said acts of Congress hereinbefore recited are payable, principal and interest, at the option of the Government of the United States, in silver dollars of the coinage of the United States, containing 412½ grains each of standard silver; and that to restore to its coinage such silver coins as a legal tender in payment of said bonds, principal and interest, is not in violation of the public faith nor in derogation of the rights of the public creditor.

A motion to refer that resolution to the Committee on Finance of the Senate was voted down. A very influential member of the Senate, the then Senator from Vermont, Mr. Edmunds, moved to strike out such phraseology of the resolution as declared silver to be legal tender in payment of the bonds, and to insert, instead, phraseology which would make the bonds "payable in gold or its equivalent." But, not satisfied with these words, the distinguished Senator from Vermont in addition moved to incorporate in the resolution the following declaration:

And that any other payment—

That is to say, any other than "gold or its equivalent"—

without the consent of the creditor would be in violation of the public faith and in derogation of his rights.

This proposed amendment brought sharply before the attention of the Senate the very point in issue. What was the decision of the Senate upon that point?

The amendment of the Senator from Vermont was voted down; the vote standing—yeas 18; nays 48. This means that nine years after the passage of the act to strengthen the public credit which guaranteed to the creditors payment of the principal and interest of their bonds in *coin* and seven and one-half years after the standard of the coin was named 48 out of 66 Senators of the United States repelled the assertion or implication that the bonds were payable in gold alone.

It will be noted, Mr. President, that the proposer of that resolution [Senator Matthews] was not a representative from one of the so-called silver States, nor was he a silver crank nor a crank of any other character. His appointment later to the position of associate justice of the United States, and his distinguished services in that capacity leave the advocates of the gold standard no opportunity to designate him by any term that is not complimentary.

The Senator from Vermont, not daunted by the rejection of his first amendment, moved to amend the preamble so as to change the resolution into one declaring for gold payment in the case of the public debt. This amendment was also rejected, and the resolution was sent to the House of Representatives, where, on the 29th of January, 1878, it was passed by a vote of 189 yeas to 79 nays, considerably over two-thirds of the votes cast being in favor of the resolution. Both Houses, then, of the Forty-fifth Congress declared by an overwhelming majority that the public debt should be payable in gold or silver, as might best suit the people of the United States—Congress in that respect simply reasserting and reaffirming the rights of the people as they had been settled and recorded by the acts recited in the preamble of the concurrent resolution.

One would suppose that after this unmistakable declaration of Congress as to the tenor and meaning, and as to the intention in the passage, of the acts recited, there could be no room for doubt as to the material or standard of money in which the public debt of the United States might lawfully be paid.

THE BONDS AT ONE TIME CONCEDED TO BE PAYABLE IN SILVER.

Indeed, the then Secretary of the Treasury, the present honorable Senator from Ohio [Mr. SHERMAN], appeared for a time to be in full accord with Congress and to be determined to carry out the law according to the intent and meaning with which it was passed. There was a time at least when he favored the paying of the bonds exactly in accordance with the law of July 14, 1870, namely, in either gold or silver, at the option of the United States, and not at the option of the bondholder.

I think I can say with truth that, considering the amount of suffering and distress caused to all the industrial classes of this country by reason of the change of conviction on the part of the honorable Senator, no single act in the lifetime of any man who ever held office in the United States since the adoption of the Constitution is more to be regretted. I do not intend to exaggerate, and am entirely serious and sincere when I say that in my humble opinion no one act since the foundation of the Republic has caused more affliction and desolation to the people of this country unless it be the act of firing on Fort Sumter. I am equally sincere in saying that according to my judgment if this attempted repeal is accomplished all who vote for it will live to see and to feel that the firing on Sumter, serious and sorrowful as it was in its *immediate* consequences, was a shot that for enduring injury to the industrial classes and to every man who works for a living in this country, can not be compared with the measure it is now attempted to drive through this body.

It will be remembered that the silver-purchase law of 1878, besides directing the purchase and coinage of silver to the extent of not less than two nor more than four million dollars' worth per month, also restored the legal-tender character of the standard silver dollar. That fact being borne in mind, it will be interesting to know that the honorable Senator from Ohio saw no further necessity for paying the bonds or the interest thereon in gold, knowing, as of course he must have known, that it was not

only lawful, but equitable that they should be paid in either coin. I say "of course equitable," because I can not assume that the distinguished Senator would do or recommend the doing of anything that was not equitable.

Some three weeks after the enactment of the law of February 28, 1878, the Senate Committee on Finance had a conference with the honorable Senator, then, as is well known, the Secretary of the Treasury, or finance minister of the Administration of President Hayes. From the proceedings of that conference I shall read a few remarks. It will be borne in mind that the New York press, in the interest of Wall street gamblers and moneylenders, had raised a great alarm (which was purely fictitious, and manufactured for the occasion) because of the threatened passage of the bill, and denounced Congress in unmeasured terms for want of patriotism in attempting to impose such a measure on the country. Of course, they prophesied the most serious consequences to result from the new legislation.

At this conference with the then Secretary of the Treasury, which was held on the 19th of March, 1878, there were present, besides the Secretary, the following-named Senators: Messrs. MORRILL of Vermont (Chairman); Dawes of Massachusetts, Ferry of Michigan, JONES of Nevada, ALLISON of Iowa, Bayard of Delaware, Kernan of New York, Wallace of Pennsylvania, and VOORHEES of Indiana.

The extract I shall read is as follows:

CHAIRMAN. What effect has the silver bill had, or is likely to have upon resumption?

Secretary SHERMAN. I do not want to tread on delicate ground in answering that question, Mr. Chairman. I shall have to confess that I have been mistaken myself. Now, as to the silver bill, I have watched its operations very closely. I think the silver bill has had some adverse effects, and it has had some favorable effects, on the question of resumption. Perhaps the best way for me to proceed would be to state the adverse effects first. It has undoubtedly stopped refunding operations. Since the agitation of the silver question, I have not been able largely to sell bonds, although I have made every effort to do so. * * *

Now, another adverse effect the silver bill has had is to stop the accumulation of coin. Since the 1st of January we have accumulated no coin, except for coin certificates, and except the balance of revenue over expenditure. The revenues in coin being more than enough to pay the interest of the debt and coin liabilities, we accumulate some coin.

Another effect that the silver bill has had is to cause the return of our bonds from Europe. Although the movement of our bonds in this direction has been pretty steady for more than a year, yet it is latterly largely increased, how much I am not prepared to say.

On the other hand, I will give the favorable effects. In the first place, the silver bill satisfied a strong public demand for bimetallic money, and that demand is, no doubt, largely sectional. No doubt there is a difference of opinion between the West and South and the East on this subject, but *the desire for remonetization of silver was almost universal.* In a government like ours it is always good to obey the popular current, and that has been done, I think, by the passage of the silver bill. *Resumption can be maintained more easily upon a double standard than upon a single standard. The bulky character of silver would prevent payments in it, while gold, being more portable, would be more freely demanded,* and I think resumption can be maintained with a less amount of silver than of gold alone.

Senator BAYARD. You are speaking of resumption upon the basis of silver, or of silver and gold?

Secretary SHERMAN. Yes, sir; I think it can be maintained better upon a bimetallic, or alternative standard, than upon a single one, and with less accumulation of gold. In this way remonetization of silver would rather aid resumption. The bonds that have been returned from Europe have been readily absorbed—remarkably so. The recent returns in New York show the amount of bonds absorbed in this country is at least a million and a quarter a day. We have sold scarcely any from the Treasury since that time. This shows the confidence of the people in our securities, and their rapid absorption will tend to check the European scare.

Senator VOORHEES. *That shows, Mr. Secretary, that this cry of alarm in New York was unfounded. Then, this capital seeks our bonds when this bimetallic basis is declared?*

Secretary SHERMAN. Yes; many circumstances favor this. The demand for bonds extends to the West and to the banks.

Senator JONES. Then, in its effect upon the return of the vast amount of bonds you refer to, would there not be an element of strength added in favor of resumption, in that the interest on these bonds returned would not be a constant drain upon the country?

Secretary SHERMAN. Undoubtedly.

Senator JONES. Would the fact that they come back enable us to maintain resumption much easier?

Secretary SHERMAN. Undoubtedly.

Senator BAYARD. You speak of resumption upon a bimetallic basis being easier. Do you make that proposition irrespective of the readjustment of the relative values of the two metals as we have declared them?

Secretary SHERMAN. I think so. Our mere right to pay in silver would deter a great many people from presenting notes for redemption who would readily do so if they could get the lighter and more portable coin in exchange. *Besides, gold coin can be exported, while silver coin could not be exported, because its market value is less than its coin value.*

Senator BAYARD. I understand that it works practically very well. So long as the silver is less in value than the paper you will have no trouble in redeeming your paper. When a paper dollar is worth 98 cents nobody is going to take it to the Treasury and get 92 cents in silver; but what are you to do as your silver coin is minted? By the 1st of July next or the 1st of January next you have eighteen or twenty millions of silver dollars which are in circulation and payable for duties, and how long do you suppose this short supply of silver and your control of it by your coinage will keep it equivalent to gold—*when one is worth 10 cents less than the other?*

Secretary SHERMAN. *Just so long as it can be used for anything that gold is used for. It will be worth in this country the par of gold until it becomes so abundant and bulky that people will become tired of carrying it about; but in our country that can be avoided by depositing it for coin-certificates.*

For my part, Mr. President, I can not comprehend how the distinguished Senator from Ohio can reconcile with the statements made on that occasion the idea that either the principal or interest of bonds of the United States are now payable exclusively in gold.

There is but one rule known to the law for the interpretation of written contracts, and that is by reference to their specific terms. No impartial mind can read the bonds or the statutes of the United States without perceiving that the bondholders have never, by the terms of the bond or by the law, been entitled to a compliance with their demands. Even were it so, were they to claim payment in gold, not on any technical ground, but on the ground of equity, we quote them the maxim of the law: "Those who demand equity should do equity."

IF THE LAW DOES NOT COMPEL PAYMENT IN GOLD, DOES EQUITY DEMAND SUCH PAYMENT?

What, then, is the position of the bondholders from an equitable point of view? In legislating regarding the national debt have we trenched in any respect upon the fair repute of our Government and upon those principles of probity and honorable dealing so dear to our people? Let us look at the actual facts.

Between 1862 and 1868 the United States Government sold bonds to the amount of $2,049,975,700. How much did the purchasers pay to the Government for those bonds—these men in whose behalf the legislative contribution box is made to pass around at almost every session of Congress in order that some new act or law more potent than those which have preceded may now and again be dropped into it for the better support of the bondholders?

The amount received by the Government for those bonds was less than $1,400,000,000, or, to be exact, $1,371,424,238—being, on an average for the entire issue 67 per cent of their face value.

These bonds would have been honestly paid, if paid in lawful money, no other money having been prescribed in the acts authorizing the issue, except that coin was prescribed for the payment of the *interest*. The very fact that it was deemed proper to provide that the *interest* should be payable in coin was a plain implication that the principal was not to be so payable. The maxim of law is that the inclusion of one is the exclusion of the other.

However, on the clamorous insistance of the creditors the people yielded so far as to declare in the "act to strengthen the public credit" and in the refunding act that the principal also should be paid in coin.

For this $1,400,000,000 received by the Government of the United States there have already been paid back to the bondholders in principal alone $1,756,000,000—being $385,000,000 more than was altogether received. Besides, there have been paid as interest on the debt $2,538,000,000, or nearly twice the total amount received. There has been paid as a premium on bonds bought in $58,000,000. So that for the $1,400,000,000 received there have been paid in all to the bondholders the sum of $4,352,000,000.

THE BOND TRANSACTIONS FROM THE POINT OF VIEW OF PURCHASING POWER.

But the cupidity of those people is unbounded. Let us now look at the facts from another point of view, still bearing in mind merely the equities, and not the technical interpretation of the law. As I have shown earlier, the only value that money has is *purchasing power*. Let us see what amount of purchasing power has been paid to the creditors in return for the purchasing power which they paid to the Government when the bonds were placed on the market?

Assuming that the people had paid the dollars constituting the public debt at the same ratio of purchasing power that those dollars possessed when paid over by the bondholders to the people—as stated by a member of another body—it would have required but 1,007,000,000 bushels of wheat to pay the entire amount. We have already, as principal alone, paid to the bondholders the equivalent in money of 1,986,000,000 bushels of wheat; we have paid as interest the equivalent in money of 2,974,000,000 bushels; and as premium 62,000,000 bushels, making the total payment of principal, interest, and premium 5,022,000,000 bushels of wheat, or five times the purchasing power which the people received from the bondholders.

Yet after paying this enormous sum during the past quarter of a century we have still the same number of bushels of wheat to pay that would have paid the entire debt at the time it was contracted.

Again, had we paid the dollars of the debt at the same ratio of purchasing power that the dollars had when we received them, we could have paid the entire sum with 14,184,000 bales of cotton, whereas we have already paid, of principal, interest, and premium to the holders of our bonds, the equivalent of 94,690,000 bales of cotton, and there still remains to be paid more cotton than would have been sufficient at the time the debt was contracted to pay it all back.

It will be said that the prices of commodities, when the money was borrowed, were "war" prices. But whatever the prices were, they were the same for the bondholder that they were for the

people, and dollars had at the time the same value, the same purchasing power, for the one as for the other.

Estimating the debt then as the amount of sacrifice with which the bondholders parted, and measuring that sacrifice by bales of cotton, the holders of bonds have been paid seven times over, and we still owe them more cotton than the original quantity. Nothing can more clearly show the enormous advantage which falling prices bring to those who have money out at interest. What they want is not to get their money back, but to get the things which money will buy, and when prices fall by reason of the manipulation of the volume of the country's money in their own behalf, by demonetizing one of the metals—which necessarily operates as a limitation on supply—they are simply engaged in a gigantic looting of the community under the name of honor and honesty.

When, under such circumstances, people speak of an investment in government bonds as a "speculation," they might very correctly spell "speculation" without the "s". The course pursued by the bondholders—the public creditors—of the United States would appear to indicate that they were the parties who were in the mind of John Ruskin when he referred to "the magnificence of authorized larceny and polished mendicity."

THE BONDHOLDER THE GREAT OBJECT OF SOLICITUDE. NO CONSIDERATION FOR THE TAX-PAYER.

The lessening of the value of the money that is to be paid to the creditor and bondholder is regarded by the advocates of the gold standard as an unparalleled calamity—something which is destined to uproot the very foundations of the Republic. No note is taken of the enormous increase in the burden of the debt—an increase effected by the sinister machinations of those men, first, through the mighty arm of the law, in changing the contract to their advantage after it was entered into, and, as if that were not enough, then in effecting, again by law, the demonetization of one of the metals in which the debt was payable, in order to increase the value of the other, and having exhausted the powers of legislation, then through the powerful supplemental arm of the executive officers of the Government continued the process of spoliation.

But, Mr. President, we understand that all this is done in the name of honor and honesty. The use of the word "honest" in this connection has a tendency to bring it into the contempt of the people. They smile in derision when they hear it applied to the bondholder's dollar—as the spectators in a theater smile when they hear the Moor of Venice speak of "Honest Iago." We hear constantly of justice to the public creditor. We hear nothing of justice to the people. When the interests of the bondholders are at stake the note of alarm is sounded by the officers of our Government, and the noise and commotion are so great that it would appear as if the pillars of the temple of our Constitution were falling.

The burden of the sacrifice which the people of this country made during the war is not to be compared with that which they have been enduring since by reason of the administration of their money system. The amazing productiveness of the country has enabled them to pay off a large proportion of the war debt, though not without suffering. During the continuance of active hostilities any hardship that might have been experienced was attributed to the war, and men felt that the country was engaged in a struggle for its existence. Even those who lost fathers, brothers, and husbands in the conflict were sustained to some extent by that exaltation of feeling that arises from patriotism. But in the later conflict, that which arose out of the monetary contraction following the war, no consolations of that character were experienced. Nothing but discouragement and distress.

THE EXAMPLE OF FRANCE IN DEALING WITH BONDHOLDERS.

The attempt of the American bondholder to get the word "coin" erased from his contract, and to get written into its place some word which would describe a coin that was always getting dearer, is not the first attempt of the kind in history. A similar attempt was made on behalf of the French bondholders after the discoveries of California and Australia. Gold was then the metal that was becoming cheap money, and the French bondholders took ready alarm at the prospect of the purchasing power of their incomes being reduced by the inflow of the new money. They found, as all bondholders find everywhere, ready and pliant agents and advocates in the literary guilds.

Chevalier and those in accord with him made a demand for the payment of the bonds of the French Government in silver. Their cry was for honest money. It is the same cry that we hear now, and have heard for more than twenty years. It was a demand for a payment of the money that was becoming dearer. For it appears that when money is becoming dearer it is honest money, while if wheat and cotton become dear, which means that money is becoming cheap, the wheat and cotton are dishonest and fraudulent.

Chevalier demanded the payment of the bonds in silver. In order that the people might suppose that he had some ground in reason for his demand he maintained that silver had always been the money of France, and that when people bought the bonds of the Government they supposed they were buying bonds payable in silver—very much the same sort of argument that has been used in the United States, except that in this country the demand was for bonds payable in gold.

This ruse did not work, however. The officers of the Government refused compliance with the demand. They declined to transfer to the creditor the option which the people of France had reserved to themselves, That they were right no man but a bondholder could have the hardihood to deny.

Our modern Chevaliers have been more successful—chevaliers of industry, whose only connection with industry is the laying it under tribute, and exacting from it an unearned increment, with the approval and through the instrumentality of our executive officers.

SUPPOSE THE OPTION WERE TO DELIVER WHEAT OR BARLEY, INSTEAD OF GOLD OR SILVER?

Suppose the owner of a great estate had entered into a contract by which he obligated himself to deliver certain quantities of cereals—his option being to deliver either wheat or barley, whichever, at the fulfillment of the contract, he might choose. Suppose that his object in embodying the option in the contract was to protect himself from a possible corner in one of the articles named—a corner which might be effected by the machinations of speculators in cereals. Suppose that, as matter of fact, when the time of delivery arrived there was a corner in wheat which, as a consequence, was held at an exorbitant price.

Would anybody suppose that in such case, an agent even had he a full power of attorney to act for his principal, would be justified in saying to the creditor, "Although, in the making of this contract, my principal reserved to himself, as a protection against wrongful exaction, an option to deliver either wheat or barley, whichever might be most just upon the day when the contract was filled, yet *you* are an '*honest*' man, and of course whatever advice you would give me would be '*honest*' advice, and whatever money you would wish to be paid would be '*honest*' money. Therefore, I will interpret this contract in such way as shall be suitable to honest men like you. If, instead of accepting delivery in barley, which is not cornered, and which is therefore 'dishonest,' you prefer wheat, which is cornered by honest men like yourself, I will transfer to you the option which my principal reserved to himself, and if you wish me to deliver wheat, I shall do so, even if I have to pay out of the funds of my principal the exorbitant and extortionate price which the honest managers of the corner in wheat have decreed."

What, I may ask, would be thought of the "honesty" of such an agent? And especially what would be thought of his honesty when it was as plain as day that the creditor was himself a member of the gang that had cornered the wheat market.

It has often been said, Mr. President, that Americans are nothing, if not original. This method of dealing in options is certainly original, even in America. No similar example is to be found in the history of any civilized government, and I venture to say that the officers of no government on earth will ever follow the example of those of the United States in a matter of this character.

THE ADVOCATES OF GOLD PROTECTING THE BONDHOLDERS ONLY.

Had the Congress of the United States been willing to make special provision for the payment of the public creditors in gold, many years after the making of the contract, thus establishing a distinction between them and the body of our citizens, including the workingmen and all who were not owners of bonds, we should not have been summoned here in extraordinary session to enter upon a discussion of this subject. The silver question would have long since disappeared from public view.

When the silver-purchase law of 1878 was before the Senate for consideration, one of the gold standard Senators offered an amendment providing that standard silver dollars "shall be a legal tender at their nominal value for all debts and dues, public and private, except duties on imports *and interest on* the public debt."

The intention of this was to give to the creditors a special dollar, and to discriminate in their favor against everybody else, to give them an "honest" dollar and the workingman what Senators themselves called a "dishonest" dollar. Had that amendment been accepted by those who favored free coinage of silver, the silver question would then and there have been settled, and we should have had free coinage at once. This is the sort of regard that the advocates of the gold standard had for the interests of the workingmen of the country, whose special friends and champions they now pretend to be. Had the bondholders been able to secure for themselves a gold dollar

which was constantly increasing in value, they and their friends were willing that the workingmen should have any other kind of dollar that they pleased. Where, then, were to be found the advocates of the dollar of "highest purchasing power" for the workingmen of the country? We heard nothing from the New York press denouncing a provision that would have paid the workingman in "cheap dollars" and "dollars of low purchasing power," while giving to the bondholder a dollar not only of high purchasing power, but a purchasing power constantly growing higher.

[At this point the honorable Senator yielded to Mr. TELLER.]

Tuesday, October 24, 1893.

Mr. JONES of Nevada. Mr. President, we are told that with unrestricted coinage of silver, or with continued purchases of silver under the Sherman law, the gold in the country would go to a premium. Let us examine that question.

WOULD GOLD GO TO A PREMIUM UNDER UNRESTRICTED COINAGE OR CONTINUED PURCHASES OF SILVER?

In the first place I challenge Senators to point to a period in the history of any country when gold went to a premium while any considerable quantity of it remained in that country. Under certain circumstances it might be sent out. So long, however, as it remained it would never reach a premium until the total amount of all forms of money in circulation was more than sufficient to meet all monetary demands at the international range of prices.

There must be a reason for the separation of the metals and for the happening of a premium on gold. The metals have no will of their own to separate or to coalesce when they please. Neither can the gold holders make a premium at their pleasure. If they could do so we should find gold constantly at a premium. A premium must be made by *conditions*. What is it that creates those conditions? The range of prices of goods that form the subject of international commerce. To the extent that we purchase of those goods in excess of the sales of our own products to the people of the gold-using countries, we create a necessity for the outward shipment of gold in payment of balances.

Suppose the holders of our $600,000,000 of gold decided to-day to put a premium of 1 per cent or of 10 per cent on gold. Could they do it? Do we not know that if they could get a premium by merely demanding it they would promptly demand it? Their difficulty is that the conditions on which alone a premium can be created do not exist, and in the absence of the appropriate conditions no one will give them a premium, no matter how strenuously they insist upon it.

THE FALL OF PRICES—A "PREMIUM" WHICH PRODUCERS HAVE TO PAY.

When the number of dollars in a country is from any cause reduced, there is a tendency to a fall in the prices of commodities. If then a man be engaged in productive operations in this country, and if by reason of the outward flow of gold to meet foreign payments a fall takes place in the prices of the products of his labor, compelling him to accept less for those products than he otherwise would receive, he suffers a loss which, though not called a "premium," is in tenor and effect a premium on gold. So far as *he* is concerned, he is so much the poorer by reason of the outflow of the money of the country.

Why quibble about names? In order that a payment may be entitled to be called a "premium," and to involve the serious consequences attributed to a premium, is it necessary that it shall be paid by a particular person? If a farmer, planter, or manufacturer in this country is compelled to pay $100 through the medium of products, the prices of which have been to that extent reduced owing to the maintenance of the gold standard, what but the mere name is the difference between that man's payment and the payment of the banker or broker who disburses $100 as a difference in exchange and on his books enters the amount as a "premium?" If an American farmer, hatter, or shoemaker has to give more of the products of his labor for gold, what divinity doth hedge around the American banker or broker which entitles him to call his occasional payment a "premium," while the constant and persistent payments of the producers are called a mere "fall in price?"

If farm products fall 10 per cent by reason of the sending out of gold, if the product of the shoemaker's labor is similarly reduced, as well as that of men engaged in all other industries, is not that 10 per cent a premium on gold? And if not, does it differ in anything but the name? Being a loss caused by the gold standard, does it not have all the effect of a premium? Is it not in nature and substance a premium? Yet the importer says, and our financiers and statesmen all unite in saying, that so long as it is the *producer* who is suffering the loss everything is all right, and that it is only when it becomes the turn of the importer or the money-broker to pay that "the times are out of joint." So long as the producing classes do the paying it attracts no attention, but as soon as the broker or importer has to pay a great wail is heard.

When gold alone, or a money based on gold, is the circulating medium of a country, a contract calling for the payment of $1,000 on the spot would on its face seem to be the same as a contract calling for the payment of $1,000 at a future time, because the sum being in each case the same and payable in the same form of money, there would seem to be no premium involved. If, however, men are obliged to give more of their products for it in the one case than in the other, are they not to all intents and purposes paying a premium on gold? Is it any less a premium because the true character of the transaction is not detected? Values being always stated in terms of money, never in terms of commodites, it is not easy for the uninitiated to detect variations in the value of the circulating medium itself.

Anything that is measured by itself alone can never present an appearance of change. No matter, therefore, how great a departure may be made by gold from its value at any former period, such departure is never denominated a change in the value of gold, but always a change in the prices of commodities. It is thus that even the everyday phases of industry and commerce are calculated to conceal the evil which the gold standard inflicts upon society, and afford to interested casuists and sophists, as well as to superficial thinkers upon money, to so-called statisticians and would-be philosophers and economists an opportunity much improved by them of disputing as to the true nature of the change that has taken place.

The masses of the people take no note of changes in the value of money, but the banking and creditor interests are keen to observe all such changes. Whenever a variation of value appears between two forms of money, they select the form which commands the greatest amount of property, and loudly proclaim that to be the "best" money and the only "honest" money, while the other form, which may have retained its value unimpaired, and therefore be an exactly just and equitable measure of value, is derided as "cheap" and dishonest money. The gold-standard advocates never speak of any advance in the value of the dearer metal. By them the change is always made to appear as a decline in the value of the other metal, which may in fact have suffered no decline.

FOREIGN PAYMENTS.

It is supposed to be decisive of the question to inquire how, if we have not the gold standard, we can pay our debts to foreigners? Let us examine this point. An American importer buys goods in Great Britain or Germany to be sold here for his profit, and his alone. The query is: How is he to get the gold to pay his bill? I reply to the question by asking another. By what means does he pay bills in his own country? How does any merchant obtain money? By sales of merchandise. Very well.

Let, then, the American importer sell merchandise for gold with which to pay his gold indebtedness. He bought in gold-standard countries the goods which require to be paid for in gold. Let him sell in those countries for gold the goods from sales of which to pay his bill. Gold is to be bought for commodities in every gold-standard country of the world. If the range of prices in those countries is such that he can not make a profit on the transaction, that is his misfortune, and is not one for which the American people at large are responsible; or by reason of which they should be mulcted in sums infinitely larger than any possible premium that could be involved in the transactions of a few importers.

All the internal commerce of this country, which is fifty times greater in amount than our foreign trade, should not be disjointed by reason of the necessity which exists for a few men to pay their debts abroad. Is it a greater act of justice to facilitate the payment of an importer's foreign bill at the expense of all the people of the United States than to maintain equity and justice in the payment of all debts and the payments for all commodities and services interchanged among the 70,000,000 people of our country? Must we forever continue to inflict wrong and injustice upon all our producing classes—upon ninty-nine one-hundredths of our people—simply to save an occasional importer or foreign business house some inconvenience?—for, in any case, it could be nothing more than an *inconvenience;* it could under no circumstances result in *a loss* to any importer to have to pay a premium.

Suppose a failure of the crops to occur in Europe and an abundant harvest in this country. There will be a consequent boom here. Numbers of contracts will be made on a high range of prices. Then this country becomes a poor country to buy in, because prices are high, but for the same reason it becomes a good country to sell in. Other countries at such a time will be poor countries to sell in because prices there are low, and they will for the same reason be good countries to buy in.

On such occasions our importers strain every nerve to buy to the utmost. Having, therefore, large payments to make to for-

eign countries, they find that owing to the low prices prevailing abroad they are unable to send out our wheat or cotton to advantage. Hence they gather up the money of the country and send it away.

Instead of assuming the responsibility for the exercise of bad judgment or overweening cupidity on their part in making more purchases than the country makes sales, they make everybody in the country suffer—those who have not had anything whatever to do with foreign goods as well as those whose business it is to deal in such goods. As everybody knows, the number of persons who deal in foreign goods is utterly insignificant compared with the enormous number who deal in domestic articles.

The premium which in any event the importers would pay is a bagatelle in comparison with the unseen and unobserved premium which for many years has been paid by the toiling millions. Money is bought by every man with the products of his labor. The masses of the people are not digging gold out of the mines. The gold they dig is the amount that can be bought by their labor exerted in fields of wheat and cotton, in seams of iron and coal, and in the city shops, foundries, and factories. The amount of money which the products of such labor will command is therefore the measure of the value of gold.

With the present system all the people of this country are made to pay a premium on gold in order that a few importers may be saved some imaginary inconvenience in the payment of balances.

An adverse balance of trade whereby $100,000,000 of the money of the country might be shipped out, would so reduce the debt-paying power of the people and the prices of the commodities with which, in the last analysis they must pay the debt, as to make it a calamity of great proportions in comparison with any inconvenience to which importers might be subjected in paying their foreign balances.

In order that such a transaction may result in great loss to the masses of our people, it is not necessary for a panic to occur. The loss could be gradual, but great.

In one case, only the men who bought abroad would be subjected to inconvenience—and it would be inconvenience merely; for, as I have said, they would in no case be subjected to *loss*. In the other, every man in the United States who owes a debt would be put not merely to inconvenience but to loss.

It is the most monstrous of ideas that because a few men can make a profit by sending out the money of the country all the industries of the country must be disarranged. In an age of enlightened civilization nothing seems more absurd and unjust.

It is natural and proper that some difficulty should be experienced in transmuting the money of one country into the money of another.

If people in one country wish to buy in other countries more than can be sold from their own country, they are warned by the state of the exchanges that the balance is against them. According as the balance becomes more and more against them those who persist in buying should personally suffer the inconvenience. The people of the entire country, who have nothing to do with importations, should not be compelled to suffer.

Whenever that which may be termed international money has its normal value, it is at the par of exchange. When it becomes unprofitable to ship products, and the demand for money for shipment becomes excessive, so that a premium arises, the persons who should pay the premium are the importers—those who, for their own profit, import into the country more than the exports of the country can pay for.

The people of the whole country who are conducting a business fifty times as large as the entire importing business, and under our system of credits involving themselves in debt to enormous amounts, should not be compelled to pay a premium upon every dollar of their domestic debts simply to suit the convenience of a few importers. Any balance of trade which can possibly be against us must always be infinitesimal, compared with the enormous amount of domestic debts that are constantly being paid by our own people. If we had an ample supply of silver money for the transaction of our own business all that we could need of gold would be such sum as would meet any adverse balance.

Prof. Stanley Jevons, one of the most renowned of the financial economists of Great Britain, in a paper read before the American Social Science Association in Saratoga, in 1877, said:

> Gold is not really requisite except for making international payments, and the stock need not be very much larger than will meet any conceivable demand for exportation.

I call the special attention of those who have a horror of the silver standard to a remark of the London Times, which with them ought to be the first of authorities, in discussing the very bill which it is now proposed to repeal. In an editorial on the so-called Sherman law, the Times of September 1, 1890, said:

> Under a silver standard a rich country can keep as large a stock of gold as it requires for all purposes, without any difficulty whatever.

When the United States resumed specie payments a small gold stock proved sufficient for the purpose. Yet now, with $600,000,000 of gold in the country, Senators fear a premium on it!

How do foreign nations which have no mines get gold? They exchange goods for it. So the importers who would need gold to pay for goods imported should get the gold by the sale of their goods. They would not need much to settle balances, and they could get it at but slight extra cost. Indeed, it would be better for the United States if gold were always at a slight premium, because then the silver money would remain in the country and would not flow out, to the disarrangement of all prices and all equities here.

Contracts made in any country are made on the basis of the range of prices at the time prevailing in that country. If afterward the money supply of that country be diminished relatively to demand, whether such diminution be owing to nonproduction of the metals from the mines, to their consumption in the arts, to increase of population and demand for money, or to exportation of gold in payment for imported goods, can anybody doubt that the fall of prices sure to result from such diminution is practically a premium on gold and paid by the producing classes?

There is no possibility of a permanent premium upon gold here except when enough of other money has come into circulation to put our prices above the international range. That is to say, having $1,600,000,000 of money in this country, of which, say, $1,000,000,000 is other than gold, but of full legal-tender power, if the gold all left the country, or went out of circulation (which it would do if it went to a premium), there would have to be $600,000,000 of some sort of money added to the $1,000,000,000 before we could reach the gold range of prices. Where is that $600,000,000 to come from? Is it possible that with only $1,000,000,000 of money, which is $600,000,000 less than our present stock, there could be an increase of prices? Would there not, on the contrary, be a fall, and would it not be silver rather than gold that would be at a premium as measured in the products of labor? Is it possible that $1,000,000,000 of silver alone is capable of elevating prices beyond the level to which they can be elevated by $1,000,000,000 of silver and paper plus $600,000,000 in gold? That is contrary to every principle of political economy and of common sense.

Only a certain range of prices is consistent with the international range. Should our prices rise beyond that gold would begin to flow out, though not to the extent of our whole foreign trade; only to the extent of balances against us.

In any case there could not be a permanent premium upon gold until what may be termed a corresponding degree of permanent "premium" had arisen on commodities, property, and services—the things which it is the function of money to distribute. If in comparison with gold prices all men should get higher prices for their commodities and services, in other words, if their commodities and services were at a "premium," how should they be harmed by a premium on gold?

It is a contradiction of terms to say that we could have a premium upon gold and at the same time a decline in the prices of goods and of labor.

Had we to pay a premium, or increase of price, in silver for *gold* over what we might have previously paid for it, it would be because we had first received a corresponding premium, or increase of price, in *silver* for the products or services with which we might buy gold. In any event, we would have to buy the gold, since all men who need gold, except actual miners of the metal, can get it only by selling their labor or products for it.

Should gold go to a premium, and we could show that the silver money of the country had not fallen, but measured equitably all property and services, who would be at any disadvantage, except people who make a business of gambling in gold, and who can not complain when the game goes against them?

If gold goes to a premium of 10 per cent, that means that it will buy 10 per cent more of goods internationally dealt in than can be bought with silver or other money. But if a man has to pay 10 per cent for gold, does he not get 10 per cent more in the other money for his goods and services? Is not equity therefore preserved among our people? What greater end can be desired than equity?

Even as to our foreign trade, were there a premium of 10 per cent on gold, and Liverpool merchants bought from us wheat, cotton, or anything else, they would have to pay us either the Liverpool price in gold or the American price in silver, which latter, in case there were a premium of 10 per cent on gold, would mean 10 per cent over the gold price.

Gold might go to a premium of 1 or 2 per cent, and yet if interest were high and business active in this country, that metal might not leave, because the percentage of interest obtained by loaning gold or investing it in this country might be so much more than the percentage of profit derived from gold if sent abroad that it would be more profitable for its owners to keep it here.

Gold is frequently at a premium without the fact attracting attention, because the term "premium" is carefully avoided in designating the transaction. There is frequently, as a result of the differences in what is called exchange, a small payment required on gold beyond the cost of shipping it. What is that but a premium?

So, when in England gold becomes scarce and the bank rate goes up, the increased rate is called a "rise in the rate of discount." It is really a *premium upon gold.*

Suppose the bank rate to be ordinarily and normally 3 per cent, and that in case of emergency or difficulty it rises to 6. What in reality is this extra 3 per cent but a premium of 3 per cent on gold? When the bank rate is thus raised, it is not because the borrower is able to make 3 per cent more profit on the money that he borrowed, or can afford to borrow it at that price. The fact is that the reason why he has to borrow is that he finds it impossible to make even ordinary profit, or indeed to do business at *any* profit that will enable him to provide for his moneyed engagements.

It is not a case in which money at that time will buy more than before, or more than usual. The borrowers do not take it with a view to buying anything, but solely with the view of meeting imperative obligations, entered into when normal conditions prevailed.

Let us suppose the domestic indebtedness of our people to one another to be $30,000,000,000, while our gold stock is only $600,000,000. If a premium of 10 per cent should take place on gold—that is to say, if it alone, and of itself, without reference to the other money of the country should advance 10 per cent in value, it would at the utmost be an advance of only 10 per cent on $600,000,000; whereas, while we are on the gold standard, a corresponding fall in the prices of commodities consequent on the increasing purchasing power of the gold dollar would involve, to our domestic debtors alone, a total loss of 10 per cent on the $30,000,000,000 of their debts, or such proportion of them as were in existence during the whole period of this 10 per cent fall.

The true name for this fall of prices and for this enormous loss to the people is a "premium on gold." In comparison with this unrecognized and undesignated premium the thing usually called a premium is but an insignificant trifle, even were it a loss, and it could not be a loss so long as our silver money justly measured all equities.

Who pretends to say that under the Sherman law the dollar is worth less to-day than it was when the first dollar was issued? Who contends that during the operation of that law there has been any general advance in prices of commodities? Who pretends to say that before the late panic occurred the monthly issues of Treasury notes under the Sherman law had produced an inflation of our currency? Who denies that the value of the dollar from month to month was rising and not falling? What, then, is the evil to be remedied by stopping the issue of Treasury notes under that law?

It is seen that the increasing population of the country and the increasing demand for money are not sufficiently met by the 4,500,000 ounces purchased each month. It is seen that the dollar is all the time becoming more valuable. What, then, is it against which those who so vehemently demand the repeal of the purchasing clause of the Sherman law wish to defend the country? Surely not an inflation; for prices of commodities continued to fall from 1890, when the bill was passed, until the time the panic broke out. This was shown by the exhaustive examination of the Finance Committee of the Senate.

How can repeal redress the situation in this country? Prices are falling and were falling at the time the panic broke out. There was not money enough to maintain them at a firm or equitable range. For, as I have said, price is the barometer that indicates whether equities are being maintained and whether times are good or bad; yet with prices falling, our gold-standard economists tell us that we must cut off the money that has hitherto been furnished, notwithstanding that it is admitted by the champions of the gold standard that almost the entire yield of the gold fields is consumed in the arts and manufactures and little or none left for the money use.

THE WAGES OF LABOR.

Mr. McPHERSON. I do not wish to interrupt the Senator's speech at all; but I simply wish to make an inquiry. The committee to which the Senator refers in making their investigation and report did report that the prices of commodities had fallen. At the same time the report states that the price of wages had advanced. How does the Senator account for that?

Mr. JONES of Nevada. On several occasions of late when I have had the floor in this debate I have stated that the wage-earner is not a commodity; not a dead piece of property. Not many years ago the wage-earners began to organize in this country, at a time when they were getting by no means their fair share of that which they contributed to the joint product of capital and labor. All over the United States they organized into compact masses, as they previously had done in England, and kept constantly increasing their demand upon the employers for more wages.

In the manner in which business is conducted in these latter years it is necessary to employ great numbers of workmen; hence contracts covering long periods of time must be entered into, and such contracts frequently contain clauses involving heavy forfeitures or penalties for failure of prompt performance. This fact compels employers to beware of serious difficulties with their working force. They know that a general strike might involve them in enormous loss. The official reports of strikes show that in many instances where employers have conceded an increase of, say, 10 per cent demanded by the workmen, the increase was followed by a dismissal from employment of 10 per cent of the workers. If this were true generally it would mean that wages as a whole were no greater than before. They only *appear* to be increased because the men retained in employment receive more than before. It would be better for society as a whole and far better for the working classes themselves if all were retained in uninterrupted employment, even without increase of wages, than that some should have their wages increased, while others receive nothing and are left to starve.

In order to show that wages have really increased, the returns should also show that the number of men employed continued to be as great as before. Otherwise the laboring class as a whole receive no more money as wages.

Given a certain number of men employed at, for ease of computation, say, a dollar a day. They demand a dollar and ten cents. The employers, with heavy contracts on hand, know not how to resist that demand. They yield. In a few weeks they discharge 10 per cent of their employés; and against this decree the men have no recourse. The reduction of force is made up in the shop by a resort to all sorts of small economies. Ten per cent of the men formerly employed are sent into compulsory idleness. Their labor is lost to society, and themselves and their families are brought to penury. Yet no note is taken of this. So long as the men in actual employment are paid the customary, or even increased wages, it is taken for granted that all is well. No census of the unemployed is taken.

The Senator from New Jersey knows that within ten or fifteen years large numbers of business establishments have been concentrated under one management. A thousand and one methods of decreasing expenditures have been resorted to. The workmen have been constantly striking for more wages with great power and with great intelligence. The employers, not always able, owing to the fall of prices, to meet that demand, have yielded in one direction only to recoup themselves in another.

But now the maximum has been reached. It must be borne in mind that effect does not immediately follow cause in questions of this character. A stone thrown into the harbor of New York is certain to result in a rise of the level of the water at Liverpool; but the effect is by no means immediate.

Mr. McPHERSON. The Senator, I think, certainly will admit that for the last fifteen or twenty years there has been a gradual and persistent rise in the wages of labor. He has already stated in his speech a number of times that there has been a great depression and a great fall in the prices of commodities. Now, commodities are things that labor makes; the commodities are the things that labor consumes. With an increase in the price of labor, with the lowering of the price of commodities which labor consumes, I do not understand how the Senator can measure the money of the country by the price of commodities.

Mr. JONES of Nevada. The Senator from New Jersey starts out with the proposition that laborers were getting the wages they were fairly entitled to, considering the volume of money in circulation in the country; but this was manifestly not so. They are looking more sharply after their interests. Until the great organizations arose business was conducted more loosely.

Mr. McPHERSON. It has been increasing every day.

Mr. JONES of Nevada. The workers have been constantly increasing their demand, and the employers have had to yield. Now, however, millions of laborers are out of employment. It is the statement of every business man that for the past twenty years business in this country has been conducted at practically no profit. Previous to that time the same businesses were conducted at large profits. This condition is not peculiar to the United States, but is a characteristic of all gold-standard countries.

Mr. TELLER. Will the Senator from Nevada allow me to read a very brief extract from an English newspaper?

Mr. JONES of Nevada. Certainly.

Mr. TELLER. It is as follows:

Never was there such an industrial war in England; never was there such destitution, and never such a mass of inflammable discontent in the very

heart and center of the land. Relief committees and soup kitchens are unceasingly at work throughout the strike areas. Bread is distributed and fought for by famishing men and women, and gardens and orchards robbed in the frantic search for food. Hungry children attend the schools too weak to learn, and women tramp from village to village begging for money or bread.

That is from the London Daily News of September 7, 1893.

Mr. JONES of Nevada. Mr. President, that is the way the condition of the laboring man has been "improved." I saw great numbers of the unemployed on the hills about London—people who were starving; yet we are told wages have been advancing for years! The gentlemen who compile statistics take no note of the unemployed. I deny, whatever they may say to the contrary, that, taking wages, for instance, all over the West and South, they have been increasing for fifteen years.

Mr. GEORGE. They have fallen.

Mr. JONES of Nevada. Counting the numbers of men discharged from employment owing to the persistent fall of prices, it is my conviction that, on the whole, wages have fallen rather than risen.

Mr. McPHERSON. If the Senator will bear with me a single moment longer, I will state that a subcommittee of the Committee on Finance, a very intelligent committee, pursued an investigation for several months here in 1891 after the passage of the so-called McKinley law to ascertain what the effect of the McKinley law had been upon prices. It was argued by the friends of the McKinley law that inasmuch as we had raised the duty upon foreign products thereby we would increase the wages of labor in the domestic products, and that was the reason why wages had raised in this country. Now, I simply invite the attention of any Senator to that report to the effect that in the gainful institutions where labor was employed there has been more increase in the wages of labor among those industries that were not protected at all.

Mr. GEORGE. In agriculture?

Mr. McPHERSON. In agriculture and everything else. I speak of wages as compared with the cost of living.

Mr. GEORGE. The Senator is wrong as to the South.

Mr. McPHERSON. Of course when you speak of wages of labor you speak of it as compared with the cost of living to the laborer.

Mr. PASCO. If the Senator from Nevada will allow me, I will state that in the speech which I delivered on the 27th of last month I showed clearly the situation in the section of the country where I lived, an agricultural section, a cotton-raising section. I stated, and it is susceptible of proof, that the wage-earners there have shared the fate of the cotton-planter, and that their wages have been reduced relatively and actually. My belief is that a like result has followed in similar sections of the country where cotton-raising is the principal industry, as will be borne out by the Senators from those sections.

Mr. JONES of Nevada. Mr. President, there can be no doubt about it. An interested body of statisticians, most of whom do nothing but tabulate their own ignorance and air their own egotism, are engaged in attempting to bolster up the gold standard and make their figures and their conclusions correspond with all the claims that are made by the advocates of that standard, whatever the real facts may be. Of course, there are conspicuous and honorable exceptions, but it is certain that none of them take account of idle labor. There can be no doubt in the mind of any observant man that there has been a fall of wages of unskilled labor in such parts of the country as are not in close proximity to great manufacturing centers, where labor could combine to keep labor up.

THE RECENT PANIC.

It is absolutely inevitable, while prices are falling, that men should be relegated to idleness. When it becomes apparent that the employer of labor is bound to lose money, it is only a question of time when the laborer must lose his employment—not merely suffer the loss of a part of his wages, but all his wages. Things must ultimately accommodate themselves to the volume of money. What happened during the recent panic was simply that not only the wages of labor but the prices of property commenced to adjust themselves to the volume of money in the country. They had both by every conceivable means been held above the range naturally consistent with that volume; and at last the law of supply and demand, in the relation between money and commodities, asserted itself. It is sought to divert attention from the true source of the difficulty by the assertion that the people had some fears as to the kind of money they were going to get.

There never was a more monstrous perversion of the truth. I do not believe that a man can be found in the United States who will say, so far as he is concerned, the panic had its genesis in any such cause. What he feared was that the institutions in which his money was deposited did not have it to pay him back on demand. The demand was not for gold, but for silver, or silver certificates, or any other character of legal-tender money.

Mr. McPHERSON. I understand the Senator to contend that it is not the kind of money, but the volume of money which determines and fixes the unit of value.

Mr. JONES of Nevada. Undoubtedly; nobody who has investigated the subject of the value of money will deny that proposition.

Mr. McPHERSON. If the Senator will bear with me a single moment longer, the fear the people of the country had was that there was a disposition to impose the free coinage of silver, uncertain in amount and quantity; that if whatever there was of quantity to-day in the world that would come from the mines to our mints was all to be coined into dollars, the result would be that the volume of that kind of money which was not on a par with good money, as the world understood it, would disarrange values or there would have to be a general readjustment of the values of property.

Mr. JONES of Nevada. In answer to the Senator from New Jersey, I can say that neither immediately before nor during the recent troubles was there a word said about free coinage. That question was not under discussion. The only silver question that could at all have entered into the minds of the people, if any did, was whether we could go on supplying this limited quantity of money to the people of this country. The question of free coinage, as everybody knew, was settled for such time at least as the present Executive held his position. There was therefore not the slightest fear of the unrestricted coinage of silver. Hence all that the Senator says about the enormous increase to be expected or feared in the amount of money by reason of free coinage falls to the ground.

Mr. McPHERSON. I draw no distinction between free coinage and the operation of the Sherman law, except as to the quantity. The Sherman law would bring us to a silver basis with the same certainty, but not so rapidly.

Mr. JONES of Nevada. I have shown that the quantity of money paid out under the Sherman law was not even sufficient to maintain the range of prices—and prices are of the essence of the question. The unit of money should be kept at a parity with the units of property and commodities. The producing masses of this country want a dollar that shall remain at something like parity with the pound of cotton, with the bushel of wheat, and with all other products of labor—not a dollar that shall be at parity with a metal which is constantly increasing in value to the unjust advantage of the bondholders and the moneylenders of the world. Our demand is a demand for equity and justice. We say it is not necessary that our money should keep at a parity with gold if only it will keep at a parity with justice. If keeping it at a parity with gold, which is a unit of chance, and which has been constantly increasing in value, is inconsistent with justice, then, I say, let gold go. If we have to take our choice between a gold standard and a standard of justice, we insist upon the standard of justice. The Senator from New Jersey takes the gold standard. We are willing to go before the people on that proposition.

Mr. McPHERSON. That is the standard of justice.

Mr. JONES of Nevada. The Senator says it is the standard of justice, yet it is everywhere admitted that gold has been constantly rising in value for twenty years, effecting a constant looting of the debtor in the interest of the creditor. Is it not extraordinary that we have never heard any complaint about a rise in the value of the money unit, but whenever there is a fear or suggestion of a fall in the value all hands are up? That is deemed a dreadful misfortune to the world; yet a rise in the value of money means the making of the rich unjustly richer and the poor unjustly poorer.

I will now resume the consideration of the question of a gold premium at the point at which I was interrupted.

Suppose a war to be imminent in Europe, and that Russia, in order to increase her war fund, should offer a premium of 5 per cent for gold, which is not an absurd supposition by any means; and suppose the other gold-standard nations of Europe, in order to attract to themselves the supply of gold, should make an offer of 10 per cent premium, which would be better than Russia's 5—does it follow that all the people of the United States who owe money should permit themselves to be mulcted in 10 per cent upon every dollar of *their* debt, so that the dollar to be paid by them to their creditors shall require from the debtors 10 per cent more sacrifice than the dollar which was agreed to be paid and agreed to be accepted? Yet, that is precisely what will happen so long as we maintain a system of what may be called international money.

THE RATES OF INTEREST.

Mr. McPHERSON. If the Senator will allow me, I want to get at the exact facts that he is contending for. It seems to me that if gold had appreciated interest would have gone up; it seems to me if gold had appreciated labor would have gone

down, as the inevitable consequence of his contention. Now, in the past ten or fifteen years we have seen the bonds of the United States, which we will consider a perfectly safe and not a speculative security, go down from 5 per cent to 2, the bonds being floated to-day at 2 per cent.

Now, as to the labor question I contend that labor has gone up for the past ten or fifteen years in a regularly increasing ratio. If in most of the countries that employ labor, large countries like England, the United States, Germany, and other countries, labor is paid an increased price year after year, I can not understand how those countries, being upon a gold basis, can stand that condition of things with the appreciated value of gold.

Mr. JONES of Nevada. I will say to the Senator that within the past few days I have more than once gone over that entire question. The proposition which the Senator makes is one of the most startling proofs of the disingenuousness of the statistics that attempt to show us the effect of improved processes and other alleged causes for the fall of prices. I think I demonstrated to the satisfaction of every Senator who listened to me that one of the most irrefragable proofs of an increase in the value of the monetary unit is a decline in the rates of interest. If money is increasing in purchasing power, if it is increasing in its command over land and over the products of labor—in other words, if prices are falling—who wants to enter business? Men prefer to wait until bottom prices have been reached. The man who puts up a factory when prices are falling finds that in two or three years his rival can put up one exactly similar for 10 or 15 per cent less money.

Hence, I say that when prices are falling money congests in the centers, because its owners are not willing to risk it in legitimate business. A keen competition, therefore, arises for first-class securities. This competition is incontestable proof of the advance in the value of money.

Why, in a new country like this, should interest fall? Why can not money be used as profitably now as at any period of our history?

Is not the field wide here for industrial enterprises? Is the country finished? Has it reached the fullness of its development? Had we a proper monetary system, could not a thousand, yes, ten thousand, enterprises be entered upon with advantage alike to projectors and workingmen?

Sir, everybody wishes to keep that which is going up and to refrain from investing in that which is going down. When prices are falling money is going up and all forms of property going down. This is why money accumulates in the centers, and why the competition for gilt-edged securities increases. No better evidence is needed of the advance of value in gold than the decrease of interest. While dollars are increasing in value men find it impossible to pay the old rate of interest and at the same time a constantly increasing value in the dollars constituting the principal. And it will be observed that during the last twenty years, as I have said, there is a remarkable coincidence between the ratio of the decrease in the rates of interest and that of the increase in the value of the money unit—a coincidence wholly inexplicable on any other hypothesis than that I have stated.

The instinct of thrift on the part of all mankind is to avoid that which is falling and to hold on to that which is rising in value. Hence the 4 per cent bonds rose from par to 127. What is a bond? Nothing but an obligation to deliver money in the future. During a period of falling prices capitalists want to be long on money, not long on property. At such times men do not want to be long on business. When business is declining, the value, that is, the purchasing power, of the dollar is rising. Hence everybody wishes to be long on money, and there is, therefore, competition to get nothing but money futures, that is to say, bonds.

Having already, however, dealt with this subject at some length in the course of my remarks, I will now resume the consideration of the question which I was discussing when interrupted.

DISADVANTAGE OF INTERNATIONAL MONEY.

In order to keep labor uninterruptedly employed contracts must be made long in advance and debts incurred covering years of time.

As money is not prized for itself but for what it will purchase, equity and justice demand that its purchasing power should be kept as steady and unchanging as possible. Otherwise time contracts and debts would work great injustice by compelling performance of much more than was contracted for, or much less, as the case might be.

Instead, however, of endeavoring to keep this power of money steady and unchanging, the people of every country that has an international money permit the value of their money to undergo constant fluctuation by reason of the outflow of the money of their own country and the inflow of that of a foreign country.

Suppose it were the case of some other great instrumentality of indispensable necessity to civilization. On account of the function which money performs in the proprietary distribution of property, it is frequently compared to a railroad train, which effects its physical distribution. Suppose great numbers of our locomotives and cars were daily put on leviathan ships and carried over the ocean, to remain on the other side until some exigency of the countries to which they might have gone should admit of their return to us? What a state of demoralization and paralysis would exist in every business in the country. Yet it would be trifling compared with the paralysis created by reason of the shipping out of great quantities of our money, upon the volume of which the equities of all contracts are based.

It seems to me, therefore, to be absurd that large quantities of the money of the country should be permitted to go out when we know that scores of millions of dollars of deferred obligations depend for their just and equitable settlement upon the the quantity of money in the country. So also it seems to me that the money of other countries should not come in here since we know that when it comes it produces inflation, and when it goes—as go it will—it produces contraction.

If we have the right quantity of money here, why permit any more to come in, and why permit any to go out? The gold-standard advocates contend that inasmuch as all that we might receive from abroad would be an advantage we should welcome it. But as we can not keep it, as we can not keep any more gold than our distributive proportion of the gold of the world, we gain nothing permanent by it. Our whole industrial system is deranged by its coming, and more than deranged by its going.

When the quantitative theory of money comes, as come it must, to be universally recognized as correct, then it will be considered folly for a government to permit the quantity, and consequently the value of the unit of money upon which so many equities are based to be changed merely for the purpose of accommodating a few men who wish to make purchases in foreign countries. Would it not be better to have a national money that would neither flow in nor flow out, than to have injustice daily and hourly perpetrated upon all the citizens of our own country, especially those least able to bear the injustice, namely, the debtors?

Should a separation finally take place between gold and silver money, it will be because of the constant and ruinous rise in the value of gold. Should population and business in this country continue to increase as for some years they have been increasing, and should the yield of gold from the mines diminish either absolutely or relatively to the demand for it, and the value of the metal under the operation of increased demand continue, as a consequence, to rise higher and higher, the time must come when gold and silver money must separate. The salvation of industry and commerce would depend on and require such separation.

We know that the world has been ransacked in vain for gold, and we know that there is not only a vast and constant increase in the world's population and business, but a constant increase in the consumption of gold for nonmonetary purposes in all the arts and manufactures, especially in dentistry. Unless great discoveries of gold are made—something in the highest degree improbable—there is not the slightest doubt that the gold standard must ultimately be abandoned or people will begin to suspect that after all it is not the "spots on the sun" that cause the periodic and frequent panics in countries of the gold standard.

The country that has the foresight to first perceive the necessity for its abandonment, and the intelligence and virtue to provide a proper and sufficient substitute, will lead the world in a career of unintermitting prosperity. It is not alone, nor necessarily, an inflation of the money volume that will drive gold out of a country. Even were that volume kept intact and steady, in its relation to population and business, gold might go by reason of the shrinkage of its quantity as compared with population and business, and with the amount previously in existence and doing duty as money.

If there be but one kind of money in a country, for example gold, or if all the money of the country be "redeemable" or resolvable into one, it may, without detection, go to what, for want of a better name, I must denominate a premium over itself; that is to say, it may become more and more valuable—acquiring greater and greater purchasing power day by day and year by year; yet there is apparently no way of measuring or estimating what has taken place except in terms of this same thing, gold. The fact, however, is that in such case the fall in the general range of the prices of commodities is the measure of the premium on the gold money.

Suppose prices fell 15 per cent it would be insisted that there was no premium upon gold, because none would be apparent, since all values would continue to be stated in the same terms as before.

But, suppose we had a money that was not scarcer then than before, and that in terms of *that* money there was no fall of prices, then we could see that a premium on gold really existed. If, however, in the one case, there was a fall of prices of say 15 per cent, and in the other case a rise of say 17½ per cent, it would cost no more in the products of labor to get the gold dollar in the one case than in the other.

Yet people talk about the premium upon the gold which each man happens to have on hand, as if that were a great factor in the case, when really the most powerful factor in a premium upon gold is a fall in general prices. It is in that way that gold is acquiring day by day greater and greater control over commodities. In this way the gold of each year is at what might be termed a premium over the gold of the year before; in other words, at a premium over itself. Yet it is not seen that there is any premium because men are constantly measuring gold by itself. It would be perceived and made perfectly plain and demonstrable to all the people that there was an increasing purchasing power in gold if we had another money by which we could see just what was taking place—a sort of monetary barometer.

Had we this other kind of money—a national money—it would measure the premium upon gold with precision and exactness, and we would see at once that this increasing purchasing power of gold was nothing but a premium upon itself, and that it would take no more of the products of industry to get the gold dollar under the one condition than under the other—that is to say, no more of the products of labor to get a given amount of gold when gold is at an open and admitted premium, than when, during a fall of general prices, it is at an unrecognized and undesignated premium. With a money of unchanging value the equities in all time contracts would be preserved without involving any hardship in obtaining any necessary quantity of gold. The few who might require it would be obliged to give no more commodittes for it in the one case than in the other.

Had we an ample supply of silver money, which would not leave the country, we would always have an equitable money. With such a money we should have something which would openly declare whether a premium upon gold existed or not, and if it did exist, would measure and record such premium. We could then clearly see that the fall of prices was a premium on gold. This would be an infinitely better monetary system than anything that is possible under the so-called gold standard.

Men who owed obligations in their own country would not then need gold. They would not be mulcted simply because other men were "short" on gold. The men who needed the gold would alone pay the premium when buying the foreign goods, but so also they would receive a "premium" when selling them. Hence they would lose nothing.

Only gamblers in money who were "short" on gold would lose anything.

THE MONEY OF THE COUNTRY SHOULD BE ADJUSTED TO THE HOME TRADE.

The money of a country should be adjusted not to the conduct of an incidental and subordinate trade, as against the dominating trade; not to facilitate a foreign trade as against, and to the injury of, the domestic trade. Have Senators ever stopped to consider what are the proportions existing between the domestic and the foreign trade of the United States?

Mr. Edward Atkinson, in his book entitled "The Industrial Progress of the Nation," computes the production of this country by all who are at work at such a sum as makes a little over an average of $200 per head of the entire population. Assuming our population to be, in round numbers, 70,000,000, this would give a total production of $14,000,000,000 per annum. But business does not end with production. It is estimated that each article is bought and sold at least three times before being consumed. As, in computing foreign trade, we count both exports and imports, so, in ascertaining the total trade, we count purchases and sales. We must therefore add to the $14,000,000,000 a further sum made up of the treble sales and the treble purchases which constitute the commerce of the country apart from production.

We have, therefore, these figures:

Production	$14,000,000,000
All purchases	42,000,000,000
All sales	42,000,000,000

making a total of $98,000,000,000 of production and commerce, not computing anything for profits on the transactions. Of this vast sum, what proportion is the foreign trade of the country? Last year it was larger than ever before in our history, and still it amounted to less than $1,900,000,000, or considerably below the one-fiftieth part of our total trade!

When we keep in mind this colossal sum constituting the business of our own people among themselves, it must be obvious that the monetary question of most importance to the population of the United States is by what form of money they can equitably exchange products and pay debts among themselves.

The need for gold is not for the purpose of making payments on all foreign purchases, but for the purpose only of settling momentary balances, or excesses of imports over exports, which are never more than the merest trifle in proportion to the total trade. Had we a permanent balance every year against us of $50,000,000, to be paid in gold, two-thirds of it could be paid from the products of our own mines. But even the $50,000,000 would be but the one-fortieth part of our foreign trade, and would, therefore, be but the *two-thousandth* part of our entire business. Yet it is this infinitesimal demand for the money of a foreign country that induces Senators to persist in adhering to a standard that is disturbing the equities of all time contracts in their own country and through falling prices relegating to idleness large numbers of the population.

GREENBACKS AND GOLD DURING THE WAR.

Undoubtedly the foundation of the popular fear of a premium on gold is the idea that in order to trade with other countries we must use for our domestic money the same money material as the countries with which we trade; and the discount on our paper money during our late war is pointed to as a warning. But that discount was not in the slightest degree due to the character of the material of our money, but to the *number* of the dollars that were put into circulation. It was the excessive quantity of the money units in circulation that caused the variance in purchasing power between the paper unit and the gold unit. Who will deny that if the whole number of our dollars of all kinds had been kept strictly limited to a number equal to the number we had at the time the war began, every dollar of the paper would have remained equal to gold?

The great fluctuations in the relation between greenbacks and gold were not, however, a correct measure of the so-called depreciation of the greenback. It frequently happened that the premium upon gold was enormously greater than the relative values of the two things, greenbacks and gold, as measured in everything else. The overplus simply indicated that a little "corner" or "squeeze" in gold was for the time being made in the market. A simple illustration will be sufficient to show this: When there was a change of 3 or 4 per cent in the premium on gold, as there frequently was within twenty-four hours, it was not found that all the values in the country fluctuated to that extent in a day. The wages of men were not readjusted from day to day, nor did the prices of commodities, measured in greenbacks, suffer any such sudden change. It meant that some persons were in great need of gold at that moment, and a "corner" was created in order to squeeze them.

There was but a small supply of gold in the country, and it was subject to demand and supply on the spot where, and at the moment when, needed. The premium did not, therefore, correctly measure the relative values of the two kinds of money.

Take the range of prices in England and in this country in gold all through the war, and it will be found that when there was a little corner made here, and the metal ran up to a high figure, it was not owing to any corresponding change of prices.

Gold was then a commodity in this country, and the elements that governed value in all other things governed its value—namely, demand and supply at the time and place where wanted.

Those who sold gold without owning or having it frequently found the market cornered, and at whatever cost, had to get it for delivery on the day on which they had engaged to deliver it. In no sense, therefore, did it measure the relative values of things, according to the medium in which, at the time, all things in this country were bought and sold.

The fact is that during the war we were simply calling two different things (a paper dollar and a gold dollar) by the same name, "dollar," leading people to the idea that they represented one another. Instead of having relation to one another the paper dollar was simply the dollar, or money unit, of this country. What the thing called the gold dollar really represented was a fractional or proportionate part of the value created by the whole number of dollars (or their equivalents) of gold in use throughout the world, as modified by the varying numbers in the different gold-using countries, and by the amounts of silver and paper money in use in those countries. Prices in one country having the gold standard must bear a certain relation to prices in every other country that has the gold standard. With any other kind of money unit than a gold unit we might, therefore, without the slightest injustice or depreciation in our money, separate from the gold standard. Had we never called the two things by the same name, the word "premium" could not be used to describe a difference between them.

For example, had we never had a gold dollar, but had a paper dollar, and had we found that at one period a certain number of grains of gold could be got at a certain rate in paper, that is, in

the money of the country, and that at a subsequent period they would cost more, people would not conclude that our money had depreciated, but simply that gold, which was in no sense the money of this country, had risen. Especially would this be the case if, as measured by our money, the general range of prices had been maintained practically unchanged.

But viewing gold as an unvarying thing, it has been taken for granted, without examination, that it has not been appreciating.

IT IS SAID THAT OUR MONEY MUST BE AS GOOD AS THE MONEY OF ANY OTHER COUNTRY.

The advocates of the gold standard lay great stress upon the necessity of our money being as good as the money of any other country.

Yet we know that with a given amount of gold we can buy twice as much labor in England, and three times as much on the Continent of Europe, as we can in this country. How, then, can any comparison whatever be made between the moneys of the respective countries, and is it not absurd to talk about the money of this country being kept as "good" as the money of any other country?

The value of money in any country is based on its purchasing power in the country of its coinage or issue. Any person in one country who wants the money of another country can buy and must buy that money with such goods as he may have, and at such rates as it can be got for, measured by the products of that country.

If a man abroad wants to buy some particular product in the United States he will purchase the money of the United States with that of his own country, and with our money he or his agent will buy and pay for the product of which he is in need. In other words, he will buy a bill of exchange on the United States. The very purpose of a bill of exchange is, as it were, to transmute the money of one country into that of another. As to any two countries, the money of either will, to the full extent of the export trade of that country, buy on absolutely equitable terms, the money of the other country, of no matter what material the money of either may be composed. The ratio of the two moneys in exchange will, of course, be proportioned to the purchasing power of the units of the two in their respective countries.

This rule holds good, no matter how poor a country may be. Even in the case of bankrupt governments it holds perfectly good.

For instance, the money of Turkey, whose bonds are worth little or nothing, is as good in London as in Turkey, up to the limit at which English merchants have to pay for goods which they have bought from Turkey, minus, of course, a small percentage for exchange and charges, as in the case of the money of any other country.

Or again, suppose there were in London a sum in Japanese yens equivalent to £10,000,000, and that 40,000,000 yards of Japanese silk were imported at 5 shillings a yard. That money would pay for them, and, after deducting a small charge for exchange, would, although not legal tender in England, have in London all the value it had in Japan.

The money of this country will likewise, on terms absolutely equitably, buy the money of any other country to the extent of our exports. Should there be an excess of importations from gold-using countries over exportations to such countries, there would be a small premium on exchange.

These are matters for adjustment between exchange dealers and those who, without foresight, send goods here from abroad to be sold in our market, or who, living here, buy abroad more than can be paid for by the exports of our own country. Losses of exchange should not be made to fall on all our people, but only on those who are responsible for them. Any country that has a balance of trade in its favor can always, to advantage, get so much of the money of any other country as it may need.

ADVANTAGES OF A NATIONAL, AS CONTRADISTINGUISHED FROM AN INTERNATIONAL, MONEY.

Mr. President, extraordinary anxiety is expressed lest we should go to a silver standard or a silver basis, and thus "separate ourselves," as the advocates of the gold standard say, from the commercial nations of Europe. The "commercial nations" in this case mean only Great Britain and Germany, because there would be no difficulty in exchanging silver with France. The other nations of Europe outside of the three named, so far as our commercial relations are concerned, are not worth taking into account.

Now, I, for one, believe in submitting things to the test of reason. I am not willing to take the word of any man in matters of reason without investigating for myself. Let us then inquire what injury could result to the people of this country if we should have a money not international in character. For although there is, strictly speaking, no such thing as international money, yet in view of the fact that a special material has unrestricted access to the mints of several countries, and is therefore potentially money in those countries even when not coined, we may, for the purposes of the discussion, term gold international money.

There are two great evils inseparable from the use of what may be termed international money: First, the demand of a large group of nations being made upon the same money material, the supply of which is insufficient for the constantly growing exchanges of those countries, there must result a continuous and progressive fall in general prices. Second, the money of each country in turn is taken out of the circulation and shipped to other countries, whence in time it is returned, only to be shipped out again, thus maintaining a process of seesaw in the course of of prices in the various countries affected. So that by basing all transactions, both internal and external, upon an international money, trade and industry are kept in a constant oscillation between bad times and good times—between inflation and contraction. Hence prosperity, like the ocean tide, has its ebb and flow. It is said to come in "waves," and so long as nations adhere to the shrinking gold standard prosperity can come in waves only. So long as we use a money material common to all nations, or to a large group of nations, not only are we never sure of having enough for the needs of our own people, but when any difficulty occurs in a foreign country we are subjected to extreme variations in the value of our money because of foreign embroilments over which, in the nature of things, we can have no control. All this would be avoided by the possession of a money purely national.

UNDER A SYSTEM OF NATIONAL MONEY, WHO WOULD NEED GOLD, AND HOW WOULD THEY GET IT?

No amount of energy, industry, enterprise, or thrift can keep a country uninterruptedly prosperous while large quantities of its money are flitting back and forth across the ocean, alternately contracting and inflating the money volume, alternately lowering and raising prices, disarranging contracts, destroying equities, defying foresight, inducing bankruptcy and producing misery. Were our money exclusively national, then, should the balance of trade go against us, it might be that, so far as this country is concerned, the international money would go to a premium. But who would want international money? Who would be compelled to have it? Two classes of persons only. First. Our importers of foreign goods, and they to the extent merely that they have bought more largely of foreign goods than the merchants of foreign countries have bought of our goods. Second. Railroad and other corporations which have outstanding bonds payable in gold.

As to the first class: If the importer paid a premium he would not be a loser, because he would recoup himself by charging so much more for his goods, and this extra charge should very properly be paid by those among our citizens who prefer foreign-made articles to those of American manufacture.

As to the second class, namely, railroad corporations having outstanding obligations payable in gold: Under a system of national money they could as readily command gold as they now do. How do railroad companies now command gold? By rendering certain services in the transportation of persons and commodities for which the public pay certain rates of fare and freight. The more active and remunerative the business of their patrons the more thriving must necessarily be the business of the railroads. Whether under a gold régime or any other, if the business of the people be stagnant and unremunerative, the business of the railroads can not be prosperous. A farmer or cotton-planter can better afford to pay a high rate of transportation on wheat or cotton that is marketed at a rate which yields a fair profit than to pay a much lower rate on the same commodities marketed at bare cost of production or at a loss.

The prosperity of the railroad companies depends on the prosperity of all the people of the region through which the roads run. This prosperity can not coexist with persistently falling prices of the commodities which it is the function of railroads to transport. Want of prosperity among the people means ruin and "receiverships" for railroads. Such want of prosperity is the inevitable result of a shrinking money volume.

With a national money that should keep even step and pace with demand there would be confidence in the stability of prices, safety in the making of time contracts, consequent prosperity in the course of business, and uninterrupted enjoyment of all the people. These are the elements that enter into the prosperity of railroads, as of all other business enterprises.

I have said that railroads now get gold by rendering certain services for which the public make certain payments. The money received in such payments bears a certain average relation to commodities, and, at that relation, commands commodities. Under a system of national money the payments which railroads would receive would be in such national money, which would have a certain control over commodities in this country. As commodities now in this country bear relation to gold, and at that relation command gold, so our national money, which

would always bear relation to our commodities, would at that relation command gold.

The only difference would be, that whereas now the increase in the value of gold is furtive and unperceived, because we use gold as the "standard" and measure it by itself, a national money would exhibit this baleful increase in all its deformity, and would register the degree in which, from month to month and year to year, gold was departing from the level of equity and justice, and the degree in which it was confiscating into the possession of the creditors the property of all debtors in the countries which adhered to its so-called "standard."

Should a premium arise on gold by reason of a decline in the value of our national money (measured of course in commodities) that would be one thing; but if by reason of a rise in the value of *gold* (measured likewise in commodities) that would be another and wholly different thing. It would be a benefaction to this country to have a money that would neither rise nor fall in value, and I must here repeat that the value of money means *purchasing power;* it has no other value. If, however, gold should rise, and there were a sufficient supply of national money with which to do our business and maintain the average range of prices undisturbed, then a premium on gold, as measured in our national money, could not exist until the prices of commodities, estimated or expressed in national money, should come to bear the same relation to prices estimated or expressed in gold that the purchasing power of our national money would bear to the purchasing power of money in gold-using countries.

In other words, a premium could not arise on gold until the general range of prices of commodities, expressed in national money, rose to a degree corresponding with the premium on gold. Hence commodities would command as much gold as if the national money did not exist, and the few persons who might owe gold debts would have no more sacrifice to make, in order to get gold with which to pay those debts, than if there was no national money. Indeed they would not need to make so much sacrifice, inasmuch as if all the gold of this country were permitted to go to and remain in Europe our exports would bring better prices there, and so command more gold than if we should insist on maintaining the struggle for a share of the world's supply of that metal.

On the other hand, with gold only for money, or with money redeemable in gold, the increasing value of the monetary unit would be wholly unperceived, except as evidenced by the fall in the prices of our commodities. That fall would occur, not in prices of imported articles merely, but of *all* articles whether imported or domestic. This would create a subtle but enormous increase in the obligation of all domestic debts—debts amounting to many thousands of millions of dollars. Gold has increased in value—that is to say in purchasing power—50 per cent in the past twenty years, or at the average rate of 2½ per cent per annum, so that the indebtedness of our people, measured in sacrifice has, by reason of adherring to the gold standard, cost them that much more than they were equitably required to pay.

With a national money—a money which would not be sent out of the country, there would be no great rise or fall of prices, and no great changes in the volume of money. All the money would remain in the country, for the use of our own people, and all differences in exchange would then be settled (as they *should* be settled) by commodities.

It would then be as profitable to meet balances of trade with commodities as with money, because our money would in foreign countries be mere merchandise, which, I assert, is as it should be. The money supply of our country should not be continually oscillating between a feast and a famine, alternately raising hopes and dashing them to the ground.

WANT OF PARITY NO OBSTACLE TO FOREIGN TRADE.

The absence of a parity between the moneys of nations does not affect their foreign trade, as some would have us believe. I challenge any gold-standard Senator to point to an authority of repute on political economy who anywhere pretends to assert that any nation having money other than gold is, or can be, injuriously affected in its business or other relations by any variance in what is called the parity of moneys. The money of this country, whether gold, silver, or paper, will always command—will always purchase—upon equitable terms, the money of any other country with which we have commercial relations, whether those relations be directly with itself or through other countries.

One of the most eminent of economists, Prof. J. E. Cairnes, of the University College, London, though an eminent advocate of the gold standard, in his Leading Principles of Political Economy, says:

> It appears to me that the influence attributed by many able writers in the United States to the depreciation of the paper currency, as regards its effects on the foreign trade of the country, is, in a great degree, *purely imaginary*. An advance in the scale of prices, measured in *gold*, in a country, if not shared by other countries, will at once affect its foreign trade, giving an impulse to importations, and checking the exportation of all commodities other than gold.
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> A similar effect is very generally attributed by American writers to the action on prices of the greenback inconvertible currency. But it may be easily shown that this is a complete illusion. Foreigners do not send their products to the United States to take greenbacks in exchange. The return which they look for is either gold or *the commodities of the country;* and if these have risen in price in proportion as the paper money has been depreciated, how should the advance in prices constitute an inducement for them to send their goods thither? The nominal gain in greenbacks on the importation is exactly balanced by the nominal loss when those greenbacks come to be converted into gold or commodities. The gain may, in particular cases, exceed the loss, but, if it does, the loss will also, in other cases, exceed the gain. On the whole, and on an average, they can not but be the equivalents of each other.

I find this point touched upon also by an American writer whom I regard as one of the ablest contributors to the literature of political economy to be found in this or any other country. I allude to Mr. John P. Young, the managing editor of the San Francisco Chronicle. In a luminous article on bimetallism in the issue of that journal for August 3, last, Mr. Young says:

> But the suggestion that this country might have a sole silver currency is the bogie that frightens many who know little or nothing of the subject. "To have a sole silver currency" in their eyes means unparalleled disaster. Such people completely ignore the fact that during the period that we had a sole gold currency no one thought that the country was threatened with ruin because the dearer silver was not coined. Such as gave the subject a thought at all and had any real knowledge of the difficulty desired that the mistake of undervaluing silver might be corrected, but they would have judged a man a fit candidate for the lunatic asylum had he asserted that disaster would certainly follow the free coinage of gold because it was cheaper than silver. * * * If a nation has resources and a people capable of developing them it will increase its wealth no matter what sort of money it employs to circulate values, provided the standard of values is not tampered with.
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> Between 1860 and 1880 the precious metals, silver and gold, were not used to circulate values in the United States. Our only currency was the greenback—except in California. There was no demand for gold except that artificially created by promising to pay the interest on bonds in money of that metal, yet during the period in question, in spite of a devastating war during which production was interrupted and vast quantities of property destroyed, the wealth of the United States increased from $16,160,000,000 to $43,642,000,000, or nearly threefold in twenty years. If the theory of those who make a fetich of gold were sound this could never have happened. Nor while we were increasing our wealth at home did our foreign trade suffer. That went on precisely as described by John Stuart Mill in his chapter "On the Foreign Exchanges." After supplying an illustration, Mill remarked:
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> "It thus appears that a depreciation of the currency does not affect the foreign trade of the country. This is carried on precisely as if the currency maintained its value. * * * If the currency is depreciated 10, 15, or 20 per cent, then in whatever way the real exchange arising from the variation of international debts and credits may differ the quoted exchange will always vary 10, 15, or 20 per cent from it. However high this nominal premium may be it has no tendency to send gold out of the country for the purpose of drawing a bill against it and profiting by the premium, because the gold so sent must be procured, not from the banks at par, as in the case of a convertible currency, but in the market at an advance of price equal to the premium."

Bank of England notes will at any time, and at equitable rates of exchange, buy the money of any other country with which England has commercial relations—direct or indirect. Why? Not because they are payable in gold, but because they will command commodities in Great Britain. The ultimate object of money is to command goods—to purchase commodities. Money is an order for goods in the country of its coinage or issue—a guinea, as Adam Smith says, being nothing more than "an order for goods on all tradesmen in the neighborhood." Any form of money that will command commodities in Great Britain can, therefore, in any country of the world, be exchanged at equitable rates for the money of other countries, because almost all countries have commercial relations with Great Britain. Should the comodity desired be gold itself the situation is in no sense altered. The principle is the same. Even gold coin is but a commodity in every country except that whose stamp it bears.

Where, as in Europe, a number of small countries lie close together, and the plane of living of the people of all such countries is about the same—especially, if travel between them is very general—the utility of what may be termed an international money is much more obvious than under other and directly opposite conditions.

THE POSITION OF THE UNITED STATES.

Where a country is of continental proportions and separated by thousands of miles of broad ocean from another country possessing a certain character of money; where, also, the manners and customs of the people altogether differ, and the level of life for the masses is much higher; where, instead of four or five millions, or even twenty or thirty millions, of inhabitants, the country has 70,000,000; where, too, a country is in no way dependent upon other countries for the supply of its needs, but has within itself every element necessary to the supply of all the wants of its people—but, above all, where the spirit of freedom and independence prevails to a degree unknown elsewhere—there is no necessity whatever for a money system corresponding with that of any other country. On the contrary, when the situation comes to be carefully analyzed, many reasons will appear why it would be better for such a country not to have a financial system to correspond with that of other countries.

If money be necessary at all, it is necessary *all the time.* What-

over the volume of money may be, that quantity is needed every day and every hour of the day. There is no circumstance of business or season of the year in which it is not necessary that the volume should be steady. The equities of all contracts depend upon it. In transactions requiring deferred payment, justice is impossible unless the money volume increases with increase of population and demand. It is as unwise, therefore, for the people of a country to permit their money to be taken away in any material quantity as it would be to permit the agricultural implements employed in the country to be taken away when they were needed for the operations of agriculture—indeed it would be more objectionable and injurious to take the money than the agricultural implements, because the season demanding the use of agricultural implements is short, while the season for money is the entire year—and every day of the year.

The advocates of the gold standard lay great stress upon the fact that 95 per cent, as they call it, of the business of the world is transacted now with checks, drafts, notes, and bills of exchange. Ninety-five per cent of the business they regard, and rightfully regard, as a very large percentage, but when we show that 95 per cent of *our* business is *domestic* business, is a business between our own people themselves, and not between our own people and foreigners, then the 5 per cent done with foreigners becomes of enormous importance, while the 95 per cent done between our own people is a matter of no consequence whatever!

THE POSITION OF THE REPUBLICAN PARTY.

The "revenue tariff" advocates are criticised by our protectionist friends because, as is said, they do not take an American view of the tariff. The protectionists, however, refuse to take an American view of the money question. The protectionists of to-day lack the courage with which the Republican party set out in its great career. They have not the courage to investigate this great question of money from a national, or natural, point of view. A true American should be amazed to hear that no money is good money unless it be the money of Great Britain and Germany. Whenever those two countries say to us that we may use silver as full legal-tender money, then our Republican protectionist friends are willing that we may do so. Silver will then be good American money, not before.

This is a "lame and impotent conclusion" for a great national party—the party of human freedom. The slavery of 1861 was that of an inferior race. There is a slavery of to-day which it is sought to perpetuate, and which, while not so palpable to the common view as that of 1861, is more far-reaching and repulsive and baleful in its consequences, because it is a slavery of the producing masses of the white race all the world over. This slavery our people can not escape. Against it, forms of government are no defense. If we do the bidding of the money-lenders, and maintain the gold standard, we must expect our producing classes to become year by year more and more depressed, provided they are willing to tolerate the conditions which the gold standard renders inevitable. One of the plainest of those conditions is that the lands are to pass into the proprietorship of mortgage companies and other rich creditors, while our working farmers are to be transformed into tenants, as in Europe.

The respect in which our people, however, differ from those of Europe is that they are not disposed to tolerate European conditions. The political unrest of the past year or two in this country and the serious defection from both the leading political parties, speak to Congress louder and more plainly than do the bankers and the chambers of commerce.

It is impossible to misapprehend or mistake the spirit of our people. For many years past demands for the free coinage of silver have been made by all the leading organizations of labor and all the great associations of agriculturists in this country.

It will not do to say that these men do not understand the monetary question. They understand it much better than the advocates of the gold standard suppose.

What an absurd idea it is that we can not tell a week in advance what shall be the volume of money in our own country.

It is absurd for 70,000,000 intelligent people to submit their entire business, with all the delicate and multifarious equities existing between debtors and creditors, to the dictum of foreign governments and peoples.

THE COINAGE OR ISSUE OF MONEY A GOVERNMENTAL FUNCTION.

All governments reserve to themselves the right to coin money. It is impossible to obtain money except through the instrumentality of governments. Is it not the duty of a government to adopt a monetary standard that will admit of the possibility of a sufficient volume of money being obtained for the transaction of the business of its own people, and to protect it against both inflation and contraction. The government after all is but the people in their collective capacity, and the collectivity may do, and in fact, as to money, must do, what can not be done by the individual. The happiness of all the people depends upon their having a sufficient volume of money, and no government should divide responsibility in so important a matter with any foreign government.

An inflow of money, by tending to make prices rise, gives an impetus to business. No sooner has the process commenced, however, than a contrary influence begins to assert itself, and the money by flowing out of the country leaves our industries without monetary support.

With a national money properly regulated and the banks held under strict control and restraint with reference to the extension of credits, a general or widespread panic would be impossible. In matters on which there was a diversity of judgment there would, with any system of money, be chances of disaster. There would be occasional overspeculation in town lots, or too many people entering into special lines of business, but the effects would be local and limited—local as to places and limited as to classes of business. There would be no general panic.

It is one of the inalienable rights of a free people to provide themselves with a sufficient and properly regulated money system, regardless of the systems prevailing in countries of less enlightenment, or in which the rights and interests of the people are subordinated to the cupidity of money-lenders and privileged classes.

During the late war we had not the manufacturing resources that we now have. The support of our Army and Navy created a demand for goods of all kinds. Our imports enormously exceeded our exports, and we became "short" on gold. Then the Europeans had us at a disadvantage and we had to issue bonds for coin with which to pay for foreign purchases.

But now positions are reversed. It is we who have products that the Europeans must have, and while they produce nothing that is indispensable to us, we produce articles of prime necessity which are absolutely essential to their very existence.

THE VALUE OF AMERICAN MONEY SHOULD NOT BE PERMITTED TO DEPEND ON THE ACTION OF OTHER GOVERNMENTS.

The more one reflects upon this question the more monstrous does it seem that the value of money in this country should depend on the will or whim or cupidity of the governments or people of other countries. If by reason of wars or otherwise the people of other countries suspend specie payments, they can, by suspension or resumption of such payments, affect the value of every dollar in the United States, simply by taking the money out of this country and storing it up in their vaults, as they are now doing.

Suppose that our national monetary unit should represent accurately the amount of sacrifice that a debtor equitably and honestly owes—suppose it should represent precisely the value that was agreed to be delivered in repayment of a debt—when we know that the value of the monetary unit depends on the number of units circulating in the country, could we look with satisfaction upon a process by which without any control upon our part foreigners, whether through their wars or otherwise, could in effect alter the terms of all our domestic debts and contracts? Had we a money system that secured justice and maintained equity, how is it possible that we could be at a disadvantage in comparison with a country that had an unjust system?

Whatever our money may be, it will be good abroad to the extent of our exports, and we do not want any better condition than that. We do not want a money that can be shipped out, to the injury of our business. If any of our importers wish to buy in excess of the sales being made by our exporters, then it becomes the personal business of the importer to settle his debt without inflicting injury on domestic debtors, who are practically the people of the entire country. Had we a national money we should have an unerring barometer, which, by the rise of foreign exchange, would notify us that we were importing more goods than we were exporting. Merchants and others could then adjust their business relations accordingly, and no one could be injured.

The English economists and professors insist with vehemence on the theory that goods are paid for in goods, not in money. It was the acceptance of this theory that led to the rejection of the so-called mercantile system, which regarded money as the only wealth—as something whose possession for its own sake was the main object of commerce.

Their whole theory of political economy is based on the idea that imports are paid for by exports, and that all international trade is barter. If correct in this why need they express so much anxiety lest the money of a foreign country go to a premium in this? The premium could affect only those of our people who wished to use articles of foreign production—and whom else should it affect?

FALLACY OF BASING MONETARY DISCUSSIONS ON A MERE FOREIGN TRADE.

Owing to the influence of England, which was the first of the civilized nations to develop a large foreign commerce, all discussions on money are based upon foreign trade. This may

do for Great Britain, but will not do for the United States. The poverty of the masses of the people of that country is such that in proportion to their foreign trade their domestic trade is much less per capita than that of the United States. But this comparison is not one derogatory to this country. On the very contrary, the superior purchasing power of our people is that which constitutes the source of their prosperity and independence. Hence the conditions of the two countries widely differ. Our internal commerce is enormous. One of our trunk lines of railway—the Pennsylvania Company—hauls more tons of freight in a year than the entire foreign shipping of Great Britain.

With such a statement before us, can any Senator explain why the United States should attempt to adjust its enormous domestic interests to the moneyed necessities of a business that consists of a mere one-fiftieth part of our entire trade?

In any event when we buy gold we have to buy it with commodities. Inasmuch as every man must get or "buy" the money of his own country with commodities, the product of his labor, will not that money in its turn buy gold, should it be needed to pay importer's balances?

THE BALANCE OF TRADE.

Had we a money exclusively national, our importers could buy to whatever extent they pleased without disturbing the prosperity of the country. Nobody would even inquire whether there was a balance of trade against us or not. He who bought would simply have to make payment according to his agreement. He could not and should not be permitted to make payment by sending our money out of the country, to the detriment and disadvantage of all who owe debts in this country, and they are nine-tenths of the people. He could not turn his property into foreign money, but would have to turn it into money of his own country. He could not deprive the people of his own country of their natural supply of money, the supply necessary to maintain the equity of contracts.

When the balance of trade is against us it means that we are going to lose a part of our money. With a money exclusively national the balance of trade would not affect us at all. It would be a matter of personal concernment only to the importer. It would leave him to make payment according to contract, and would remove from the idea of an adverse balance of trade all the objections that now attach to it.

Under a proper system of money we should not have more than enough to do our own business, at a firm and natural level of prices. That much we need all the time, and it is a great injustice to our people to arbitrarily disturb the system upon which the prices of the products of their labor depend.

Whenever our national money were offered for sale, foreign nations would be glad to take it to the full extent of our exports. Should a larger amount be demanded, or, in other words, whenever our imports should begin largely to exceed our exports, then, undoubtedly, a premium would begin to operate against us. This would not be unnatural, nor would it be a disadvantage. Like the index upon the steam gauge, the premium would, as it rose, indicate the increasing pressure. Like an automatic attachment, it would ring a note of warning, gentle at first, but increasing in force until heeded. It would announce that the imports of the country were exceeding its exports, and that the time had arrived for the curtailment of importations; or that, if they continued, it should be for the importer to arrrange for payment.

In discussing international trade the advocates of the gold standard altogether lose sight of a most important fact, namely, that a premium means *a reduction of the prices of exports*. A certain range of prices prevailing in this country, a premium arising on gold would mean that at present prices the merchants of gold-standard countries are not willing to buy our goods, but by giving those merchants a premium, they are enabled to take the goods at the prices at present prevailing here, and dispose of them in their own country at a profit.

If importers do not wish to pay a premium on the money of a foreign country they should see to it that they do not exceed in imports the export business of their own country. It is no hardship on them to require them to keep themselves informed of the conditions of their own trade. A man who brings foreign goods into the country should be compelled to make his own computations as to how he is going to obtain the money with which to pay for them. There is no difficulty about the computation, and, so far as the country at large is concerned, it would be found that the foreigners would very much oftener have to pay a premium upon our money than we should upon theirs.

If the foreigner buys our goods, with what will he pay? With our money, or with goods measured in our money; that is, the goods of his own country. If the foreigner does that, he will be willing to give for our money its equivalent in grains of gold.

The subtle consideration involved in this proposition is that our money will be, and must be, good to the full extent of the amount of our exports. It always will, and must, purchase upon absolutely equitable terms to the full amount of our exports the money of any other country.

No country can have an equitable system of money for its own citizens while permitting foreign governments to be partners with itself in the matter of its money. It would be better to have such a partnership in other things than in money, yet the idea of partnership between nations in the matter, for example, of ships, would be considered absurd.

There are many things as to which this country has no partnership with other nations, yet as to which we have prospered exceedingly. Then why a partnership in money?

Had we a national money no foreign crisis could disturb the prosperity of our people. There could be no general crisis here.

Should the money of a foreign country become too high, we should have an alternative; that is to say, we should not need to buy anything from that country beyond the so-called equilibrium of trade. But if we use the same character of money as the people of that country do, a scarcity of money with them may produce a widespread panic in our country.

Had we a money of unchanging value, by reason of a proper regulation of its quantity, what possible disadvantage could come to us from the lack of foreign gold? We should always have $35,000,000 of gold every year from our own mines; and gold is offered in every country in the world for our products.

SUPPOSE CONTRACTS WERE MADE NOT IN TERMS OF MONEY BUT WHEAT!

Suppose the people of the United States in all their dealings, foreign and domestic, should make their contracts for payment, not in dollars, but in pounds of wheat. Suppose the foreigners insisted that in these transactions the Americans should use the system of scales and weights that were used abroad. And suppose we found after awhile that according to the foreign system the specific gravity of the pound weight was constantly and wrongfully increasing. Suppose that upon this discovery, objection was made by many Americans to making payment according to this foreign standard, what would be thought of other Americans who should noisily insist that payment should be made to these foreigners according to the pound which was constantly increasing in weight, although they knew or could readily ascertain that this increase of weight was surreptitious, clandestine, and fraudulent?

Suppose the payments to have been made, however, according to the interpretation placed upon the contract by these noisy Americans, many of whom regarded themselves as citizens of the world rather than of the United States, and that all foreigners declined to enter into further obligations except upon the understanding that Americans making foreign contracts should use these foreign scales and weights. Very well. What injustice could there be in letting such of our citizens as insisted on making foreign contracts on those terms carry out their contracts according to their agreement, letting each man individually pay his indebtedness to the foreigner according to the terms and understanding of the contract and according to the scales and weights of the foreign country?

But what objection could there be to permitting all the remainder of the people of the United States conducting their business among themselves according to the scales and weights which were the standard in the United States—scales and weights by which exact justice may be meted out between citizen and citizen.

Prosperity can not come from injustice. Let *our* people among themselves have just weights and measures; let the foreigners have such weights and measures as they please. Those who make contracts with foreigners may use any scales provided for by the contract. But why should not our own people, among themselves, use scales that are perfectly equitable—what injury or injustice can happen to any one by such a course?

ADVANTAGE OF HAVING CORRECT SCALES AND TRUE WEIGHTS.

By having correct scales for the home trade the equities between our own people are preserved. If any individual wishes to make a contract which requires him to pay in certain prescribed scales and by certain prescribed weights, he is entitled to make his contract as he pleases. But why should he find it necessary to force upon all the other people of his country the inequitable scales and weights of foreigners and make them the standard of his own country, so that no sign of the iniquity may be discernible, no evidence of the wrongful aberrations observed?

If we have correct scales and weights for our own domestic transactions, we shall be able to see the errors of the others. If we have no scales or weights other than those of foreign nations, which are constantly increasing their measuring power over commodities, our people will not be able to perceive the wrong which is inflicted upon them, and will have to undergo much suffering from causes which they can not explain.

So, as I have stated, we do not escape the payment of a premium by having the gold standard in this country. The fact simply is that, everything being measured in gold, all changes that take place are attributed to conditions affecting commodities. The masses of the people are not prone to suspect changes to occur in that which they are taught to regard as a standard.

No nation, whether on the gold standard or not, can keep more than its distributive or proportionate share of the world's gold. Hence any influx of gold into a country beyond the customary stock can be merely temporary. Only national money will remain to perform the money function among the people. This property in national money, instead of being a vice, as the gold-standard men assert it to be, is a crowning virtue.

Had we free coinage of silver no one would want gold, because, even if as supposed by the gold-standard advocates, gold should then be hoarded and withdrawn from circulation, prices of commodities might fall instead of rising. In that case our foreign purchases would become less, so that balances would be in our favor.

THE MONEY SYSTEMS OF EUROPE NO CRITERIA FOR THE UNITED STATES.

Compared with the United States the population of the European countries is stationary. The money systems of those countries, therefore, are no criteria for us. With the character of our population, their enterprise, their energy, ingenuity, and aspiration, their aptness in adapting means to ends, they would make this country the center of civilization and of progress.

If we have an international money we must content ourselves with international prices. It is only when prices have gone up above the international range that gold begins to go out, and if the gold product should continue small, and a constantly increasing amount of it be consumed in the arts, the chances are that without any inflation whatever gold would continually get dearer, and the two metals might part company. They are more likely to remain together, however, if this country does not enter into a contest for gold.

It is impossible, as I have said, for gold to go to a premium in this country until substantially all the gold in the country has gone out, and it will take a large amount of silver to drive out all the gold. A silver dollar can do no more in that respect—can do no more toward sustaining prices or sending out gold—than a gold dollar.

It is admitted that we have $600,000,000 of gold in this country. How long would it take for that gold to go out and $600,000,000 of silver to take its place, and what would be the effect abroad and at home while that operation was taking place?

SUPPOSE OUR GOLD STOCK TO GO!

Suppose that according as portions of the $600,000,000 went, the monetary supply of this country were maintained at a steady level by the issuance of a number of silver dollars equal to the number of gold dollars that were sent abroad. Suppose the gold to go out gradually and silver gradually to come in to take its place. Suppose that ultimately—say in a year—$100,000,000 of gold should go and $100,000,000 of silver were coined and issued to take its place. Could any change take place on that account in the prices of commodities? If so, how? Can any Senator answer? And if that question can not be answered, let me further inquire: If prices do not rise, how can our importations increase sufficiently to take out any more gold? But suppose that eventually all our gold left the country and went to Europe, would the gold standard of Europe be then the same that it now is? There are, according to the report of the Treasury Department, $3,000,000,000 of gold in Europe. An influx of six hundred millions would be an addition of 20 per cent to that stock of money. Is it to be contended that that amount, added to the volume of money in European countries, would not raise the prices of commodities there? Would the gold standard of Europe be then the same gold standard that it is now? Manifestly not.

The gold standard simply means the range of prices consistent with the available quantity of gold money. When our gold had all gone and entered into the circulation of European countries—its place being supplied here by silver—would not the gold standard of those countries be altogether a different standard from that of to-day? Would it not be a much better standard, a more beneficent standard? Would not the range of prices in Europe be materially increased by the inflow of so large an amount of gold? Would not a halt be called to the unjust increase in the burden of debt, and would not our products exported to Europe command much better prices than they now do? To what better place could our gold go than to the markets in which we sell our wheat, cotton, petroleum, tobacco, and meat products?

Meanwhile, as each dollar of silver took the place in our circulation of each dollar of gold as the gold went out, our prices could not alter. It will surely not be contended that a dollar of silver could have any more effect than a dollar in gold.

Suppose, as I have said, that $100,000,000 of gold should go out every year. Of this amount we should have $35,000,000 from our own mines, which would leave $65,000,000 of our accumulated stock to be sent out. Hence, it would require ten years to send out all our gold, even at the rate of a hundred million a year, and even if that amount, when sent to Europe, had no effect whatever on prices of commodities in the countries to which it went.

But no one doubts that it would raise prices there, so that long before one-half or even one-third of our gold could go to Europe the range of prices would be such as to establish an equilibrium between the two countries. This would altogether stop the outgo of gold; no man with any capacity for reflection can for a moment doubt that that is precisely what would occur. Hence the demand for our gold would stop very far short of exhausting the quantity in the country.

There is no country in which the upper classes are more luxurious than in Russia. They are the most lavishly extravagant people in the world in the purchase of all sorts of foreign luxuries. Yet they have had practically no money but paper money for one hundred years. They simply purchase the necessary gold by means of the commodities they have to sell. Does anybody suppose that we can not get in like manner the few things that we need abroad—for we need, in proportion to our population and wealth, less things abroad than any other people in the world.

All the articles of prime necessity, the articles required for the daily living of the masses of our people, are in surplus in our own country, so that we do not need to buy them abroad. The same is true of the larger proportion of our luxuries.

SHOULD WE THUS SEPARATE OURSELVES FROM THE REST OF THE WORLD?

It is said that we ought not to separate ourselves from the rest of the world by having a money different from that used by other countries. No one wants to separate our country from the rest of the world. People who live in separate houses do not necessarily separate themselves from the rest of the world. Each family has its separate house, and there are certain rules and restrictions for the government of all. That does not separate them from the rest of the world or from the rest of the country, or from the rest of the city. In the long run trade between nations is settled with commodities. Nations could not go on selling everything and buying nothing. They would soon have to stop the process, because in a few years they would have no money. Even the most fanatical of the gold men would have to admit that 95 per cent of the business of the country, being domestic business only, there must be some medium retained in the country by which the exchanges can be effected.

WOULD A SILVER BASIS PLACE US ALONGSIDE INDIA?

It is vehemently asserted that if we go to a silver basis we shall be placed alongside India and Mexico.

I should like to know whether Senators really suppose—whether their reading of history and of sociology leads them to understand that the difference between the sturdy race that inhabits this country and the ryots of India and peons of Mexico—is the standard of money that is used in the respective countries. If that is the conclusion which they draw from their reading, I must be permitted to express my amazement.

I have supposed that the difference arose not from the standard of our money, but the standard of our men and women—the standard of the blood in our people, of the iron in their veins, of the nerve, the muscle, the brain, and the brawn of our race. I have supposed we owe something to the experience of the thousands of years during which our ancestors have been struggling up the rugged mountains, fighting for liberty, and achieving it. I have supposed we owed something to our hope, our faith, our aspiration, our unconquerable determination. If I am mistaken, however, and if really there is any credit due to the standard of money, I can still point to the first half century of the existence of our Republic, when silver money was the money of the country, and when Washington, Jefferson, Madison, and other great men laid strong and wide and deep the foundations of a great nation.

Every schoolboy knows that the achievements of that time have never been excelled in history. I might even inquire whether they have ever been equaled. The subject would bear elaboration, but I deem it of no importance. Those who advance the claim that by going to a silver standard the people of the United States would be placing themselves alongside India, in the sinister sense in which these claimants desire to be understood, do not themselves believe it, and in making the claim are playing upon what they suppose to be the credulity of our people. The contention would be entitled to be called silly but for the fact that not one of those who use it believe it. It is wholly disingenuous.

Are we to understand that if the people of India should now adopt the gold standard they would place themselves "alongside" the United States—that is to say, that they would become

equal to the people of this country in intelligence, in enterprise, in inspiration, in energy, in genius, in momentum, in power? If it be true that it is the gold standard that invests the white race with those qualities, it should invest the Hindoos with them. To state the proposition is to answer it.

The words "India" and "Mexico" in this connection are mere catch-words with which to distract the attention of people from the real issue, and their use is proof of a pitiful lack of merit in the argument for the gold standard.

According to the admissions of the advocates of the gold standard, the United States are now indebted to silver alone for the performance of all the functions of money in this country, gold being either hoarded or held in the banks when it is not going abroad.

It must be pretty good money that will keep always in circulation—performing the service for which money is useful. The money that should be praised is the money that remains in circulation, and not the money that is hoarded or goes abroad.

I recollect hearing a discussion some twenty years ago as to the superior merits of gold as money. The gold-standard champion had been for some time expatiating on the supposed advantages of the money he advocated. The old farmer with whom he was discussing told him that he remembered well when the war broke out, and that when the reverberations of the first gun came from Sumter the eagle on the ten-dollar gold piece shrieked like a cowardly fowl and fled the country, while the greenback shouldered the musket and went to the front, where it stayed till the war was over. He said gold might be good money, but it would not fight.

GOLD IN WARFARE.

Mr. McPHERSON. May I ask the Senator a question in that connection?

Mr. JONES of Nevada. Certainly.

Mr. McPHERSON. It has been constantly contended by those who entertain the same views in regard to this question as the Senator from Nevada that Russia, Austria, and all the great countries of Europe were constantly strengthening their gold reserves to prepare for war. I wish to ask if gold will not buy the munitions of war, if it will not keep troops in the field, if it is not to be preferred to paper or silver, what becomes of the argument we have so often heard here that the gold of the world is being absorbed in the treasuries of the great nations who are preparing for war?

Mr. JONES of Nevada. I will say to the Senator that the great war fought between Germany and France a few years ago was fought on the part of Germany with silver money alone. The Napoleonic wars, in which Great Britain took a great part, were all fought with paper money. No great war in history was ever fought with gold; and now, when the nations of Europe are drawing gold to fill what are called their war chests, the object of each is to embarrass the other with regard to its finances. It is a financial war, which often precedes the pomp and circumstance of the real war.

As I have said, a money that will circulate, of whatever material it may be composed, is the best form of money. Some people mistakenly depreciate a money that will circulate in their own country and not in any other. But although the money of the United States may not circulate in any other country, it will have recognition there to the extent of our export trade, which is not only as good for our purposes as circulation there would be, but, indeed, very much better.

No mind not blinded by prejudice can doubt that if the United States should altogether get rid of gold and send it to Europe and itself go to the silver standard exclusively, it would be an enormous stimulus to the exportation of commodities from this country.

In the first place, the gold would, as I have said, largely increase the volume of money in Europe, and as a consequence the prices of our commodities sent there for sale would rise. This would not only reward our farmers and planters with better prices, but would stimulate our entire export trade. There would not then be so much difference between gold and silver as there is now. Were the United States to make silver their only money the rise in the purchasing power of gold would be arrested.

Mr. VEST. Will my friend permit me to ask if his attention has been called to a dispatch published this morning from Bombay in regard to the effect upon prices in India of the demonetization of silver by the English government in India?

Mr. JONES of Nevada. No.

Mr. VEST. This dispatch comes from Consul-General Jamieson. The effect, as stated in the article published in this morning's papers, is that in India there is no monetary panic; that silver continues to buy as much of all commodities as before the change in the mintage by the English Government; that gold has gone up enormously in value while the prices of commodities have fallen.

Mr. JONES of Nevada. In gold?

Mr. VEST. Yes; in gold.

Mr. HOAR. Then what harm does the demonetization of silver do?

Mr. VEST. This report goes to show, what I understood the Senator from Nevada to say in the early part of his argument, that while silver remained equal in its purchasing power and would buy as much as before, gold has gone up.

Mr. McPHERSON. Does not the article state that that has occurred in Bombay and in Calcutta? Does it state that gold has gone up through the interior of India?

Mr. VEST. It has gone up, as I understand it, in India. I do not know anything about any particular locality.

Mr. JONES of Nevada. That is undoubtedly true, and the more it is investigated the more perfectly clear it will become.

Wednesday, October 25, 1893.

Mr. JONES of Nevada. Mr. President, I presume it will be obvious to Senators that those who believe in the continuance of the purchase of silver under the Sherman law until a law authorizing unrestricted coinage can be enacted are not making speeches with the hope of changing any votes in this body; but we are determined in this great contest to place in full before the people of the United States the reasons that lie at the foundation of the question.

The time I had intended to occupy has been very much lengthened by the various questions that I have been called upon to answer, but I shall proceed as rapidly as possible with what I have to say.

THE BALEFUL EFFECTS OF AN INSUFFICIENCY OF MONEY UPON THE INTERESTS OF THE WORKING CLASSES.

Some advocates of the gold standard inquire, with a sneer, how it is that free coinage of silver is going to put money into the pockets of the workingmen? They say that men must give labor for money. To that we agree. In advocating the free coinage of silver men do not attempt to put money directly into anybody's pocket. What we are attempting to do is to secure the adoption of a national policy that will enable business to be conducted on steady prices for the products of labor. If employers can not conduct business without incurring loss, idle men can not find employment. They will earn their money if given the opportunity. But if there is not enough money in the community to prevent falling prices, it is impossible that men can be kept in uninterrupted employment.

We are simply attempting to secure the adoption of laws that will permit the issue of metallic money, as has been the custom of all time. If we are to have metallic money, how is it to be got into circulation? How do people get gold money? Do they not have to work for it? Men have to work even for bank notes, which have none of this valuable quality which so many call "intrinsic value."

With a correct monetary policy, those who now earn nothing will be set to work, and will get their share of the money in the community without depriving others of an equal opportunity to get such share as those others may be entitled to.

Because a law against stealing does not put money directly into any man's pocket, is it therefore useless to enact such laws? Because the preaching of the gospel does not put money into the pockets of the multitude, must, therefore, the preaching of the gospel be dispensed with? Because the observance of morality or justice puts no money directly into the pockets of people, must we, therefore, cease the inculcation of those qualities? Why trouble ourselves to commend to our youth the advantages of education, intelligence, uprightness, honesty, equity, and fair dealing, because, after all, as the gold advocates inform us, money can be made only by working for it. Must not people attempt by proper laws to establish correct conditions?

If gold monometallists are right, then the Decalogue is a superfluity, and the Sermon on the Mount mere exuberance of emotion. No one can see very clearly how either of those puts money directly into the pockets of the people. Let the bankers have charge of the issuing of the money of the country, and they will be happy. The people of this country have determined, however, that the issue of money, which is a function of sovereignty, shall be exercised by themselves, through their Government, and it is useless for the banks to attempt to override the will of the people.

MOCK FEARS THAT THE WORKINGMEN MAY BE PAID IN DEPRECIATED SILVER!

Others of the gold-standard advocates, among whom are found the New York bankers and the President of the United States, entertain great fear that if the silver-purchase law is not repealed the workingmen will be paid in depreciated money—money of low purchasing power—while the employers will keep the gold money for themselves—because it will, as they suppose, have higher purchasing power.

I wish some of them or their friends had taken the trouble to indicate how this result was to be brought about, so that we might have before us the *modus operandi*.

If silver dollars were to become depreciated, in relation to *what* would they become depreciated? Would they become depreciated in relation to the products of labor? Does anybody suppose that if the products of labor bring a higher price, the wages of the laborer will not rise with the price of the products? Nothing can be clearer than that the wages of labor must in the long run fall with the prices of the products of labor, and that they must rise with rising prices for those products and with the modern organization of labor the rise of wages must promptly follow a rise of prices.

In the latter case not only does labor rise, but the universal testimony is that it maintains the rise for a considerable time after the general range of prices of commodities has fallen, and this by reason of the natural indisposition of the working classes to have their wages reduced, and their stubborn opposition to any proposition looking to that end.

With the article which is the product of labor persistently falling in price, how can the employer keep on paying the workingman a dollar that is constantly growing more valuable?

How could anybody afford to continue manufacturing if he must pay wages at the former rate while the product of the labor is falling in price?

There was a time, Mr. President, when the metal that was becoming the cheaper and more plentiful was not silver, but gold. What was the belief at that time regarding the probable effect of such cheapening process on the wages of the workingman? And what class of the community was then deemed entitled to commiseration owing to the growing cheapness of the money?

THE CLASSES THAT WOULD REALLY BE AFFECTED BY CALLING A HALT TO THE RISE IN THE VALUE OF MONEY.

Shortly after the discoveries of California and Australia Chevalier was a member of the council of state of the usurper, Napoleon III. He foresaw, as he supposed, great evils to follow from those discoveries—from a flood of depreciating money to flow into Europe. He wrote a work on The Probable Fall in the Value of Gold. Did he entertain the fear that the workingman would suffer by being paid in the depreciated money? Here is what he said on that subject:

If we would particularize the persons who will be more or less deeply affected by the fall in gold, we have only to select those whose income will not find itself augmented naturally and by a self-adjusting process, in exact proportion to the fall, and by the very fact of the fall, in gold.

Who are those persons that Mr. Chevalier, in the largeness of his heart, commiserates? Are they the workingmen? Hear his answer:

The *national creditor*—

He says—

is the characteristic type of this class of sufferers.

All those persons—

He continues—

whose incomes, expressed in monetary units, *remain the same* would be injured by the change to the extent of the half of their income, all other things being equal.

He was arguing that gold would probably depreciate one-half in purchasing power. It was for the *national creditor* that his sympathies were aroused, and it is for the national creditor that the sympathies of the bankers are now aroused.

All commodities,—

He continued—

excepting gold [the money that was growing cheap] and every kind of property excepting that of which the income is, from the present, fixed, as is the case with government funds ought from the moment that the monetary crisis is terminated, to have attained in a gold currency *double the price which they are at present worth*.

His opinion then was that the price of commodities and of property, except government funds, would "double in price." How was it with wages—the reward of the workingmen? Were they to continue low as before while prices were rising? Chevalier says:

It will be the same eventually with the wages of labor [that is to say, wages would double], and with all personal services, whether rendered in the factory or on the farm or from the liberal professions.

And in a summing up distinguished for clearness of statement he concludes this portion of his remarks with this paragraph (I desire to call the special attention of the Senators to this, so that they may note the classes of persons whom he includes):

"Thus, as a definitive analysis," he says, "the proprietors of lands, houses, and other real estates, manufacturers, merchants, and their auxiliaries of every kind; public functionaries of all ranks; and also those who follow the different learned professions, will *all find themselves in the end compensated in the new state of things with advantages which they now enjoy*, all other things being equal." "It is another class of persons," he says, "whom we have previously defined in a general way (the *national creditors*) who have to submit to a sacrifice in the proportion to the fall in the precious metal."

This enumeration of persons who can not be injured by a falling value or purchasing power in the monetary unit is sufficiently comprehensive to include all *workers*, as contradistinguished from *idlers*, all laborers, whether with hand or brain, and the employer as well as the employé.

WORKINGMEN CAN NOT BE BENEFITTED BY AN INCREASING VALUE IN THE DOLLAR.

In discussing the welfare of the workingman, in connection with the subject of silver money, the bankers and the President talk as if wages were fixed, either by the mere dictum of the employer or else by some hidden and occult process, or some immutable law, so that no matter what might be the purchasing power of a dollar, the wages of labor must remain what they are. This means that if the dollar came to be a cheaper dollar the workingman could get no greater number of dollars, and if dearer he would get no fewer, while in either case all the people would be kept uninterruptedly employed.

If the value of the dollar could be kept constantly increasing, and if, notwithstanding this, the workman could get, in wages, the same number of dollars that he got before, then the secret of his prosperity has been discovered. If the dollar which he receives in wages is each year to buy more and more of the products of labor, while he suffers no diminution in the number of dollars received, and if, as a consequence, none of his fellows are discharged, then it is to his interest that dollars shall increase in value until each shall have a purchasing power, say one hundred times as high as at present, so that the article which now costs $100 may be had for $1.

Of course this increase of purchasing power in the dollar can not be had without a great reduction in the number of dollars in circulation relatively to the numbers of the population and the demand for money. Under this theory what a blessing it would be to the workingmen of the country if the Secretary of the Treasury should discover some method of taking out of circulation and locking up in the Government vaults nine-tenths, or even a larger proportion, of the money of the country! The more he could get in the greater would become the value of the dollars left out.

The value of money—

says John Stuart Mill—

other things being the same, varies inversely as its quantity, every increase of quantity lowering the value, and every diminution raising it in a ratio exactly equivalent.

If the repeal of the Sherman law is to be accomplished in behalf of the workingmen, if the country is to be deprived of the three millions or so which that law has added monthly to the circulation, we shall doubtless next have a proposition looking toward the calling in and cancellation of all the notes issued under it, with the view of further increasing the value of the dollar in the so-called interest of the workingman, to be followed by other propositions of like character, all in the interest of an increasing value in the dollar, in order that it may be made a better dollar.

What is wanted in the dollar, Mr. President, is that it shall neither increase nor diminish in value, but shall, as nearly as possible, be unchanging through time. This would hurt neither debtor nor creditor.

SOME OF THE CONSEQUENCES OF A DECREASING VALUE IN THE MONETARY UNIT.

We have seen what were the prognostications of Chevalier as to the probable results to be expected from the increased money supply with which the world was blessed during the middle of the century. As to the actual results there is ample testimony. I will cite the one author who more vividly than any other has left a picture of the times.

Sir Archibald Alison says:

The annual supply of gold and silver for the use of the globe was, by these discoveries, suddenly increased from an average of £10,000,000 to one of £35,000,000. The era of a contracted currency, and consequent low prices and general misery, interrupted by passing gleams of prosperity, was at an end. Prices rose rapidly, and rose steadily; *wages advanced in a similar proportion*, exports and imports enormously increased, while *crime and misery rapidly diminished*; emigration itself, which had reached (in 1852) 368,000 persons a year, sank to little more than half that amount. Wheat rose from 40 shillings to 55 shillings and 60 shillings; *but the wages of labor advanced in nearly as great a proportion:* they were found to be about 30 per cent higher on an average than they had been five years before.

In Ireland the change was still greater, and probably unequaled in so short a time in the annals of history. Wages of country labor rose from 4 pence a day to one-and-six-pence or 2 shillings; convicted crime sank nearly a half; and the increased growth of cereal crops under the genial influences of these advanced prices was for some years as rapid as its previous decline since 1846 had been. At the same time, decisive evidence was afforded that all this sudden burst of prosperity was the result of the expanded currency, and by no means of free trade, in the fact that it did not appear till the gold discoveries came into operation, and then it was fully as great in the protected as in the free-trade states.

Those were the effects of an increased volume of money upon the condition of the working classes forty years ago, when labor was wholly unorganized, and employers had, to a far greater extent than at present, the determination of the rate of wages.

THE WAGES QUESTION.

With the modern organization of labor, the question, What shall be the wages of the workers in any occupation is not wholly a question for the employer.

It is his right to close his establishment if he can not work it at a profit, but if he will keep it open it must be on terms at least acceptable, if not welcome, to the workers.

The growing strength, efficiency, and intelligence of the workingmen have for some time been depriving the employer of the dogmatic and autocratic power which in former periods characterized his relations with his employés. The alertness of the workmen and their disposition to assert their right to a fair, and even a growing, share of the products of their labor, will be seen from an extract from the proceedings of the British Royal Commission on Labor which has only recently completed its labors. Before that commission, sitting at Westminster Hall, London, a large number of witnesses were examined, among them a secretary of an organization of working people, comprising 200,000 persons—the Weavers' Association of Northeast Lancashire. This gentleman, Mr. Thomas Birtwistle, was asked by one of the commissioners:

When there is a rise in prices, by what means do the operatives get their share of such a rise?

To this question Mr. Birdwistle answered:

By meeting and discussing the question with the committee I have described before, the joint committee (a committee consisting of six employés and six representatives of the operatives). Of course, we each of us use our best arguments; we produce facts as far as we are able, and prove that the profits of the employers are such that they can afford to do this.

He was further asked:

Do they ever give it to you without your asking it?

To this he replied:

A. I only remember one case; they did once, some twenty or twenty-five years ago.

(Minutes of Evidence, Group C, page 59.)

This period was during the rise of prices—before the demonetization of silver.

From these questions and answers it is manifest that the laborers are keenly on the alert and keep a watchful eye on the prices of the products of their labor, so that they may be able promptly to take advantage of a rise. Not only this, but so determined are they not to be deprived of anything which they deem their due that even when prices are falling they are indisposed to submit to a reduction of wages which the employers deem absolutely essential in order to keep the establishments open. A question on this point was directly put to Mr. Birdwistle by one of the members of the commission, who first reminded him of the testimony he had given regarding the *increase* of wages.

Q. I think you went on to say in answer to Mr. Mawdsley that if business were to improve you would of course look for an advance in wages?

To this the witness answered, "Certainly."

Q. But if, on the other hand, there came a period of depression, you would not allow your wages to go down?

The answer to this question was:

No, I did not say "allow." I simply said we should do our best to prevent it. (Same evidence, page 64.)

These answers sufficiently attest the spirit which animates the working classes of Great Britain regarding the increase and reduction of wages.

STRIKES IN EUROPE.

That spirit is further attested by the fact that the number of strikes in that country in 1889 was 1,145, of which those for advance of wages numbered 768. Of these 768 it is a significant fact that the number recorded as being wholly unsuccessful is but 76, being only 10 per cent. The demands for higher wages were, therefore, wholly or partially successful in nine cases out of ten; and taking the entire number of strikes from all causes in that country for that year, the number declared of record to be unsuccessful is only 207—so that the workingmen were either wholly or partially successful in four-fifths of the cases.

In Germany, for the year ending April 30, 1890, the number of strikes and lockouts reported, of which particulars can be ascertained, consists of 1,075. Of these the number resulting favorably to the employers was 187; those favorably to the workingmen 420, and the number compromised 468. If we credit the workman's side with one-half of the number compromised and the side of the employers with the other half, it will show 644 strikes out of 1,075, or 60 per cent in which the workmen succeeded either wholly or partially.

The growing self-assertion of the workers is to be seen even in Italy, in which the strikes in 1878 were but 22, while in 1890 they were 160. In 1878, the number of strikes in that country arising from demand for increased wages were but 25 per cent of the whole, while in 1890 those arising from the same cause were 50 per cent of the whole.

In France, as stated by the eminent statistician, Maurice Block, the number of strikes of workingmen prior to 1844, ranged from 20 to 50 per annum. In the year 1889 alone they numbered 321.

These are evidences of the unmistakable trend of labor in Europe towards larger self-assertion and a determination to obtain what to the laborers appears to be a fair share of the products of their labor.

STRIKES IN THE UNITED STATES.

It is not to be supposed that the workers of the United States are less alert and attentive to their own interests than those of other countries. Accordingly, we find, by the third annual report of the United States Commissioner of Labor, Col. Carroll D. Wright, that the number of strikes in this country in 1881 was 471, while in 1886 the number was 1,411.

An analysis of all the strikes in the United States from 1881 to 1886 inclusive, made by Col. Wright, shows that strikes having for their object simply an increase of wages occurred in 9,439 establishments. Of these the workmen were completely successful in 6,229, or 66 per cent. In 797 others, or 8.43 per cent, they were partly successful. So that the workers succeeded, either wholly or partially, in 75 per cent of the establishments in which they struck. In only 25 per cent of the establishments did the strikes for increase of wages wholly fail.

During the pendency of this debate we have seen in the morning papers an item of news from Milwaukee, reading as follows:

If the Chicago, Milwaukee and St. Paul Railroad Company insists on cutting wages there will be a strike by the six thousand employés in the operating departments. This is the decision of the grievance committee of the Brotherhood of Trainmen.

We can hardly infer from all these that the wages of the working classes depend on the employer.

I must be permitted to distrust the anxiety of many of these gold-standard theorists with regard to the welfare of the workingman. If the silver dollar were really a cheap dollar—cheaper than a gold dollar—many of those who now express anxiety for the laborers would be the first to welcome it. If they could keep for their own purposes a dollar of high purchasing power, and have at command, as a special fund for the payment of wages, a supply of dollars of low purchasing power, we should find them sending up petitions to Congress for the free and unlimited coinage of depreciated dollars.

The workers do not seek the commiseration of the bankers with reference either to the amount of wages they are to receive or the quality of the money in which those wages are to be paid. They are the guardians of their own rights, and will so remain. They are citizens of the United States, imbued with all the manhood and independence which that term implies.

When it is said that the first thing which these depreciated silver dollars would do would be to find their way into the pockets of the workingmen, it seems to me that, taking into account the enormous numbers of workingmen who are constantly idle, owing to lack of profit in business, the greatest blessing that could occur would be to have such a quantity of dollars of some kind in circulation as would increase with the growth of population and business. If that were done, the dollars would be sure to find their way into the pockets of men who are willing to work, but for whom, even in a country that is not yet half finished, there is no room, owing to the persistent fall of prices, which disorganizes industry.

The greater the number of dollars that get into the pockets of the working classes the better. It is not enough that dollars shall get into the pockets of only such persons as, under the operation of the gold standard, are able to find employment. It can not be said that a nation is prosperous when a part only of its people are employed—even if that part should be employed at wages so high as to include the laborer's entire contribution to the product. The working classes will never be prosperous until the employer is found seeking workmen with the same zeal that workmen are now seeking employers. That condition of affairs will be brought about by an intelligent regulation of the money system of the country so that the number of dollars shall always increase in accordance with the increase of population and business.

The constant trend of the laboring classes in all countries is to combination—a direction in which capital set them the example. The process is certain to continue and to result in the laborers getting a larger and larger share of the contribution which they severally make to the joint product of capital and labor. To the extent that they pursue this course they must impinge upon the profits of the employer until a stage is reached at which an equilibrium between wages and profits is established.

THE STRUGGLE BECOMING SHARPER IN ALL GOLD-STANDARD COUNTRIES, OWING TO THE PERSISTENCE OF THE FALL OF PRICES.

With a constantly shrinking volume of money, however, there is

little hope for employer or employed. The leading factor in all industries of the present day being the time contract, it is impossible for employers to see their way to meeting their obligations while the money unit is obtaining ever-increasing control over commodities—over the products of labor. In many industries great strikes have recently been undertaken in order to prevent reductions of wages, rendered necessary, as the employers stated, because of the fall of prices. Such a strike was that of the Lancashire operatives, in which tens of thousands of workers opposed a proposed reduction of 5 per cent in their wages.

After a struggle of five months, throughout which the employers insisted that with falling prices they could not continue manufacture at the old rates of wages, the men were obliged to accept a compromise by which the proposed reduction was divided, so that they were compelled to submit to a lowering of 2½ per cent.

Later still we have seen 350,000 coal miners of Great Britain going out on strike rather than submit to a proposed reduction of 25 per cent in their wages, rendered necessary, as the employers asserted, by the long-continued fall in the prices of their products.

While other adverse influences in business may be foreseen and guarded against, the most far-sighted computations are brought to naught by the subtle power of an increasing value in the money unit. So long as this increase continues it is impossible for business enterprises to be anything but games of chance, in which men the most reckless and unconscionable outwit the most honorable and conservative.

The working classes may battle for better wages, but when the fall of prices reaches the point at which profits vanish they must give up the fight and accept the reduction or be relegated to idleness. All over the European world, as well as in this country, the maximum of wages consistent with the gold standard appears to have been reached. Everywhere we observe trouble between employers and employés. Everywhere we see multitudes of men rendered idle, owing to want of profit in business—a want of profit due to the persistence of the fall of prices.

The bane of labor is the idle laborer. In this enlightened and progressive age, in which people are learning to adapt means to ends, it is pitiful to see millions of men always out of employment, and it is useless to hope for any improvement so long as the value of the money unit is increasing and acquiring greater and greater control over the products of labor. It is not meant that the same millions—the same identical persons—are always out of employment, but while the persons vary, the number of the idle always reaches millions.

SOME OF THE FRUITS OF THE GOLD STANDARD.

On the very day that Mr. Gladstone was making his speech in the House of Commons, in February last, ascribing the prosperity of Great Britain—meaning thereby the creditor classes of Great Britain—to the gold standard, the official returns show that of the trades unions of skilled workmen reporting to the board of trade, comprising at that date 280,377 members, there were out of employment 26,324, or 9.49 per cent. As these were distributed all over the country, the number of idle men among such unions as did *not* report to the board of trade must have been a similar percentage. Inasmuch, then, as in round numbers 10 per cent of the skilled and organized artisans of Great Britain were out of work, we can not assume any less number of the *unskilled* and unorganized to have been so, and there being, according to Mr. Giffin, thirteen million two hundred and seventy-seven thousand workers in the Kingdom, we are warranted by the official figures in placing the number of the involuntary idle in Great Britain at 1,327,700.

If we add to these the number of persons naturally dependent upon them for support—a very small average of which would be two persons to each worker (and I believe it to be a larger number)—we find, including the workers themselves, 3,900,000 persons, or, in round numbers, 4,000,000 persons, the skilled artisans of Great Britain and their families, without means of livelihood, in a country whose boast it is that it has no money but "sound" money; no standard but the gold standard. Yet these are the men upon whose labors rests the renown of Great Britain.

THE ACHIEVEMENTS OF GREAT BRITAIN DUE TO HER ARTISANS.

In comparison with the services rendered by these, the services of her generals, her admirals, her armies, her navies, and her statesmen, upon which the literature of England spreads so much hazy and questionable glamor, are as nothing. To the skill and the genius of her artisans is due the civilization of England; not to the cunning of her so-called financiers, the greed of her money-lenders, or the cupidity of her creditor classes. The idleness of 10 per cent of her workingmen is a misfortune of incalculable weight, yet it is recorded in a news item of half a dozen lines in England's leading economic paper, and goes wholly unnoticed in the great dailies, in which a column or two of space may be given to an attack of the gout on a duke or an earl, and an entire page to a horse race.

The large proportion of the idle men in England can not be ascribed to temporary derangement of the industries of that country owing to the passage of our tariff bill of 1890. It is usual to find enormous numbers of persons out of employment in Great Britain. I do not refer to the "Submerged Tenth," the 3,000,000 unfortunates who are always on the verge of starvation. I refer to the respectable artisan class. As far back as 1886—four years before the passage of the McKinley bill—the records of the board of trade show a percentage of idleness even higher than 10 per cent.

It must be manifest that willing and capable workers would not thus be thrown out of employment except by falling prices. Profit is in all cases the inducement to production. When profit ceases production ceases. If, therefore, production be not sustained by steady prices for the products of labor it is certain that workmen will be relegated to idleness.

There can be no doubt that before the development of labor organizations many employers were making undue profits, and getting a larger share of the products of industry than they were entitled to, in comparison with the share of the workman. But as the organization of labor became more perfect, then, in response to the imperious demands of the workers, wages gradually improved.

All great institutions of industry have time contracts stretching into the future, which they are under bond to fulfill by or before specified dates, so that few such institutions can afford to resist the workmen's demand for increase of wages, so long as such demand is one not inconsistent with their continued operation. When closely pressed, however, the employer often seems to yield—that is to say, he grants the increase of wages, and then discharges a number of his men—resorting to all sorts of small economies to render more efficient the labor of those who are retained.

People do not perceive that if, by reason of an increase of 10 per cent in wages 10 per cent of the workmen are thrown out of employment, a far greater injury results to society than if the wages of all were permitted to remain unaltered, or even than if they were to a moderate extent reduced.

With all the workmen employed there would be 100 per cent of production. With only 90 per cent employed there would be but 90 per cent of wealth produced; yet from this 90 per cent all men must live—including the workmen themselves and their families.

THE ARGUMENT THAT THE WORKERS ARE BETTER OFF THAN FORMERLY.

When the workers of the world express dissatisfaction with present conditions they are reminded of the fact that they are better off than were the workingmen of former times, that their condition is far ahead of that of the laboring classes of the last century, and the century before. But this is not the real question at issue. It is not whether the man now living is better off than were men of his class who lived at some remote period of the past; but whether the man now living—the man now producing the wealth by means of which alone all other classes in the community can continue to exist—is, all things considered, receiving his own fair share of the products of his labor.

The question is whether the working classes, *all* of them, and not merely a portion of them, are able to keep uninterruptedly at work, and to receive for their work that compensation which comports with the advances in invention, in science, in art, and in government. In other words, are they as well off as the methods of production warrant?

My conviction is that when we have a correct system of money, the working man, instead of having one spare dollar to protect himself against the exigencies of the day, will have *ten*.

Workingmen have the same intuitions as other men; they desire to have some money in their pockets. At the least calculation, under conditions as they should be, in this new and great country, our 22,000,000 workers would absorb in pocket money alone, to be constantly held against contingencies, not less than a hundred million dollars, which would be $5 per capita. This would absorb $100,000,000 of silver to-morrow.

Mr. GEORGE. What is the Senator's statement?

Mr. JONES of Nevada. That with every laboring man kept constantly at work, and at such rates of wages as should be just, not only to himself but to his employer, considering the risks of capital, the interest on money, etc., there would be a constant tendency to an increase of the amount of money statically held in the pockets of the people. If you will go around among workingmen to-day you will find them carrying perhaps 10 cents, 25 cents, or at most perhaps a dollar in their pockets. With unfailing constancy of employment at just wages there would be a continual advance in the amount thus carried by those men to protect themselves against the emergencies of the day. With a five-dollar piece instead of 25 cents in the pocket, $100,000,000

would be absorbed by the community before prices of commodities could in the least exhibit a rise.

ENORMOUS ADVANTAGES OF EVEN A SLIGHT RISE OF PRICES, ESPECIALLY TO THE WORKING CLASSES.

Large numbers of the people even of this country are doing business by barter, owing to the lack of a sufficient quantity of money; and this is a most extravagant method of doing business. Were they to do business with money, an enormous amount of money would be thus absorbed before a rise in prices could take place, and without a rise in prices there could be no such thing as a diminution in the value of the money unit; because, to say that prices rise is but another way of saying that the money unit is diminishing in value.

As I have already stated and as is well known, after the discoveries of California and Australia, when the money volume of the world was doubled, the resulting increase of prices of commodities was only 20 per cent, distributed most gradually over a period of twenty years. The reason for so small a rise of prices following so great an increase of the money volume is to be found in the fact that before prices can rise the first effect of the new money supply is always to quicken the movement and increase the volume of business—cutting out new channels of enterprise for itself and widening and deepening those already existing.

This process calls from idleness to labor every man who has been unemployed, which fact alone absorbs an enormous amount of money. Before any rise, therefore, could take place in prices there would be an enormous increase in the number of transactions and a like increase in the number of men put to work. If, instead of having a million or two million of men idle in this country, all were at work who were willing to work, a vast increase in the amount of money would be needed before any increase could possibly take place in the general range of prices, or any diminution in the value of the money unit. When, therefore, there is a large increase of money in proportion to population, without a corresponding advance in prices, it is a signal that that wonderful instrumentality, money, is beginning to operate—beginning to perform its great function of setting every energy in motion and putting every idle man to work. It is then that great enterprises are undertaken—great projects, stretching far and wide, giving opportunity for the exercise of all the activities of the people. Men have courage when satisfied that prices are going to be firm in the future.

After a long period of shrinkage in the volume of money, compared with demand, an enormous amount of new money would be absorbed as soon as all the people began to be employed and all the energies of this great country to be called out.

Therefore I say we need have no fear whatever of the coinage of all the silver there is in sight, which can not exceed $25,000,000. The effect of an increase now of $100,000,000, $200,000,000, or $300,000,000, were it possible to obtain so much, would be like that of rain upon the parched and thirsty earth. It would be absorbed as fast as it could come, with the most fructifying results. Before any rise of prices could take place every department of industry would be enormously stimulated.

The working classes are specially benefited by increases of the volume of money. Referring to the effects upon those classes of the increase of the money volume of the world by the California and Australia discoveries, Prof. Cairnes (*Essays in Political Economy*) has demonstrated that the addition of 40 per cent to the money volume of Great Britain between 1851 and 1859 was prevented from affecting the prices of commodities, except in the most gradual and infinitesimal degree, not merely by the stimulus to business, but by reason of the increase in real incomes resulting to the *industrial classes* as a consequence of the increased production of gold. He demonstrated that the tendency of all increases in the volume of money was to effect a larger proportionate distribution of money *among the working classes*.

The true test of the prosperity of the people is their ability to consume. No people can have the highest capacity for consumption while large numbers among them are unemployed. With steady prices, or prices having a slight tendency to rise, employers will be seeking workmen with all the zeal that workmen are now seeking employers.

DISASTROUS EFFECTS OF COMPULSORY IDLENESS.

As I have stated, the great impediment to the progress of the working classes is the idle man. While large numbers are hungry and unemployed, it is impossible for organization to accomplish the objects it has in view. Hence the task which naturally precedes all attempts of workingmen to obtain an advance that shall be real, rather than apparent, in wages is the adoption of such national policies as may result in putting and keeping every man at work.

Computations as to rates of wages are, and will continue to be, wholly incomplete and misleading until side by side with them are placed the figures which show the number of men who are living in enforced idleness. Our statisticians take note of wages *as they are, for those who are at work*. They make not the slightest attempt to ascertain the number of the unemployed. Until this is done all calculations of wages are vain.

Enormous numbers of men are at all times to be found ready to take the places of those who go out on strike, and this, too, in a country whose development instead of being complete, has only just begun.

On the occasion of the strike on the New York Central Railroad at Buffalo some months ago, although all the statisticians and orators of the gold-standard school had for some time been telling us that there was no suffering in the country, that our prosperity was never greater, it was seen that the railroad company had no trouble in supplying the places of the strikers.

The same is true of the strike at Homestead, Pa. It is well known that at that place a very large number of men of high skill were employed, and that to take their places an equal number of idle men of like skill were sought and were found. The strikes, therefore, both at Homestead and Buffalo, proved to be complete failures.

When large numbers of men are found standing ready to take the places of those who strike it means more than appears upon the surface as to the numbers of the unemployed. It means not only that the number actually needed to fill the places of the strikers are idle, but a very much larger number. For such is the *esprit de corps* of the working classes that men must be at the point of starvation before they will take the places of their fellows who are struggling for what they deem their rights—struggling for the elevation of the entire body of workers, including that of the men who take their places.

Men who undertake to fill such places know that they incur the hatred of the entire class to which they belong, and would, under ordinary conditions, hesitate a long time before subjecting themselves to so severe an ordeal as the ostracism of themselves and their families. There is among the great body of workers a class pride that deters each from injuring all by filling places under such circumstances. Hence, we may be assured that when, on the occasion of an extended strike sufficient men are found without difficulty to fill the places of those who have engaged in what they feel to be a struggle for life or death, the number who take their places form but a trifling proportion of the whole number out of employment.

When compelled to admit that large numbers are chronically idle, the advocates of the gold standard take refuge in the cynical assertion that in all communities a number of men will be found who do not wish to work, and that their idleness is the result of their own folly or improvidence. The statement that men prefer idleness to honest labor I consider a slander on the working classes. These are the statements of the political philosophers of gold-standard countries, resorted to in order to account for the enormous proportion of men whom the gold standard relegates to idleness, and keeps there—a standard which is the symbol for the concentration of wealth and the distribution of poverty. By its diversion of money from the paths of industry into the great centers of speculation, it takes from the labor market and uses in the bond and stock market the material which is the lifeblood of industry.

The idea that men prefer to beg rather than to work is altogether an idea of European origin, and is contradicted by all the experiences of this new country. The very classes that in Europe have been charged with incorrigible laziness, prove, on coming to this country, that in their European homes they were merely the slaves of conditions, and that they can be as industrious as any other class of the community.

Whatever amelioration occurs in the condition of the workingman occurs because he is year by year increasing his demands. He will continue to increase those demands until it becomes clear to him that he receives his fair share of the products of his labor. So long as the employer's profits will warrant the increase, the workman will exact it, until the equilibrium between profits and wages is reached. This is inevitable. But where, with falling prices, the employer is already on the verge of loss (and as money shrinks in volume his profits tend to disappear) no effort on the part of the workers, whether by strikes or otherwise, can permanently secure to them a higher scale of wages. Where the strikes are warranted by conditions of business they will be successful. Where not so warranted, they must inevitably fail.

THE FALLACY THAT PRICES CAN RISE WITHOUT A RESULTING INCREASE OF WAGES.

When it is said that the prices of the products of labor could increase all along the line without the laborer exacting his share of the employer's increased profits, I should like to inquire where the laborer is supposed to be while all this is going on? Is it assumed that he is asleep? The history of labor within recent years does not warrant this assumption.

Is it for a moment to be supposed that American workmen stand in such awe of their employer that they can not contrive to obtain from him any fair proportion of this increase in the price of the commodities which are the products of their own hands?

In other words are we to understand that the prices of inanimate things—things that can not *think*—are to rise, while the price of flesh and blood—the compensation of living, thinking, human beings, who *make* those inanimate things, can not rise?

The great object of a nation should be to have such national policies as may lead to the uninterrupted employment of all its people. A country can not come to harm when its people are all at work, when every forge, anvil, and loom is performing its function—when every hand and every brain is busy.

Whenever there is enough money in a country to keep prices of commodities firm, the productive energies of the people are fully occupied, and business profits are reasonable, so that employment is continued and continuous for all. With a proper volume of money comes a proper distribution of the results of industry.

Under proper monetary conditions in this country there would be opportunities constantly offering for every American worker to invest his surplus earnings in the industrial or manufacturing establishment with which he may be connected. This would give him an interest in the work in which he is employed—an interest far beyond the ordinary interest of a wage-earner. It would be a spur to industry and thrift, and would increase the true permanent wealth of the country.

The aim of political economists seems to be to deal with products after they have been made—after they get into the hands of those who did not produce them.

MISDIRECTION OF EFFORT ON THE PART OF POLITICAL ECONOMISTS.

The entire learned world appears to be applying itself to the task of remedying complaints made by speculators, by those who deal in articles by mere purchase and sale, while the interests of the producers are wholly ignored. While science and learning are thus looking after the interests of the already enormously powerful aggregation of middlemen who assume to themselves all importance in the development of industry, the industrious and hardy producers are left to shift for themselves. Such organizations as they effect with a view to their own advancement are sneered at even by Cabinet ministers through the columns of the public press.

The parties who should be left to shift for themselves are the middlemen. Whenever justice comes to be done, the interests of the producers will be cared for. When they are justly dealt by no man can suffer. It is in their capacity as producers that men are entitled to consideration.

Imagine the injury to a capitalist if a great machine remain idle for a time! Yet machines are mere inert matter. Man is infinitely greater than any machine that is the work of his hands. In comparison with the idleness of a man, the idleness of a machine is a mere trifle. Yet how palpable is the injury when machines are idle; how impalpable, unperceived, unappreciated, and disregarded when men are idle!

THE COMPULSORY IDLENESS OF LARGE NUMBERS OF WORKERS AN EVIDENCE OF DEFECT IN THE MONEY SYSTEM.

In view of the almost infinite division of labor which is the ever-increasing characteristic of our advancing civilization, it may be said that the principal function of money is to keep all the people at work. I wish emphatically to impress upon Senators that *when that is not done there is some failure or fault in the money system.* Nothing can be of greater importance to a nation than to keep all its people at work. Until every man is employed, each in the labor of his choice and of his aptitude, the goal of civilization will never be reached.

There is not a minute of time that has not its duty; not a minute of the working day in which every man of sound body should not be contributing to his own support and that of his family; to the creation of wealth, and the enrichment and advancement of society. Imagine, then, the colossal waste when millions of men are compulsorily idle!

By the effect of a sufficient volume in sustaining the prices of commodities, so that all men may be kept at work without interruption, money becomes an instrumentality by which *billions of millions of minutes are saved to society*, and by which to that extent civilization is enabled to advance beyond a motionless level, beyond the point of petrifaction, because *work is the dynamo of civilization.* The loss of so much dynamic force in society is absolutely *immensurable.* The most serious, then, of all the evil effects wrought by a money volume which does not keep pace with demand, is the subtle and furtive effect by which it relegates to idleness millions of the workers of the world.

The national policies that will keep men at work, and keep them *all* at work, are the policies that will make the people happy, contented, and prosperous. If all are at work, all are sure of a living. This statement, so easily made and in so few words, seems commonplace, but if we reflect upon it we shall find it to be the bearer of a great message to humanity. That message is, that *it is only when men are certain of earning a livelihood that their real development begins.* In order that man may experience the highest and most noble development, not only is it necessary for him to have uninterrupted employment for hand and brain, but without this, that is to say, without being relieved of the fear of hunger, no man can put his soul into his work.

When men are deprived of work, even for a short time, they get into debt, which, being practical slavery, benumbs the faculties and depresses aspiration. With regular and uninterrupted occupation for all there would be fewer disordered minds and fewer men falling into evil ways—fewer lunatic asylums and fewer jails.

The best missionary work in the world is that which keeps men employed. An increasing value of the unit of money tends to put them out of employment. The more skillful, intellectual, and spiritual a people become, the greater the necessity for a correct money system, in order that their labor and its products may be justly measured and equitably distributed. The more intelligent and aspiring the people the greater the economic loss by their idleness—the greater the loss to their country and to civilization. No people were ever more intelligent, aspiring, or skilful than the people of the United States. The compulsory idleness of large numbers of our people constitutes a greater loss to civilization than the like idleness of twice the number in any other country of the world.

Says John Ruskin:

> Since the essence of wealth consists in power over men, will it not follow that the *nobler* and the more in number the persons are, over whom it has power, the greater the wealth? Perhaps it may even appear, after some consideration, that *the persons themselves are the wealth*—that these pieces of gold with which we are in the habit of guiding them are, in fact, nothing more than a kind of Byzantine harness or trappings, very glittering and beautiful in the barbaric sight, wherewith we bridle the creatures; but if these same living creatures could be guided without the fretting and jingling of the byzants in their mouths and ears, they might themselves be more valuable than their bridles.
>
> In fact, it may be discovered that the true veins of wealth are purple—are not in rock, but in *flesh*—perhaps even that the final outcome and consummation of all wealth is in the producing as many as possible full-breathed, bright-eyed, and happy-hearted human creatures. (Unto this last; Essay II.)

That is a sentiment, Mr. President, which I commend to the serious consideration of the gold-standard advocates.

WHAT IS AN HONEST DOLLAR?

The gold-standard men tell us that all they ask for is good money—honest money. If that is so, then there must be some monstrous juggling with words. For the very pith and marrow of our contention in demanding the restoration of the privilege of full coinage to silver is for good money, honest money, a money more honest than gold, a money that shall be honest not merely to-day, but in perpetuity. The acute among the gold men very well know that gold money under existing conditions is not an honest money, but an unjust and essentially dishonest money.

What, then, is an honest dollar? Is it not a dollar which demands at all times the same degree of sacrifice to obtain it?

Is a dollar "honest" only when it is increasing in purchasing power—when it is enlarging its grasp over the products of labor? Is it an "honest" dollar only when it is exacting more from the debtor than he contracted to pay, and giving more to the creditor than he agreed to receive?

Is a dollar dishonest when, on the date of repayment, it commands precisely the same degree of sacrifice that it commanded when it was borrowed?

In order that a dollar may be entitled to the designation "honest," is it necessary that at the date of repayment it should have a greater control over human effort than it had when it was borrowed?

One would naturally suppose that an honest dollar would be a dollar that would correctly register the sacrifices of men, so that at the close of the term of a loan the creditor, in addition to lawful interest, would receive as principal not merely the same number of dollars, but dollars commanding on the average the same degree of human effort as those he had lent.

Are we to understand that after the making of a contract requiring the payment of money a dollar becomes more and more "honest" in the proportion in which its purchasing power increases, to the advantage of the creditor and the disadvantage of the debtor?

WAS THE GOLD DOLLAR AN HONEST DOLLAR IN 1873?

The gold dollar having to day a purchasing power 50 per cent greater than the same gold dollar had in 1873, was the gold dollar of twenty years ago a dishonest dollar, and is it to-day 50 per cent more honest than it was then, it being at both periods of precisely the same weight and fineness? And if it continues to

increase in purchasing power, will it continue to increase in honesty?

We have heard no gold-standard champion attribute dishonesty to any gold coin of any country at any date. Gold, they say, is always gold, which in one sense we grant, and therefore one would suppose that a contract to pay gold would be the same contract at one time as at another. Yet, at two different periods of time it means two totally different things.

One of the most important ends served by money is, or should be, to equate the differences in value produced by the varying degrees of supply and demand which, from season to season, affect the commodities in the market. Before money became evolved from barter men could, on the spot, have exchanged wheat for clothing, but without money they could not have arranged, as Aristotle puts it, "for the exchange to take place at a future time," because in another season, owing to altered conditions of supply and demand affecting the commodities, their true relation in exchange might be altogether different.

Under a perfect money system the sacrifice necessary to obtain any given sum would on the average be no greater at one time than at another. It is as a measure, an adjuster—an instrument of registration—of the varying degrees of human sacrifice entering into the production of commodities and the rendering of services, that money finds its most beneficent function. It can not faithfully perform that function when the measuring unit is increasing in power from year to year.

To illustrate: in 1849 the pound sterling bore the same name that it bore in 1809, yet, as I have already remarked, between those years, according to Jevons, and according to Tooke and Newmarch, its value increased 145 per cent—that is to say, in 1849 it had a purchasing power two and a half times as great as in 1809.

In view of the enormous debts of the world, is it possible that Senators are prepared to admit that such a pound, constantly increasing its grasp over the products of labor, was an honest pound? If so, it must have been two and one-half times more honest in 1849 than in 1809, and as the weight of debt became progressively heavier, the pound must have grown more and more honest!

So, likewise, from 1873 to 1893, as is shown by the reports of royal commissions and by all the economical, financial and commercial literature of the times, the pound sterling, the dollar, the franc, and every other monetary unit in gold-standard nations have increased in value 50 per cent.

Taking into account these extraordinary changes, can money be said to be thus serving the ends for which society intended it? It will be observed that it is only when it is undergoing this sort of change—it is only as it is increasing in power—that it is called "honest."

To be entitled to the designation honest, it is not enough that it shall be a dear dollar. It must be constantly increasing in dearness. It must be a dollar that is becoming progressively more difficult for debtors to obtain—a dollar which requires more sweat and toil to reduce it to possession. Of course, on the theory of the gold-standard advocates, the dearer and more difficult a dollar is to get, the more "honest" it is. That sort of dollar, when paid over by a debtor to the holder of his bond and mortgage, will command more property than could have been commanded by the debtor with the dollar which the creditor originally lent him. That is the idea of an honest and a just dollar entertained by the champions and beneficiaries of the gold standard.

As the dollars are due to them, they deprecate with upturned eyes and clasped hands any change except one by which it is becoming more valuable. Were they the persons who owed the dollar they would feel that they had discharged every duty of honor and honesty if they paid their debts in a dollar of precisely equal value with that which they borrowed—in a dollar which should transfer to the creditor the exact amount of sacrifice—of control over human effort, which the creditor had transferred to them on making the loan. What further can justice require?

The cry for an honest dollar is a mere pharasaical claim by which money-lenders are enabled to perpetrate practical robbery upon the masses of the people. It is a demand under the name of honesty for a grossly dishonest dollar. While they are calling out for honest money, they are looting the community. Their entire contention is enough to bring the word "honesty" into reproach. As well might the dealers in "green goods" insist that their trade is "honest."

A sordid disposition, from which, as civilization advances, mankind can escape only slowly, still induces many to think that anything is honest which is for their profit and advantage.

Well may we invoke honesty, as Madame Roland invoked liberty, exclaiming "How many crimes are committed in thy name."

THE DEMAND THAT ONE DOLLAR MUST BE KEPT AS GOOD AS ANOTHER.

The gold advocates say that one dollar must be as good as another. But they do not define what goodness means. What is goodness in the case of a dollar? Is not a *just* dollar a good dollar? Is not a dollar of *unchanging value* a good dollar?

If the dollar they take for their model is a swindling dollar, why should they ask that an "honest" dollar should be as "good" or as bad as that?

If a dollar should get to be more valuable than the dollar of the contract—if goodness means *dearness*—then we want a dollar that shall not be so good. We want a dollar that shall demand no more sacrifice to get it than the dollar of the contract—than the dollar that was agreed to be paid.

By artful devices, and without the knowledge or consent of the people, but through the arm of the law, the creditor classes increased the value of the dollar by cutting off one-half the quantity of the material from which dollars had theretofore from time immemorial been made; and, having thus clandestinely secured themselves, they began, with loud voice and sanctimonious air, to announce to the people that justice required every dollar to be kept at a parity with this new dollar that is constantly growing dearer.

Were gold to double in value in the course of the next year we should still hear ringing sentences from the banks and from the President of the United States, demanding that we make every dollar as good as every other dollar—meaning that all dollars would have to be made of equal value with the gold dollar. They would disregard the injustice caused by overturning all contracts and doubling the burden of all debts. The honest dollar, according to these authorities, is that which exacts the most sweat and toil from the debtor.

Suppose that instead of agreeing to pay dollars people agreed to pay wheat in standard bushels of the United States, and suppose that after the debt had been contracted, a bushel measure was introduced and made the only legal bushel, having a capacity 50 per cent greater than the measure which was the standard at the time when the transaction was entered into, then with the same propriety that our leading financiers *now* speak of the gold dollar, we should find them and the President declaring the larger bushel to be the best bushel because it would give to the creditor a larger quantity of wheat than the bushel for which he had contracted. So also if a pound weight were by law so changed as to represent 50 per cent more than the present standard pound the creditors would assert that they must have the best, meaning the heaviest pound weight. They would cast odium upon the old weight as a cheap and dishonest weight, and insist that one pound weight should be as good as another!

The analogy will be completed when we suppose the law to provide that without further specific legislation all the standard weights and measures of commerce shall each year take on a percentage of increase—the pound weight to be a heavier weight, the yardstick a longer stick, and the bushel measure a more capacious measure. In this way, without the trouble of making new laws every year and undergoing the exposure and odium naturally attaching to acts of moral turpitude, the creditor classes could enter into contracts involving future payments of money to them with the certainty that as each yearly payment fell due they would get a greater and greater unearned increment of money.

THE SUPREME TEST OF THE GOLD STANDARD.

If gold be the best money, it will of course stand the best test. Let us apply to it the test that we would apply to all other things.

The supreme test of all things human is the ordeal of war. In order to fight to the best advantage—in order to win battles—a country must have the best men; those men must have the best guns, the best powder, the best clothes, the best blankets, the best horses, the best tents, the best food. All these require money—and, one would suppose, the best money. What is to be said of a money that disappears on the outbreak of hostilities?

Do we consider citizens the best citizens who leave their country on the first appeal to arms? Has mankind been mistaken in its estimate of duty and valor, and is the true patriot, after all, *not* the man who goes to the front, but he who takes the first steamer for a neutral port, to return only when the conflict is ended?

If gold be the best money, is it not extraordinary that no nation on earth has ever been able to fight with it? And is it not equally extraordinary that men can only fight with the worst money? What would be thought of a country that should provide its soldiers with the worst guns, the worst powder, the worst food, and the worst clothing? In the greatest emergency of the nation's life it had no gold—in the greatest emergencies of the lives of all nations, they have had no gold. At the first roar of the cannon gold goes, and never returns until it comes in the hands of usurers.

The lesson of history is that that money which fights for liberty, and has fought for liberty all the world over, is not an international money, but a *national* money. It is a very extraordinary thing that people will persist in ascribing the term "best" to a money that leaves them helpless upon the slighest note of danger. In every great war that has ever occurred in the history of the world, men have been deserted by this money which we are told is the "best." The memory of every Senator informs him that it is as true of this country as of others. During our late war, where was gold? Where was this "best" money? Who then heard the statesmen and the newspapers calling upon the workingmen of the country to demand the "best" money and the only honest money? If gold was the best money why did not the Government officials seize it and make it serve the country? They did not hesitate to seize *men* and send them to the front? Is gold more sacred than men?

After all, do we not make a mistake in saying that a national money is the worst money? Observing the high premium on gold during our time of trial, all the monarchies of the earth were predicting the doom of the Republic. One of England's greatest historians, Prof. Freeman, saw this so clearly that in 1863 he published an elaborate work entitled "A History of Federal Government from the formation of the Achæan League to the *Disruption* of the United States." No doubt the monarchs and the historians based their calculations on the fact that at that time the money-lenders of Great Britain possessed all there was of this "best" money, and that for want of it we were helpless. They have since had ample opportunity to discover that the people of the United States are equal to every emergency.

IS THERE NOT NEED FOR GOOD MONEY IN PEACE AS WELL AS WAR.

So far as concerns the need for money, is there essentially any difference between a time of war and a time of peace? In peace is there no exigency demanding money? In peace as well as in war a people need something with which to pay. Do men not get hungry in peace as in war? Do they not need money with which to exchange the products of industry at one time as at the other?

During a period of warfare the exigency is on the part of the Government and the people as a whole—as a *collectivity;* it is a struggle by all for the existence of the nation. During a period of peace the exigency is on the part of every individual citizen, who is engaged in a struggle hardly less serious, for *his own* existence. If in the supreme emergency of war, a nation can wholly dispense with gold, why during peace should they sacrifice justice to obtain it?

If without gold a people in their collective capacity can defend and preserve their lives and liberties, how illogical and absurd to suppose that they are dependant upon it in peace to defend and protect their industries? If the Republic is to survive, it is as important that the people shall have food and clothing during peace as during war. The struggle for existence is not over on the cessation of armed hostilities. The battle of life goes on. In the contests of industry the people need money as exigently in peace as the nation needs it in war, and they need just as good money.

All admit that there is a struggle in war, but who can deny that there is also a struggle in peace? The war struggle lasts a year or two; the struggle of peace lasts a lifetime. The same men who held the musket are they who follow the plow. Do they not continue to need at home, as they needed on the battlefield, the best blankets, the best clothes, the best food, and the best money? Is there any period of their lives when the industrious, energetic, and aspiring people of this country should not have all of these? Is it only during periods of warfare that men are to be blest with prosperity? Is it only *then* that their activities are to be in requisition? Must men be unemployed during peace? Must they starve because they are not destroying each other? Did Milton err when he wrote:

Peace hath her victories
No less renowned than war.

Those who insist upon having the best money can not mean that the entire volume of a money, if composed of any special material, is any better or has any more value than the entire volume of a money composed of any other material. All the economists unite in declaring that all the money-value possible to a country at a given time is expressed in its total volume at that time, no matter of what material the money may be composed.

The entire value of the money of a country can not be increased except by increasing the wealth of the country. Under given conditions the only change in value that can be effected is in the value of the *unit*. The word "best" therefore can have no possible application to the volume of money as a whole. It can apply only to the individual units of money—to the separate dollars. But if "best" money means best units of money, the term is nonsensical. If there is a "best" unit of money, there must be a best unit of other things. Imagine a farmer insisting upon the best unit of wheat! If the best unit of money is that which has the largest control over property, then the best unit of property would be one that has the largest control over money.

Hence our farmers should be occupying themselves with the invention of devices for progressively decreasing the cubical contents of the bushel, as it is only in that way that wheat can acquire greater control over money. The farmer has just as much right to claim the best unit of wheat, as the banker has to claim the best unit of money. As the vast mass of industry in this age is based on time contracts, neither the unit of wheat, nor the standard measure of any other product of human labor, any more than the unit of money, should be permitted to suffer either increase or diminution if it be possible for human wisdom to keep them unchanging.

So, again, if the bankers are correct in insisting upon the best unit of money, why should not the manufacturer of cloth insist upon the best unit of cloth—meaning by that a unit of measure that is constantly shifting its measuring power—and always in the direction which will give advantage to the cloth manufacturer. If the instincts of the money-lender lead him to wish the greatest purchasing power in the unit of money, and to scheme and plan in order to bring about a constant increase in that purchasing power, then the cloth manufacturer should not be blamed if he for his part should strive to see that the unit of his merchandise shall command a constantly increasing quantity of money.

WHAT IS THE BEST DOLLAR?

The best money is the money of unchanging value. The best dollar is the dollar that holds its own.

The best dollar is that which, as time advances, becomes no dearer and no cheaper, so that neither debtor nor creditor can be despoiled by it. The best dollar is that which, in so far as it expresses the equity of a contract at the time the contract is made, continues faithfully to express that equity through time, no matter for how long a period the contract endures. Whenever society shall get such a dollar the ultimate will have been reached. With a perfect money the world will be transformed. Men will succeed in life according to their ability in their special callings, and not according to their cunning, their hardheartedness, or their dishonesty. It will be sufficient if they shall be able to exercise foresight and make calculations with regard to their own business without being compelled to study the science of finance and enter upon long computations regarding the changing value of money.

The statement that silver is cheap money is only correct in the sense that gold has become a dear money. Silver bullion will buy as much to-day of everything that enters into the consumption of the people as gold bought twenty years ago. In that sense silver is to-day cheaper than gold. The delicate hands of our bankers go up in horror at the idea of having a cheap money. It is repugnant to their sensitive nerves that the thing with which *they* have to deal should become cheap. They do not suspect anything to be wrong when it is wheat that is becoming cheaper. Indeed with many advocates of the gold standard it has become a maxim that "cheapness is the life of trade"—meaning some other man's trade—not their own.

All things in which *other* people deal may become cheap without debasing our civilization, but to cheapen the things in which bankers deal would be altogether unendurable.

Now, as I have already indicated, if *money* be not cheap other things must be cheap. How can other things be cheap unless money be dear? To state the one is to state the other. The bankers and bondholders would not directly admit that they want a dear dollar; they prefer to call it an honest dollar. Inasmuch as "dear" is the opposite of "cheap," one would suppose they would use the word "dear" to describe their own dollar, and if they were logical they would do so. They want the dear dollar, but are afraid to say so. That a dear dollar is what they really want—even a dollar that is each year becoming dearer—is confessed by their insisting that all dollars shall be equal to the gold dollar, to a dollar that has risen in value, in purchasing power—in command over the products of labor—at an average rate of 2¼ per cent per annum for the past twenty years, or 50 per cent for that entire period.

When people talk about dear money being the "best" money, everything depends upon whom they have in mind. If they are considering only the creditor, the annuitant, and the idle income gatherer, then in one sense they are right. Undoubtedly in a narrow sense, and for the purposes of the moment, the best money in the case of these persons is the money that is increasing in value, and acquiring constantly larger control over the products of labor. But how is it with reference to the producer? What money is best for him? Is he not to be considered in the matter? Is he to be destroyed in order that creditors may receive a dollar more valuable than they paid, more valua-

ble than they agreed to take in repayment, and more valuable than justice or equity warrants? They effected their loans in a dollar that would buy 100 cents' worth of property; they insist on being repaid in a dollar that upon that basis will buy 150 cents' worth of property. Calling the two dollars by the same name will not make them the same thing.

THE 60-CENT DOLLAR.

And here let me inquire, is it not a somewhat remarkable circumstance that 60-cent dollars are quite numerous, while 150-cent dollars are never heard of? It is singular that a dollar can become less than 100 cents, but can never become more. The rule does not seem to work both ways. No matter how high the value of the dollar may go, according to Wall street it can never rise above 100 cents. This is because it is to the interest of money-lenders to keep the eyes of the people off the rising dollar and make it appear by comparison that the other dollar is falling. It is a device to divert the attention of the people from the ruinous advance in the value of gold in the interests of those who juggle with money.

When Senators deride the silver dollar and call it a 60-cent dollar, they are in effect deriding the gold dollar of 1873, and calling it a 60-cent dollar. It was not so dear a dollar then—it had not such a high-purchasing power—hence according to their logic, the gold dollar of to-day is more honest.

The fact is, however, that every dollar that the law creates contains 100 cents. A dollar means 100 cents. The thing to be ascertained when two different dollars change their relation to one another is whether the unit of each of such dollars bears on the average the same relation to the units of commodities that it did before. If not we may ascertain that one of the dollars has become a 150-cent dollar. In that case it is a very bad dollar.

If our dollar is a 60-cent dollar, then the 5-franc piece of France, Belgium, and Switzerland is not a 5-franc piece but a 3-franc piece. The 5-lire piece of Italy is equally "short." If the value of money is derived from any supposed "intrinsic value" of the metal it contains, how are we to account for the fact that all those "short-weight" coins are doing the business of the countries named in unlimited payments at par with gold and without complaint by the people of those countries or anybody else?

According to the logic laid down by the advocates of the gold standard the gold dollar of to-day will in a few years be considered a swindling dollar, inasmuch as the dollar of a few years hence, though containing no more metal, will have considerable more purchasing power than the gold dollar of to-day.

MONEY OF HIGHEST PURCHASING POWER.

Many persons take for granted that a unit of money having the highest purchasing power is the best unit. It is not a question of high or low *per se*, but of a *change*. It makes no difference whether the value of a dollar be high or low at any given time, provided it will only *remain* unchanged. The idea that there is any advantage, even if there were no injustice, in having a unit of higher value than one that previously existed, is as absurd as to suppose that the best clock is that which is constantly gaining time, that the best yardstick is one which each year acquires an addition of a few inches to its length, or that the best pound weight is that which is each year acquiring greater specific gravity.

The distinguished Senator from Ohio [Mr. SHERMAN], in some remarks delivered before the Legislature of Ohio on the occasion of his last election, is represented by the New York Tribune and other newspapers to have stated that what both political parties in Ohio wanted was "the best money and plenty of it," so that "labor and production will be measured by money of the highest purchasing power."

Now, Mr. President, in the sense here intended, the expression "best money and plenty of it" is a contradiction of terms. All political economists agree that money will have purchasing power in proportion to its scarcity, so that according to the Senator's statement, what both parties wanted in Ohio was "the scarcest money and plenty of it." [Laughter.]

SUCH MONEY GOOD FOR MEN WHO HAVE ALREADY ACHIEVED FORTUNE.

For those who have already achieved fortune—*who have reduced the dollar to possession*—undoubtedly in a narrow and selfish sense the best dollar is the dollar of highest purchasing power, especially if, as is the case with the gold dollar, the purchasing power is constantly increasing. Hence it is not unnatural to find that men who lend money and deal in bonds and mortgages call the best dollar, and indeed the only "good" dollar, that which will exchange for an increasing quantity of commodities. But if a man *owe* a dollar, is not the best and most honest dollar in that case, not only for him but in a broad sense for the man even to whom it is due, the dollar intended by the contract—that is to say, a dollar which will demand of the debtor when repaying it the same sacrifice that it demanded of the creditor when lending it?

If any other dollar is meant, it would argue that injustice and exaction are better for the human family than equity and fair dealing. The correct principle is that it makes no difference what may be the purchasing power of the dollar, so long as it *remains unchanging through time*. Whether it have a high or a low purchasing power it will equally maintain the equity of debts and time contracts if it retain that purchasing power without alteration, and especially without increase.

In the Middle Ages 6 bushels of wheat could be bought with the present price of 1 bushel. The money of that time was money of a higher purchasing power than the present money of the United States. Will it be wise for us, therefore, to return to the prices of the Middle Ages? If wheat continues declining till it gets to be 5 cents a bushel, then a dollar will buy a very much larger quantity of wheat than it does to-day; in other words, the dollar will have a much higher purchasing power than the dollar of to-day. Had we better, therefore, persist in our adherence to that form of "best" money—money of increasing purchasing power—until prices have fallen sufficiently to enable the rich man, whose money is already reduced to possession and who is himself producing nothing, to buy the products of other men's labor at the rate of 20 bushels of wheat for $1. This is a question that ought to have some interest for our farming communities. It is the constant *increase of value* in the monetary unit that disturbs and disarranges industry, that ruins employers and relegates to idleness our workingmen.

If the gold dollar is the best dollar because of its weight—because of its containing so many grains of metal—it would manifestly be a better dollar if the number of grains were increased. On that contention the dollar would be twice as good if the number of grains were doubled, and three times as good if trebled. According to this the best foot measure would, as I have already stated, be that which should have the greatest number of inches, the best yardstick that which should have the greatest number of feet, the best hat, the biggest hat.

Inasmuch as all economists agree that the principal function of money is that by which it serves as a measure of value for deferred payments, what difference can it make whether there are many grains or few in the dollar, many inches or few in the foot rule, provided the measure be unchanging. Will not a bushel measure be a good measure if it always measures out the same quantity of wheat, and the foot rule a good rule if it always stands for the same space?

I must here repeat that money is a question of relative numbers. The value of money—its purchasing power and control over commodities—is a question of the number of money units in circulation. The effect of one unit is precisely the same as that of another unit. Other things being equal, one dollar, no matter of what material made, can not make prices either advance or decline more than any other dollar. An increase of the purchasing power of all dollars results from a decrease, relatively to demand, in the quantity of all kinds of dollars in the circulation; and *vice versa*.

The value of every dollar in use, population and demand remaining the same, being determined by the number of dollars in circulation, the purpose of repealing the Sherman law manifestly is to increase the value of the dollars in circulation by refusing to increase the quantity of money while population continues to increase. This will add unjustly to the burden of every debt and to the weight of every mortgage. It will turn increasing numbers of workmen out of the shops and throw them on cold charity of the world.

THE NEW YORK NEWSPAPERS AND THE STOCK MARKET.

If money is to have the highest or a constantly increasing purchasing power, prices of commodities must be kept constantly lowering. The higher the purchasing power of the dollar the lower necessarily must be those prices. Yet everybody wants prices to be "good." In the stock market business is said to be prosperous when sales are rapid and prices rising. It is said to be "bad" when prices are falling and sales, as a consequence, restricted. The same rule applies to all forms of business. Unless, then, there is to be a fall in the purchasing power of money, there is no way to secure better prices except by a diminution in the production of commodities—by poor crops and idle factories.

There is great rejoicing in the New York newspapers when stocks and property are rising, which means that money is decreasing in value; yet they tell us in the same breath that they want money of the highest purchasing power, showing that so far as money is concerned the writers do not understand the relation of cause and effect. When these "honest money" newspapers of the East tell us that there is a "brightening up all over the country" and that "business is looking better" they always add that "there is an advance in values." Now, an "advance" in prices of property signifies a decline in the value of

money, but they do not perceive this. Ask business men generally whether they think it better for the country that a slow and slight rise in prices should take place, rather than a steady and persistent fall, however slight, and they will tell you that a gradual and reasonable rise of prices is the very synonym of prosperity.

But when people want money of the highest purchasing power, and at the same time want that activity of business that results from steady or gently rising prices, they simply ask for two things that are absolutely incompatible and contradictory. They want both sides of the scales to be going up at the same time.

To whatever degree money is *increased* in volume (other things remaining the same), the value of all the money in circulation is *decreased*. If, then, money of the highest purchasing power were really the best money, and the only honest money, it would become a moral duty of governments, in the interest of society, to forbid the further mining or coining of gold and silver. By refusing to those metals or either of them free access to the mint, the purchasing power of all dollars already in circulation would be enormously increased.

If, notwithstanding this increase, workingmen could receive the same number of dollars that they now do, what an inestimable boon it would be to the laborers not only of the United States, but of the world if the greater portion of the money stock were destroyed. No scheme could be more philanthropic than one in which all civilized nations should combine to annihilate nine-tenths of the money supply of the world, so that by enormously decreasing the quantity of money the unit of money may acquire the highest purchasing power, and inasmuch as, according to the logic of the gold-standard advocates, the laboring men would still receive the same number of dollars, they would of course be elevated from poverty to affluence.

This involves an entire reconstruction of the science of political economy upon principles never before dreamed of. It is hereafter to be a science, by the study of which men may learn how to lift themselves up by the straps of their boots. That is precisely the performance which the advocates of the gold standard propose that the people of the United States shall undertake to do when they determine to inaugurate a season of prosperity by repealing the present silver-purchase law and putting nothing in its place.

SILVER A PRODUCT OF THE UNITED STATES.

The ground that silver is the product of the United States does not, in the eyes of the gold advocates, commend it in any way to consideration. When opportunity arose, however, to commend *gold* as being such a product, the argument was deemed legitimate, and was used without hesitation.

Albert Gallatin, in his Considerations on the Currency, published in 1831, said:

> Another consideration may be adduced in favor of the proposed reform of our gold coins. It seems to be well ascertained that the United States contains some of the most extensive deposits of gold that have yet been discovered. * * * It appears but just to afford to those employed in collecting that natural product, a *certain*, and the *highest* home market, of which it is susceptible. (Page 64.)

Even the honorable Senator from Ohio [Mr. SHERMAN] has considered the fact that gold was a product of the United States to be a recommendation in its favor, and I presume he considers it so still, although, taking into account the much greater importance of our silver yield, one would suppose that as a product of our own soil, silver would be esteemed the more valuable, the Senator professing to be a consistent protectionist.

In 1868 that Senator, then chairman of the Finance Committee of the Senate, submitted a report to this body upon the question of an international monetary standard, recommending the adoption by the United States of the system of unification of the coins of all nations on the gold basis, as suggested by the International Monetary Conference held at Paris in 1867. In that report the distinguished Senator states:

> Aside from the general advantages which we will share with the civilized world in attaining a uniform coinage, there are special reasons why the United States should now adopt the system. The United States is the great gold-producing country of the world, now producing more than all other nations combined, and with a capacity of future production almost without limit. Gold with us is like cotton—a raw product. Its production here affects and regulates its value throughout the world. Every obstruction to its free use—such as the necessity of its recoinage when passing from nation to nation—diminishes its value, and that loss falls upon the United States, the country of production.

And farther along in the same report he repeats his recommendation for the adoption of the gold standard, on the ground, among others, that gold is "mainly the product of our own country."

The Senator did not permit his mistaken fears of an enormous yield from the mines to interfere with his recommendation. He distinctly stated that the United States had "a capacity for future production almost without limit." According to this reasoning it would seem to be the conviction of the Senator from Ohio that because gold was an American product it was our duty by all the means in our power to sustain its value, no matter how unlimited its supply or how insignificant the cost of its production. "Every obstruction to its free use," said the Senator, "diminishes its value, and that loss falls upon the United States, the country of production." In that statement I fully agree with the Senator from Ohio. But it seems that while this was a valid argument for gold, it is to be deemed preposterous as an argument for silver.

THE SILVER MINERS.

The silver miners of the United States, Mr. President, are a brave and hardy people. Those of my State shrink from no comparisons to which they can be subjected. Tried by every gauge of manhood and patriotism, they respond to all tests. Imagine the resolute pioneer, filled with the ardor of expectancy and the enthusiasm of anticipation, denying himself all present enjoyment, all the solaces and comforts of civilization, to take up what he hopes will be but a temporary abode in a hut on a barren mountain-side—can there be found within the borders of the Republic a soul more intrepid, more aspiring, more filled with the ardor of liberty, more willing to do and dare, more determined to defy and overcome difficulty, in the effort to achieve, in the endeavor to appease that thirst, which, from the days of the Argonauts, has seized upon the best and the bravest of mankind.

In his interested and alluring search he finds no consolations of landscape; no spreading lawns; no undulating fields; no placid lakes; no tempting fruits; no sheltering trees. On bleak and rugged mountain, or in deep forbidding gorge his lot is cast. The blasts of winter and the torrid heats of summer he bears with fortitude and resignation—for does he not see the finger of Hope—that hand-maiden of Ambition—ever beckoning him on? This follows, as of course, from the nature of his calling. Mining is, above all things, the occupation of Hope. It is an honorable occupation; requires the boldest and most enterprising men; invites none but independent and adventurous spirits. No man not possessed of self-control and self-reliance—no man who is not willing to brave danger, can follow it. Such characters are the natural material for citizenship of a free republic. And although Nevada be a State of small population, yet its population is composed of such as these—no State in the Union can boast of braver or of better.

As is befitting such a population, the great seal of the State which I have the honor in part to represent in this Chamber bears a motto which I commend to the serious consideration of those who ridicule Nevada because it lacks the splendor and majesty of the great banking States of the East. The motto is: "All for our country." That was the simple but eloquent legend which the warm glow of patriotism suggested to those faithful sons of the Republic on the admission of their State to the Union. It was becoming to men who loved freedom and wished to give notice to all mankind that they were willing to brave all dangers for the Republic which they loved. "All for our country!" Ah! Mr. President, that is a motto which I venture to assert will never be found upon the escutcheon of any State in which bondholders predominate. Their sordid motto is, "All for our bonds."

CONTRAST OF THE CLAIMS OF THE MINERS WITH THOSE OF THE BONDHOLDERS.

Let me very briefly contrast the claims of these two classes of men to the consideration of the people of the United States.

As I have shown, when the bondholders entered upon their relations with the United States they paid for the bonds in depreciated paper dollars, or in the gold equivalent of such dollars, at the average rate of only 67 cents on the dollar. Those bonds were (according to law, and would have been according to equity), payable in lawful money of the United States. That was the contract, and, in substance, it was so nominated in the bond. The bondholders then set to work to secure a change of the law in their own interest, and did secure such change, by which dollars that were agreed to be paid, and to be received, in lawful money of the United States, were afterward declared to be payable in coin.

Having got thus far they secured another change in the law, by which, in 1873, one of the two metals which alone constituted "coin," in the meaning of the statute, was demonetized and rejected as money of full liberating power. Inasmuch as the only value which money has is purchasing power, and that value is determined by supply and demand, the demonetization of one of the metals enormously increased the demand for the other, and by increasing the demand proportionately increased the value. The object of the bondholders was to increase the purchasing power of their bonds—of the debts which the people of the United States owed to them. That was what they knew they would get if they could secure the demonetization of one of the money metals. They have since received from the United States, in payment of the principal and interest of their bonds, an enor-

mous increment which was not due nor earned by them, nor agreed to be paid to them, nor to be received by them.

Having secured from Congress an act which waived payment in lawful money, and agreed to pay in "coin," having then secured the act which demonetized one of the metals and made the debt payable in the other, they next attempted to secure from Congress a new interpretation of the act which provided for the payment in "coin"—an interpretation which should translate the word "coin" into the word "gold." This interpretation Congress refused to make. Congress then distinctly stated, by an overwhelming majority of votes in both Houses, that the word "coin" meant either gold *or silver* coin of the United States of the standard value of July 14, 1870. From Congress they appealed to what seems to be a higher court, not provided or contemplated by the Constitution, namely, the executive officers of the United States, who, acting as a self-appointed court of appeals, decided that the word "coin" meant "gold coin," and proceeded to pay those usurers in that metal.

Now, by contrast with this relation of the bondholders to the United States, in what relation did the miners stand toward the the country.

When they entered upon the work of silver mining they had every reason and every right to expect and to believe that silver would continue to be what from time immemorial it had been, namely, *money*. And if it could have entered their minds that *other* nations might demonetize silver—nations whose soil contained none of that metal, and whose people produced none—they could never have suspected or supposed that it would be demonetized by the Government of the *United States*, especially after a large number of citizens had embarked in the business and had learned the trade—for trade it is, requiring a considerable time in which to become skilled. Silver had been the companion of gold in the exercise of the money function not only since the dawn of history, but prior even to the period of tradition. In common with gold, it had been dedicated by the Constitution of the United States to the performance of that function, in the injunction imposed upon the separate States by a provision which recited that—

> No State shall * * * make anything but gold and silver a tender in payment of debt.

Thus the miners not only invested money, but suffered enduring hardships and incurred the utmost risk of health and life, upon the faith of what may be termed a constitutional guaranty, and upon the faith of the laws of the United States from the foundation of the Government—laws having the origin in customs, mint regulations, governmental orders and decrees of all nations, from "time whereof the memory of man runneth not to the contrary."

The miners have never asked the Government for any bounties of any sort. They have simply asked, and they only ask now, that the plain intent of the Constitution shall be given effect—that that intent shall be adhered to, at least until the people of the United States have the opportunity of determining for themselves, and without interference by the executive department, the question involved in the constitutional provision. The Constitution stating that Congress shall have the power to coin money and regulate the value thereof, and that no State shall make anything but gold and silver a tender in payment of debts, the miners were warranted in expecting that Congress would never attempt by a mere law to override the authority implied by the Constitution, which was that a State could lawfully and constitutionally make silver as well as gold a tender in payment of debts.

If all the States should declare gold and silver to be legal tender, while the Government of the United States should prevent the coinage of silver, the provisions of the State laws passed in compliance with the Constitution would be of no avail.

Wherever the miners have gone they have built up communities that, until struck by the hand of the foreign creditor of the United States, were prosperous and happy. They have added to the flag of the Union a number of great self-supporting States whose future influence upon the destiny and welfare of mankind, and especially of our Republic, by the yield of the precious metals and otherwise, was destined to be most powerful. They have shown that they were true Americans in the courage, and energy, and determination with which they set to work to construct towns and cities in the heart of that which was a desert.

In those towns and cities, even in the least populated villages, they have established all the institutions of self-government—school houses, churches, libraries, lyceums, and all the other concomitants of American civilization. They have had to battle with the rude forces of nature and, like true Americans, have not flinched from the conflict.

I need not expatiate upon the comparative equities of the claims of the bondholders and the miners respectively. Those who, after consideration of all the circumstances, do not see a clear case in favor of the miner—a case which should be supported by all the power and all the energy of the United States—are in my humble estimation to be commiserated upon the absence, not merely of patriotism, but of moral sense.

The foreign bondholders, notwithstanding the total absence of equity and even in defiance of all law and of the plain and unmistakable terms of the written contract, find that they have only to "ask and it is opened unto" them; while the brave hearts that, in the hopeful dawn of early manhood, hazarded strength and health and life in the honorable ambition to achieve—that, American like, they might call no man master—are now, many of them, in their declining years, and with families that are as dear to them as ever wife and children were to bondholders—left to seek, not new homes merely, but, harder yet, *new occupations*. These, too, are the men whom the good and gentle Lincoln declared in a message to Congress to be worthy not merely of the protection of law, but of an "extraordinary" degree of encouragement. These are the men whose acute sufferings have afforded opportunity of ghoulish delight to the proprietors of the gold press of the country.

The demand of the bondholder is not only that laws passed for his special and unjust advantage, after his contract was made, shall be enforced, but that the most important word in the law shall be read *out* of it, and a new and different word read *into* it in order that he may get from the people not only far more than he gave, but more than the people agreed to pay him, and more than he agreed to receive from them, in full discharge of their obligation.

The present executive officers of the United States, following the example of their predecessors, without respect to party, ever since the issuance of the bonds, and supported by the army of bondholders and their servitors, and especially the leading newspapers of the great money centers, are determined to enforce this interpretation which they themselves, without warrant of law or reason, have made, even when, in order to accomplish it, they find it necessary, like kaisers, to reconstruct entire maps and ruthlessly destroy the population of whole States. Even czars do not destroy the law-abiding people of their own countries. It was only the Janizaries who pillaged the cities which it was their duty to guard.

The people of the mining States, Mr. President, among them the people of the State which I have the honor in part to represent in this Chamber, advance in defense of their cause reasons founded at once in principles of eternal justice and sound economic policy. They are confident that a large majority of their countrymen are with them on the side of the right, and only need a fitting occasion and a plain statement of the case to make prompt and unmistakable decision.

They assert that in fairness to the republican principle of government, which does not recognize the lodgment of all the powers of state in the hands of any one man, all questions of superlative importance, such as that which involves at once the monetary standard of the Republic, and the lives, fortunes, and happiness of the population of entire Commonwealths, should be submitted directly and openly, fairly and squarely, to the people of all the States, and should not be decided by snap judgment, after the manner of ignorant magistrates and petty criminal courts, nor by personal orders or rescripts in the nature of imperial decrees. They believe that justice to the theory of government "of the people, by the people," demands that all questions of preëminent importance should be submitted to the enlightened suffrages of the people in their capacity as rulers.

They submit that the question now under discussion is, in its broad aspect, one which, for fifteen years, has, by disingenuous methods, been studiously withheld from submission to the people, owing mainly to what, in my humble opinion, is an unconstitutional encroachment—gradual, progressive, and finally overshadowing and dangerous to the independence of the lawmaking body—the encroachment by the incumbents of the Presidential office, without distinction of party, upon the functions of the lawmaking power.

The Roman republic, Mr. President, did not lose its liberties until the senate had degenerated into a mere instrument for recording the will of the chief magistrate. Macaulay has commented upon the ease and smoothness with which all democratic forms, and the names and titles appertaining to a republican form of government, were preserved in that commonwealth concurrently with the absorption of all the powers of the state—executive, legislative, and judicial—in the hands of one man. But that was a long time ago. Times change, and men change with them. This is a very different Republic from that of Rome, and although history, we are told, sometimes repeats itself, I, for one, can not believe that the Senate of the United States is ever to become a subservient Senate.

I know that I can speak for the voters of the mining States and millions of voters in other States who are in hearty ac-

cord with them on all fundamental features of the question now before the Senate when I assert that if the entire monetary policy of the country is to be changed it is too great a question to be decided without consulting the American people, whose mere representatives and servants we are. And, if there be a majority of Senators here favorable to the passage of this measure, without reference to the fatal effect which it is absolutely certain to have, not only upon all the people of the mining States, but upon the producing masses in every State in the Union, may I not admonish those Senators to pause and reflect that there is no exigency whatever demanding its passage—that absolutely no public condition requires it, and that—

. . . . . it is excellent
To have a giant's strength, but it is tyrannous
To use it like a giant.

[Applause in the galleries.]

Friday, October 27, 1893.

Mr. JONES of Nevada. At the close of my remarks on Tuesday I had stated that the most immediate consequence of the vote to be cast here in favor of repeal would be to practically destroy the silver-mining interests of the country. Although the inhabitants of the so-called mining States are numerous enough to be entitled to consideration, they are not numerous enough to be able, unaided, to undo at the polls the wrong inflicted here. It is not, however, to the inhabitants of those States that Senators will have to account, but to a much more numerous body of citizens in all the States of the Union, namely, the agriculturists and other producers.

THE INTEREST OF THE PRODUCERS OF WHEAT AND COTTON IN THE REMONETIZATION OF SILVER.

I assert that by reason of the demonetization of silver the wheat and cotton producers of this country are compelled to give a much greater quantity of the products of their labor for a given number of dollars than with unrestricted coinage of that metal at our mints they would be called upon to give.

Agriculturists suffer in perhaps an exceptional degree from an increasing value in the monetary unit. The obligations of their mortgages, like those of all others, are stated in dollars. But unlike other obligations, such as railroad and corporate securities in general, the farmer has no means of defending himself from the injustice inflicted by an increasing value in the dollar.

Although railroads must suffer with others, yet when the value of the dollar increases, their managers shrewdly "refund" and "reconvert" their bonds at rates of interest lower than the rates originally provided for. But there is no "reconversion" or "refunding" for the farmer or cotton planter. The only result in his case is that every day is hastening him on to the time when the mortgage is to become a *deed*, and the mortgagee to become the owner of the property.

Wheat and cotton, the leading products of our soil, have for twenty years been falling in price. They fell last year, last month, and last week, and will fall further next week, next month, and next year. To the producer the term "fall of prices" is the equivalent of "increasing value in the dollar."

Where is the falling process to stop? Is it to persist until wheat gets to be 5 cents a bushel, and cotton 1 cent a pound? If so, what are those agriculturists to do whose farms are mortgaged, and who owe fixed amounts of other debt, all of which must be paid out of the amounts realized from the sales of their products? Were debts to be "scaled down" according as the value of dollars increased by reason of relative contraction of the money volume, no one could complain. But a debt is a fixed number of dollars, no matter how the value of the dollars may increase.

In order to get an idea as to how the fall of prices is progressing let us enter into a comparison, at random, of a few items from the report of the Government Statistical Bureau as to the quantities (contradistinguished from values) in the case of a few of our leading articles of export, for the two periods comprising the nine months ending September 30 of this year and the corresponding period of last year. According to those figures, we discover that while the exports of wheat were less in bushels this year than last by only two millions they were less in dollars by eighteen millions.

Taking flour as another illustration, we find that this year the exports of that commodity were less in barrels by 100,000, but less in dollars by 2,200,000.

Still more striking are the figures representing the quantities and values of our petroleum exports during the periods named. The exports of crude petroleum this year were greater than those of last year in gallons by 13,000,000. Notwithstanding this large increase in quantity, there was a decrease in the number of dollars received this year, as compared with last, by 3,000,000.

The full statistics of the cotton exports for the nine months are not yet available, but comparing the exports of the single months, September, 1892, and September, 1893, we find that the exports of cotton were this year less in bales by 17,000, but they were less in dollars by 215,000.

All these figures show that we are sending to Europe each year an increasing quantity of our agricultural wealth for a continuously decreasing amount of money. Our producers are being sacrificed and forced into poverty because of the avarice and cupidity of men, who, whether in Europe or America, produce nothing.

If the fall in the gold price of silver bullion is in any manner responsible for this, is it not the imperative duty of thinking men to investigate the subject?

The case for the agriculturist is so well stated by the New York Sun of September 10 last that I give in full the able editorial which presents it. The Sun says:

THE FARMERS AND THE CRISIS.

When, by reason of unfavorable conditions, nearly half of the population is deprived in whole or in part of its power to purchase of the products of those engaged in manufacturing industries, the whole commercial and industrial world suffers from paralysis; the exchanges become deranged; hoarding ensues; monetary stringency follows; mills, factories, and furnaces close; operatives, ceasing to earn, lose their power to purchase of the products of their own labor as well as of the labors of others; and the circle of declining activity constantly widens.

Such are the conditions now existing, and they are largely if not almost wholly due, primarily, to the loss of the power on the part of some 45 per cent of the people to purchase of other than the veriest necessaries.

On the other hand, whenever this great multitude of people have large revenues, their purchases are of such volume and the character and quantity bought so constant that manufacturing plants are fully employed, and new ones are built to meet augmenting demands; the mill-owner buys raw material in advance of consumption; operatives and artisans have constant work; the wage scale being an ascending one, the ability of the worker to buy of the products of his own labor and of the labor of others is enhanced; money seeks employment with confidence; the merchant's stock rapidly disappears and is constantly replenished; collections are easy, and, in short, labor is fully employed, manufacturers overrun with orders, money is abundant, and times are good.

As the prices of farm products have fallen, so has declined the purchasing power of that great body of producers constituting nearly half the working force of the nation, and so has waned the prosperity of all.

At the taking of the census of 1870, 52 per cent of all the males following regular vocations were engaged in agriculture, and this was approximately the proportion of the people living upon the farm; but by 1880, owing to the growth of manufactures, the proportion had been reduced below 49 per cent, and is now probably about 45 per cent.

After the close of the civil war farm products brought such prices that the 52 per cent of the population then directly dependent upon agriculture had ample revenue; their purchases of the products of manufacture were so liberal that many establishments ran night and day; the mill-owner, the producer of raw material, the merchant, and all those engaged directly and indirectly in distribution or construction, as well as those employed in the subsidiary industries, were fully employed at remunerative rates, the result being an era of prosperity never equaled in our history, as neither before nor since have those prices for farm products been equaled.

Now the very reverse of such conditions obtains, except in so far as relates to the desire of the farmer to buy of the products of others. This desire remains, as it has during all the years when declining prices for his products have forbidden its exercise, except in the most restricted manner.

As the power of the farmer to buy declined, so has declined, measurably, the activity of the industrial and commercial world, except as an impulse has been given to commerce and manufactures by the construction of an immense railway mileage, often in advance and excess of local needs. While the development of transportation facilities served to mask and postpone some of the inevitable results due to the farmer's loss of purchasing power, the almost entire cessation of such works tends to emphasize the loss of that power which the farmer exercised in such a way as to cause a rapid extension of the industrial equipments of the country, until it has become more than sufficient to meet demands reduced by reason of the loss of revenue suffered by the greatest body of workers in the country

The nation is likely never again to have its economic conditions hidden by a factitious prosperity growing out of great railway constructions, as such operations are no longer possible, there being no region, except very limited Southern areas, where expenditures could be made to appear as promising returns to tempt the possessors of available funds.

For more than fifteen years—1878 to 1893—all the great primary agricultural staples have been declining in price, although there have been periods when the price of some one was high for a limited time. This is more notably true as respects secondary products, especially meats and lard; but the trend of the whole scale has been constantly downward, and the general price level at the end of each year was lower than at its beginning. In the meantime there has been no material reduction in the cost of production, the self-binder, the gang plow, mower, hay tedder, and hay loader, and all other great improvements in agricultural machinery having come into use prior to 1878. Subsequent modifications and improvements have been in the direction of greater facility in operation rather than of lessened cost. While it is true that there has been a material reduction in the cost of farming implements, such reduction has not always resulted in lessening the cost of production on the farm, as new machines have often displaced those which were but partially worn and which were quite as efficient.

It is probable that upon farms large enough to warrant the purchase of full lines of improved machinery the cost of production has thereby been lessened 10 per cent, but such farms, constituting less than 5 per cent of the whole area under cultivation, the aggregate saving from such economies has been slight and has probably been fully offset by the progressively increasing use of commercial fertilizers, which has been found necessary in all the region east of the Mississippi, not to increase the fertility of the land, but simply to prevent further deterioration.

While the cost of production can not have been lessened as much as 5 per cent since 1875, prices for the staple products of the farm averaged 32 per cent greater during the five years ending with 1875 than now. This is especially true as respects the five staples—corn, wheat, oats, hay, and cotton—which employ 195,000,000 out of the 206,000,000 acres now devoted to staple crops.

The following table shows, in five-year averages, the gold value per acre (in the local farm markets) of the product of the five staples named, for

quinquennial periods, since 1866, and an estimate of the value, with average yields, of an acre under each such staple in 1893 at present prices:

Staples.	Value of an acre's product—					
	1866–'70.	1871–'75.	1876–'80.	1881–'85.	1886–'90.	1893.
Corn	$12.84	$11.30	$9.62	$10.25	$8.81	$8.25
Wheat	13.16	11.90	12.00	10.20	9.07	6.00
Oats	10.92	9.81	8.58	9.17	7.50	5.75
Hay	13.28	14.38	11.57	11.15	10.19	10.00
Cotton	28.01	28.55	17.65	15.63	13.84	10.65
Total	78.21	75.94	59.42	56.40	49.44	40.75
Average	15.64	15.19	11.88	11.28	9.89	8.15

If, as is altogether probable, the revenue derived from the cultivation of each acre of the staples named has not since 1885 been in excess of the cost of production, then it is readily seen that the workers among the 30,000,000 who inhabit the farms of the United States have for eight years received no more than laborers' wages, and could purchase but the barest necessaries. As prices now current are 21 per cent below the average of 1866 to 1890, it follows that the products of the farm are now sold below the cost of production, and that the farmer is wholly without purchasing power other than such as results from his wages as a common laborer.

Granting that present prices even cover the cost of production, or say $8.15 an acre, it is evident that every cent that can be added thereto will be in the nature of profits or rent, and will add that much to the purchasing or debt-paying power of the cultivator; but there is abundant evidence that $8.15 does not represent the actual average cost of producing the staple products, and that the farmer's debt-paying and purchasing power has been reduced to that of the lower class of labor, and will afford him, while present prices obtain, but the means of the most meager subsistence. That present prices are below the cost of production appears probable from the fact that outside a few favorably situated communities, there has been no reduction of farm indebtment in recent years, while the farmer has, over wide areas, from year to year been reducing his purchases of the products of manufacture, although his revenues have been 21 per cent above the present level.

The extent of the reductions made in revenue from each acre under staple crops is best shown by saying that the acre revenue from 1866 to 1870 was $7.59, or 93 per cent greater than in 1893; from 1871 to 1875 it was $7.04, or 86 per cent greater than in 1893; from 1876 to 1880 it was $3.73, or 46 per cent greater than in 1893; from 1881 to 1885 it was $3.13, or 38 per cent greater than in 1893; from 1886 to 1890 it was $1.74, or 21 per cent greater than in 1893. The great diminution in the purchasing power of the farmer, implied by these progressive reductions in acreage revenue, without compensating reductions in the cost of cultivation, is thus clearly shown; but the enormous yearly aggregate of lost purchasing power is comprehensible only when we multiply the acres now employed in growing staples by the declines shown in the acreage value of products since 1870. While very accurately measuring the farmer's loss of revenue by reason of the declining value of the acreage product, even multiplying the acres under staple crops fails to show the whole loss, as no account is thereby taken of the reduction in the value of animals and the thousand and one things produced on the farms of the United States, which have suffered, in many cases, quite as great a decline in value as have the great staples to which this showing is confined.

As 206,000,000 acres are now employed in growing staple crops, it follows that the power of the farmer to purchase is this year $1,563,000,000 less than it would be if he was receiving the prices of 1866–'70 for his great staples. If the prices now realized in the farm markets equaled those received from 1871 to 1875, the farmer would this year be able to spend $1,450,000,000 more for manufactures and other commodities than he will be able to spend with prices at the present level. Were prices now equal to the average of those obtained from 1876 to 1880 the purchasing power of the farmers would this year be augmented by $768,000,000. Should the crops of 1893 give average yields and the prices equal those current from 1881 to 1885, the farmer's spending power would be $645,000,000 greater than with present prices. Even with prices as low as those prevailing from 1886 to 1890 the farmers of the United States would have $358,000,000 added to their debt-paying and purchasing power in 1893; and like advances on the other products of the farm would create an ample fund for building and general improvement, thus employing more labor.

The least of these sums, added to the sums yearly distributed among the producers of metals and textiles, would afford employment for great numbers, keep the mills in motion, make money abundant, and bring good times.

Much stress is laid upon the necessity of cheap food for the wage-worker; but what possible benefit can be derived from a cheapness that deprives the 30,000,000 who produce food and fiber of the ability to keep the wage-worker employed by buying the products of artisan and operative?

Doubling the present price of wheat would probably add the price of six or eight days' labor to the cost of the year's supply of bread for the average family; but with wheat at an average of $1 a bushel at the farm markets, and other farm products at proportionate prices, there would be no idle mills, and the earner of wages would have that easily procured and constant work which would assure him the continuous ability to buy bread. Would not that be far better than existing conditions and bread unattainable though low in price?

We recently published a statement to the effect that the 1,600 young women employed in the Warner corset factory at Bridgeport, Conn., had been reduced to half time; that 600 of them were unable to buy food, and were fed by the charity of their employer. Such conditions exist because the women upon the farms are unable to renew their corsets with wheat selling west of the Mississippi at from 30 to 40 cents a bushel.

The relation between the price of wheat, the lack of power to buy corsets, and the idleness and inability of the women of Bridgeport to buy bread is as obvious as that between the earth's movements and day and night.

However people may have disagreed about the late Zach Chandler's statesmanship, no one questioned his success as a merchant, and this was due as much to his power of discerning economic conditions affecting his customers as to the unerring judgment with which he provided saleable goods. Soon after the close of the civil war, being asked if he could find sale in the farming districts for a lot of rich dress goods, which he was shipping to small inland towns, his reply was characteristic:

"Sell them! Sell them! Why, the women on the farms of Michigan have discarded homespun and calicoes for silk and merino, and no farmer's son now thinks of going out to plow unless dressed in doeskin trousers and calfskin boots. Don't you know that wheat is selling for $2 a bushel?"

Such was the late Mr. Chandler's way of stating the operation of that economic law which enables people to buy liberally of the products of others.

* * * * * * * *

When we reflect that had the 460,000,000 bushels of wheat exported since July 1, 1891, brought but 15 cents more a bushel, the corn exported 10 cents more, and the cotton exported only 4 mills more a pound, fully $100,000,000 less in gold would have gone abroad, and many millions less in American securities have been sent back, we can understand that the purchasing power of the farmer would have been enhanced by several hundred millions, as like advances would have been secured on all similar products sold at home.

Such an addition to the farmer's power to purchase would have kept the mills and furnaces employed; the operatives, having constant work at high wages, would be able to buy bread; and their power to purchase of the products of their own labor, as well as of the products of the labor of others, would be vastly increased, gold would be abundant, confidence unimpaired, and prosperity still be the rule.

With prices of farm products again such as to afford fair remuneration for the labor and capital employed in production, as they presently must be, by reason of the elimination of the world's acreage excess, the purchases of the 30,000,000 upon our farms will help to keep every spindle busy; labor in the towns will, at least for a time, be well employed; hoarding will cease; confidence will be restored, money become abundant, and an era of prosperity will result from the operation of that natural law which is the ultimate arbiter in determining the price of nearly every product of labor.

It would be difficult to describe more accurately the situation of the farmers of this country and the effect which their prosperity or adversity has upon the entire body of our national industries.

THE EFFECT OF EAST INDIA COMPETITION ON OUR FARMERS AND COTTON PLANTERS.

Several years ago shrewd men in Great Britain foresaw what would be the effect on the agricultural industries of the United States of a fall in the gold price of silver bullion. They saw that, in the situation of India, the price of silver bullion would dictate the prices for wheat and cotton.

At a meeting of the British and colonial chambers of commerce held in London in 1886, Sir Robert Fowler, a member of Parliament, banker and ex-mayor of London, said that—

The effect of the depreciation of silver must finally be the ruin of the wheat and cotton industries of America and be the development of India as the chief wheat and cotton exporter of the world.

The interest of the farmers of this country in the silver question can not be more perspicuously stated than is done by Mr. Moreton Frewen, in some felicitous remarks delivered by him at the second national silver convention held in Washington a year or more ago. Referring to the method by which the price of silver bullion controls the price of wheat, Mr. Frewen said:

This is a question to which, when in India, I gave very close study, and I should like to make this general statement, which I am convinced the experience of the past and of the future will amply confirm. Let me put it briefly in this way:

The price of wheat in this country is its price in London or Liverpool, less the cost of carriage from here there, and the London price of wheat is, under ordinary conditions, one ounce of silver per bushel of wheat. Your farmers will always have to sell a bushel of wheat, say in Chicago, for an ounce of silver, less freight charges to London. If, then, silver is worth $1.29 per ounce, the London price of American wheat is $1.29, while, if silver is worth 90 cents, then your wheat will realize only 90 cents. This is a statement that will bear close examination, and it is the sum of the importance of the silver question to your nation. When in the Punjaub three years ago I went very closely into the cost of producing wheat there. In that one India province the area devoted to wheat-growing is twice that of the wheat area of all Great Britain.

The irrigation system organized by our Government is perfect, so that harvest returns are extremely uniform, and the figures I arrived at, and which have not been called in question, go to prove that the Punjaub wheat farmer will always make a living profit by selling his wheat in Europe for 21 silver rupees per quarter [8 bushels]. And if this is the case the competition of tens of thousands of small wheat farmers in India will always suffice to sell wheat in Europe down to that price. Now, 21 rupees a quarter is an ounce of silver per bushel; and seeing that the value of the rupee in India to buy land or labor or any local commodity is actually a little greater than it was before the gold price of silver fell, I hold that we are justified in stating that the price of a bushel of wheat, whether American or Indian, in the London market, has been in the past and will be in the future on the average an ounce of silver.

Admitting, then, what all students of prices do admit, namely, that the purchase power of the rupee in India is well maintained, the fact that the price of wheat and cotton falls with the price of the silver exchanges between Europe and Asia is not for a moment open to doubt.

A comparison of the range of prices for wheat and cotton and the gold price of silver bullion for the past twenty years will demonstrate a much more than accidental relation between them. The following table gives the figures:

Year.	Wheat, per bushel.	Cotton, per pound.	Silver, per ounce.
		Cents.	
1872	$1.47	19.3	$1.32
1873	1.31	18.8	1.29
1874	1.43	15.4	1.27
1875	1.12	15.0	1.24
1876	1.24	12.9	1.15
1877	1.17	11.8	1.20
1878	1.34	11.1	1.15
1879	1.07	9.9	1.12
1880	1.25	11.5	1.14
1881	1.11	11.4	1.13
1882	1.19	11.4	1.13
1883	1.13	10.8	1.11
1884	1.07	10.5	1.01
1885	.86	10.6	1.06
1886	.87	9.9	.99
1887	.89	9.5	.97
1888	.85	9.8	.93
1889	.90	9.9	.93
1890	.83	10.1	1.04
1891	.85	10.0	.90
1892	.80	8.7	.86
1893	.65	7.0	.75

Let us endeavor to reach an approximate estimate of the losses sustained by our agricultural population since 1885, when President Cleveland first advised Congress to repeal the silver-purchase act of 1878 and to stop the coinage of silver dollars:

WHEAT.

Average export price per bushel—	
1875 to 1885	$1.17
1893	.73
Difference	.44

According to the report of the Agricultural Department for December, 1892, the wheat crop of this country for the year then closed amounted to 516,000,000 bushels. On this quantity a loss of 44 cents per bushel, caused by the decline in the price of silver bullion, amounts to an annual sum of $226,600,000 of debt and tax-paying power, which amount apportioned among the principal wheat-producing States shows the loss of each of such States to be as follows (I give the figures in round numbers):

Wheat crop of 1892 in—	Bushels.	Loss.
Indiana	40,000,000	$17,600,000
Minnesota	41,000,000	18,040,000
California	39,000,000	17,160,000
Kansas	70,000,000	30,800,000
South Dakota	32,000,000	14,080,000
North Dakota	35,000,000	15,400,000
Ohio	38,000,000	16,720,000
Missouri	25,000,000	11,000,000
Illinois	28,000,000	12,320,000
Michigan	24,000,000	10,560,000
Pennsylvania	19,000,000	8,360,000
Nebraska	16,000,000	7,040,000
Kentucky	12,000,000	5,280,000
Oregon	10,000,000	4,400,000
Washington	10,000,000	4,400,000

There may be added to these figures five to ten million bushels each for the States of New York, Maryland, Virginia, North Carolina, Texas, Tennessee, West Virginia, Wisconsin, and Iowa. The loss on wheat, therefore, suffered by the farmers of this country must be estimated at $200,000,000 annually.

COTTON.

Average price per pound in New York—	Cents.
1879 to 1885	11½
1879 to 1893	8
Difference	3½

Taking the crop year 1888-'89 as an average year, and, for convenience of calculation, computing the loss at 3 cents per pound, we find that the total annual loss of the planters of the United States amounts to over $100,000,000, distributed among the States as follows:

Cotton raised in—	Pounds.	Loss per year.
North Carolina	230,000,000	$6,900,000
South Carolina	275,000,000	8,250,000
Georgia	480,000,000	14,400,000
Florida	32,000,000	960,000
Alabama	422,000,000	12,675,000
Mississippi	532,000,000	15,960,000
Louisiana	240,000,000	7,200,000
Texas	719,000,000	21,570,000
Arkansas	350,000,000	10,500,000
Tennessee	162,000,000	4,860,000
Total	3,422,000,000	102,660,000

This makes a total loss to the agriculturists of this country, in wheat and cotton, by reason of the demonetization of silver, of over $325,000,000 a year.

Mr. McPHERSON. Inasmuch as I have made a declaration directly contrary to that made by the Senator on a former occasion, I should like to ask the Senator how he accounts for it, then, that when you come to consider that the exports of wheat from India have only averaged 10 per cent of the export of wheat which supplies the world outside of India during the past twenty years, how it could influence the market? Then I wish to take up the export of cotton, and I read from the Statistical Abstract, which simply shows that while India in 1872 produced 35 per cent of the world's supply of coton, with a stimulus of 40 per cent in the fall of the gold value of the rupee, India's whole product of cotton fell 23 per cent. I should like to know how in the production of wheat and cotton it has been of so much importance to India, when the Senator knows that in Calcutta and Bombay the gold price and the silver price of cotton has been exactly the difference between the value of gold and silver bullion. I do not know what it has been in the interior of the country, but in the export cities the price of both wheat and cotton represents exactly the difference between gold and silver bullion, leaving out of the transaction, of course, all transportation charges, so as not to cloud the transaction.

Mr. JONES of Nevada. A very slight surplus of product, say 10 or 15 per cent of wheat, is enough to demoralize the entire market.

With reference to cotton, I wish to call the Senator's attention to the fact that the production of cotton is enormously increased in India, but the shipments from India have not increased, for the reason that the people, owing to the bounty (which the premium on gold is), have been able to take an enormous amount of business from the spinners and weavers of Great Britain. India is reaching out for the entire trade of the Orient, including Japan, China, Siam, and the Straits settlements. The result is that the mills of India have closed many of the mills of England.

Mr. McPHERSON. If the Senator will permit me a moment more. If it is ascertained that upon the continent of Europe there is a deficiency of wheat to supply consumption, say, of 300,000,000 bushels, India only supplies 10 per cent of the 300,000,000 bushels. The Senator will not pretend to say that that 10 per cent will regulate and control the market for a deficiency of 300,000,000 bushels. He can not say that, and upon a little reflection he will not.

Mr. JONES of Nevada. Cheap silver stimulated the production of India, of Russia, of the Argentine, and all other nongold-using countries, because the wages obtaining in those countries being payable in their national money, the rise of gold acted as the equivalent of a bounty on all productions. Does the Senator deny the proposition that wages have not risen in India? Does he deny the proposition that the rupee to-day among the 285,000,000 people of India will buy as much of all the things that enter into daily life as it ever bought?

Mr. McPHERSON. I deny it emphatically, because, in the first place, there can be in commerce no such thing as a one-sided prosperity. If the Senator tells me that the Indian ryot, who lives in a mud hovel, wears straw clothing, and eats only rice is cheated, and is willing that the shipping agents or the Indian merchants of Bombay and Calcutta may have the full benefit of his labor, then I can not deny that, because I am not acquainted with the practices and habits of the ryots. But when the Senator tells me that in Bombay and Calcutta the price of both wheat and cotton, as taken from the Statistical Abstract of India and England—both the gold price and the silver price of wheat and cotton—has not been exactly the difference between the value of gold and silver bullion, then I say the Senator can not sustain his position.

Now, then, as to the rupee, if the Indian merchant at Bombay or Calcutta ships his wheat to London he is able to get more rupees either in council bills or silver for that wheat than he is able to get if he sells it for gold. Does the Senator pretend to tell me that competition between India and London, between the importers and exporters of Indian goods and Indian products from India is not exactly like the competition between merchants in the city of New York, Philadelphia or Baltimore? If that is not the case, then it seems to me, Mr. President, that there is no such thing as commerce from that part of the country. It is robbery.

Mr. JONES of Nevada. I can scarcely understand the statement made by the Senator from New Jersey. The ryots and all the small farmers in India are in competition with one another, like the farmers of this country. They must sell their wheat for what they can get for it, and with the rates of wages which have prevailed from time immemorial, and the range of prices of commodities which now obtains, and has from time immemorial obtained, the rupee will buy as much of labor and as much of the products of labor as before silver was demonetized. It will buy as much now as then of everything sold in India that the East Indian consumes. To 280,000,000 of the East Indians it is a matter of entire indifference what money is used in London. It would be as useless to inform them about it as it would be to inform them, if one knew, the character of money used in Mercury or Mars. They use nothing but silver.

Mr. McPHERSON. Will the Senator bear with me for a single moment longer?

Mr. JONES of Nevada. Certainly.

Mr. McPHERSON. Take wheat in London, worth 40 shillings a quarter.

Mr. JONES of Nevada. Put it down lower than that.

Mr. McPHERSON. Say, for illustration, 40 shillings a quarter—I do not care what figure you put it at. Twenty rupees are equal to 40 shillings, and the East Indian—leaving out of the question, so as not to cloud the transaction, freight, commissions, etc.—receives 20 rupees for his quarter of wheat. If that wheat was sold to-day in England, with the rupee at 1 shilling 2 pence, he would receive not 20 rupees, but 35 rupees in silver. I wish now to ask the Senator if he believes that there can be such a

thing as commerce between London and India, in which an Indian merchant, located in Bombay or Calcutta, can send that wheat to London, and receive 35 rupees in silver, and pay no part of it to the producer? Then is it not true that wheat and cotton buy more rupees, and is it not also true that the rupee has not the same purchasing power as before?

Mr. JONES of Nevada. I have the most complete tables on that subject, which I did not care to inflict upon the Senate, and the figures they contain show that for twenty years the price of silver has governed the price of wheat; that the price of wheat varied with the price of silver. An ounce of silver coined into rupees was the price of a bushel of wheat, with freight added, in Liverpool. Is that accidental? The brief and sufficient answer to all the Senator has said with regard to what under given circumstances the Bombay or the Calcutta merchant would do and what the ryot would do is the simple fact that under all changes the price of a bushel of wheat has been an ounce of silver.

Mr. McPHERSON. Suppose I admit everything the Senator has said. We know, of course, that India is not a civilized country to the full extent in which we understand the term civilization. Apply that to the American farmer. He is an intelligent man; he receives telegraphic reports; he takes the newspapers; he knows every day at the little railroad station near which he lives and where he sells his products the price of wheat in London. I want to know if the American farmer would be willing to sell his wheat in the London market for a dollar a bushel in gold, to be paid in silver, and silver is worth but 57 cents on the dollar?

Mr. JONES of Nevada. The Senator talks as though a farmer, cultivating a little piece of land upon which rests a heavy mortgage, occupies himself by running to the telegraph office in order to ascertain the amount of wheat that India is going to sell, and then makes calculations as to the product of Europe. Of course no such thing occurs. He sees simply what the price of wheat is in Liverpool, and that fixes it. That becomes the price. He sells at that price, and can not get more.

Mr. TELLER. Will the Senator allow me to make a suggestion as to the cotton trade?

Mr. JONES of Nevada. Certainly.

Mr. TELLER. The Senator from New Jersey thinks that India does not export cotton, and that therefore she can have no influence on the cotton trade. I have before me an article by Mr. Grenfell, published in the Fortnightly Review for September, 1893, headed "Mr. Gladstone and the currency," and I want to show from that article the export of cotton from India and from England. The table that I now read is headed "From India to China, Hongkong, and Japan." It does not include some of the other countries spoken of by the Senator from Nevada. It runs from April 1 to March 31, that being the Indian fiscal year, and the exports from India to China, Hongkong, and Japan are given, beginning with the year 1876-'77.

Mr. GEORGE. Does that refer to raw cotton?

Mr. TELLER. No, it is cotton yarn. The first table given is as follows:

From India to China, Hongkong, and Japan, from April 1 to March 31.

	Pounds.		Pounds.
1876-'77	6,596,129	1880-'81	25,103,496
1877-'78	13,783,563	1881-'82	28,638,540
1878-'79	19,348,261		
1879-'80	24,381,387	Total	117,851,376

Taking the next six years, beginning with 1882-'83, the following is the statement:

	Pounds.		Pounds.
1882-'83	42,972,785	1886-'87	88,641,940
1883-'84	47,288,099	1887-'88	109,962,834
1884-'85	63,413,067		
1885-'86	75,635,540	Total	427,914,265

The exports from 1888 to 1892 were as follows:

From January 1 to December 31.

	Pounds.		Pounds.
1888	114,707,200	1892	178,249,034
1889	126,766,800		
1890	145,112,800	Total	730,175,306
1891	165,339,472		

Now, take the exports from England to the same places, China, Hongkong, and Japan, beginning at the same time—that is, in 1876—and the following is the statement:

From England to China, Hongkong, and Japan, from January 1 to December 31.

	Pounds.		Pounds.
1876	29,838,495	1880	46,425,800
1877	33,067,900	1881	47,479,200
1878	36,467,800		
1879	39,025,700	Total	232,304,895

It will be noticed that the exports from India rose from 117,851,376 pounds to the places named in the next six years to 427,914,265 pounds, and in 1882 the English export fell to 34,391,500 pounds.

Mr. McPHERSON. To the same countries?

Mr. TELLER. To the same countries. The following is the statement of the exports of cotton yarn from England to the same places from 1882 to 1887:

	Pounds.		Pounds.
1882	34,391,500	1886	26,930,400
1883	33,499,800	1887	35,354,300
1884	38,856,100		
1885	33,061,100	Total	202,093,200

A decrease of more than 28,000,000 pounds in the six years.

The following are the figures of the English export for the next five years, from 1888 to 1892:

From January 1 to December 31.

	Pounds.		Pounds.
1888	44,642,600	1892	31,886,000
1889	35,720,200		
1890	38,057,400	Total	178,277,500
1891	27,971,300		

Thus we have the total exports of cotton yarn from England for the five years from 1888 to 1892 amounting to 178,227,500 pounds, as against 730,175,306 pounds, which had been exported from India to China, Hongkong, and Japan.

I have a statement here showing that the Indian export trade has practically destroyed the yarn trade of Great Britain. I think that will explain to the Senator how it has affected cotton, because Great Britain was the market for our cotton and of the cotton raised in India. I want to state a further fact to the Senator, if the Senator from Nevada will indulge me a moment, that during the last year cotton has been imported—to what extent I do not know, but it has been imported—from India to the United States.

Mr. McPHERSON. I should like to ask the Senator how that statement changes my contention in the least? India has engaged in the manufacture of her own products, and she finds a ready market in China and Japan. As a matter of course, if it were not that India produced cotton, the result would be that American cotton would probably go to China and Japan through the English market and through the English manufacturers, but if India finds a market in China and Japan, it is to the infinite credit of India that she is able to manufacture her own goods. There is nothing in the world that should prevent that; and it can not hurt the American crop of cotton. So the Southern States have largely increased their manufacture of cotton, and so has England increased her manufacture of cotton; but she has found markets elsewhere than China and Japan. That market has been gained by India, which has become a factor in manufactures, and will always be a factor in the growth of wheat, but India can not compete with the American export of the raw material which goes to London, whether it be wheat or cotton which we export, and do not manufacture. For what we manufacture we find a market in other nations and at home.

It is to the credit of India indeed that she has found a market. You can not prevent her doing that, nor can you prevent the natural causes which aid in the raising of wheat in India: but that silver has anything to do with it, I deny, unless as silver has fallen it has stimulated for a time, perhaps, growth and production.

Mr. JONES of Nevada. Why?

Mr. McPHERSON. For this reason. As a matter of course, the Indian ryot, selling wheat to-day in London and receiving a certain amount, say 40 shillings per quarter, and taking his pay in gold, will turn around and convert that gold into silver; and instead of getting 20 rupees he gets 35 rupees for it. That stimulates production to a certain extent, but to say that the producer of wheat does not get the benefit is simply to say that there is nothing whatever in commerce in which competition enters.

Mr. TELLER. May I be indulged a moment by the Senator from Nevada?

Mr. JONES of Nevada. Certainly.

Mr. TELLER. The Senator from New Jersey says we shall always have India in competition in wheat-raising and in manufacturing.

Mr. McPHERSON. Certainly.

Mr. TELLER. We did not have India as a factor in either until the low price of silver stimulated the export, first of wheat and then the creation of manufactures in India. That is a historical fact which the Senator will not deny.

No wheat came from India to Europe until after the fall in silver, and practically no goods were manufactured in India and sent to China until after the fall in silver. Now, the Senator says "What of it? It is to India's credit." That is not the question. The question is, Why did England buy less of American cotton last year than ever before? Because England has lost her own market. When the Senator states she has made up her market in some other portion of the world, I say she has absolutely lost her market and has not made it up anywhere, and the statistics will not support the Senator.

India has become the competitor of Great Britain in the cotton business as well as the competitor of the United States in the wheat-raising business. It has become the competitor of England because it raises its own cotton and manufactures it and sends it to China, and thus takes away the English market. It can be seen that the English market has fallen off, while the Indian product has increased from 6,000,000 pounds in 1876 to 178,000,000 pounds in 1892. It is not a question whether this is to the credit of India. It is undoubtedly true, as the Senator states, that India is to be hereafter a factor in wheat-raising and a factor in manufacturing. That is the unfortunate part of it. It will be the perpetual destruction of our market for wheat and cotton. What we complain of is the stimulation brought about in India by the cheap price of silver, or, to state it more accurately, the enhanced value of gold.

Mr. McPHERSON. The Senator should state that the fault is not the fault of India or of the United States, but the generosity of nature; that nature has given to India wheat-fields and cotton-fields, which are suitable for the growth of wheat and cotton, and suitable for nothing else. I want to know how he is to stop India from producing wheat and cotton, when they have rapid and cheap transportation between the ports of India and those of England. There is nothing else they can do in the world except to grow wheat and cotton, and, as a matter of course, they will grow it. India has a population of 300,000,000 souls, or more, which must be supported in some way out of the lands of India. After 1870, when cheap transportation was opened with India by way of the Suez Canal, India began to export her wheat and her cotton to London.

Mr. TELLER. She did not do it until some time after that.

Mr. McPHERSON. I did not say how long after, but certainly in 1872 India exported very largely of wheat and cotton.

Mr. TELLER. She did not.

Mr. McPHERSON. This export has been occasioned by the improvements which have been made by the British Government in India in developing her great railroad system. Before these railroads were built, the only means of transportation in India was by ox-carts across that immense territory. The very moment transportation was opened, labor, being cheap, they began to grow wheat and cotton, and they became a factor and they will always remain a factor; and as new lands are opened in Asia and Africa the people of those countries will also become factors; but what silver has to do with the question I can not imagine.

Mr. JONES of Nevada. Mr. President, the Senator from New Jersey states that nature has done this thing, and that we have to complain of nature. It had its genesis in the demonetization of silver in 1873, and dates from that time. Nature did not do that. That was done by legislation. It enabled the East Indian ryot, in competition with the gold-using countries of the world, to almost absolutely drive out of competition all other countries and to make them produce cotton and wheat at a loss by reason of the enhanced value of gold, or, as the Senator from New Jersey might be pleased to term it, the low price of silver.

The combined losses on wheat and cotton which I have shown amount to $325,000,000 a year, or more than a million dollars for every working day, since the issue of Mr. Cleveland's first fulmination against silver. As a consequence of the repeal of the silver-purchase law now in force, the losses to the farmers and cotton planters of the United States will be very much greater. Perhaps our farmers and planters should be only too happy in the knowledge that any sacrifice on their part might contribute to the constantly growing wealth of the nonproducers of Europe and of India.

PRICES IN INDIA HAVE NOT FALLEN.

Nothing is better established by men who know and who write of their own knowledge regarding the affairs of India than that the prices of commodities there have not fallen as have prices in gold-standard countries.

Mr. Daniell, in his work on The Industrial Competition of Asia, says:

What has happened is that silver prices, or, to speak more exactly, the value of silver *in gold* has fallen *in Europe* while its value in the exportable products *of India* has not fallen correspondingly *or at all* in that country. (Page 32.)

Every decline, therefore, in the gold price of silver bullion, so far as our farmers and cotton planters are concerned, is a decline in the price of wheat and cotton at Liverpool; though not a decline in the price of anything that the East Indian people need, or consume, or buy. So far as the people of India are concerned, gold is not their money, and, as I have already stated, changes in its value have no more effect upon them than if they inhabited another planet. Every decline in the gold price of silver bullion is a premium—a bounty—given to the producer of wheat and cotton in India over the American farmer and cotton planter in the prices of those commodities in European markets.

This encourages exportation from India to those markets. Should the Hindoo, in return, want to buy gold with which to pay for English goods, he would have to pay an enormous premium upon it. This fact acts as a discouragement to importations into India. But as the 285,000,000 East Indians live almost wholly on what their own country produces, they do not need to buy gold for foreign payments. The only people in India who have anything whatever to do with goods made in gold-standard countries are a few English officials, a few native princes, and the few merchants with whom those classes deal. The vast masses of the people of India buy the commodities of their own country with the silver rupee alone.

THE FALL IN THE GOLD PRICE OF SILVER BULLION A BOUNTY TO EAST INDIAN PRODUCERS.

Every decline in the gold price of silver bullion is a direct blow at the prosperity of the farmers and cotton planters of the United States, a blow against which they are powerless to protect themselves, except by the opening of the mints of the United States to the free coinage of silver. This will be an act which can not possibly injure any human being, not even the ryot of India, inasmuch as wages in that country of 285,000,000 people remain the same throughout the years. It would, on the other hand, be an act which would put heart, and hope, and energy into every farmer and every planter in the United States.

That the fall of silver bullion *does* act as a bounty or premium on Indian exports, the highest authorities show. Mr. Bagehot, for many years the editor of the London Economist, in his work on the Depreciation of Silver (page 54), says:

The necessary effect of a depreciation of silver as against gold is to give a bounty on exports from India and the other silver-using countries to England. An English merchant can now buy many more rupees than he formerly could with the same number of sovereigns, and therefore he can import from India, though prices at Calcutta are not at a level at which it would have paid him to operate if he had not had that novel facility in getting rupees.

So Mr. Bagehot differs from the Senator from New Jersey, and I think that that gentleman has studied the question almost as much as the Senator.

The same fact is proved by Mr. David McLean, manager of the Hongkong and Shanghai banking corporation of London, in the course of his testimony before the British royal commission on gold and silver, May 16, 1887. In that testimony I find the following questions and answers:

Q. I think you said that the wheat in India was often sold here in England before it was actually purchased there?

A. Yes; very often.

Q. Then how is the operation carried out? Is it bought by corn merchants here in England, and do they send out an offer for a certain quantity of wheat of a certain quality?

A. Yes; and if the offer is sufficient, the wheat is shipped.

Q. Some witnesses have told us that the rate of exchange between India and England acts like an export bounty or bonus upon the wheat sent from India to England. Is that your opinion?

A. I think the fall in exchange has encouraged the export of wheat from India very largely.

Q. And every additional fall acts as a bonus?

A. Yes.

Q. And you think that the fall in exchange has stimulated the export of wheat from India?

A. Yes; there is no doubt about it?

Q. Do you think that that will be an abiding stimulus.

A. I think so; I think it will go on increasing.

This witness's foresight has been amply verified by the subsequent facts. Inasmuch as an ounce of silver makes two and a half rupees (no matter what the price of bullion may be), if silver should fall to 50 cents an ounce in consequence of the repeal of the Sherman law, an ounce of the metal would still make two and a half rupees, which would still pay for a bushel of Indian wheat. So long, therefore, as India exports wheat, and it has hardly more than commenced, the price of that wheat will fix the price of American wheat until such time as silver is remonetized in the United States. When that shall be it is for our producing classes, not for bankers, brokers, bondholders, and other nonproducers, to decide.

With reference to cotton, an ounce of silver will place ten pounds of that commodity in Liverpool. However low, therefore, the price of silver bullion may fall, the American planter must, for the price of an ounce of that metal, deliver ten pounds of raw cotton in Liverpool. Should silver fall to 50 cents an ounce, if he would sell his cotton, he must deliver ten pounds of cotton in Liverpool, and pay transportation charges on it, all for 5 cents a pound.

By bringing the price of silver bullion to a parity with gold on the relation established in this country since 1792, our farmers and cotton-planters will be relieved of the competition of the East Indian in the markets of Europe.

With reference to the effect of the competition of India on the price of American and English wheat, the British Royal Commission on gold and silver in 1887 examined a number of witnesses, among them Mr. J. Shields Nicholson, professor of political economy at the University of Edinburg, and one of

the most distinguished economists of Great Britain. The following question, which is precisely to the point, was put to Prof. Nicholson by a member of the commission:

Indian wheat is the very wheat that is complained of by Secretary Manning, Secretary of the United States Treasury, as having lowered the price of European and American wheat, and he attributes it all to the divergence of gold from silver. You do not think tying gold and silver again would raise the price of English and American wheat by 25 per cent?

In his reply Prof. Nicholson discusses the factors entering into the determination of prices under given conditions, and on the point immediately germane to the point I am discussing, said:

Now, it seems to me probable if the price of silver rose to its old level *wheat could not be profitably exported from India until prices rose in a corresponding degree.* For India, being a silver country, the price of wheat there *is independent of the relative value of gold and silver.* An exporter to England at present will give the Indian price in silver, and he can buy his silver for less gold, and thus competition will lower the price. If the price of silver rose the exporter from India must get more gold. Thus *a rise of silver would, on this view, raise the price of wheat to a corresponding degree.*

There is not a shadow of doubt that Prof. Nicholson is right.

IN THE EVENT OF REMONETIZATION, SHOULD WE BE "FLOODED" WITH INDIAN SILVER?

I must here repeat that there is no ground whatever for supposing that in case of remonetization of silver in this country all the silver of the world would be sent here.

As quickly as the telegraph could convey the news that the United States had fully remonetized silver, that metal would command $1.29 an ounce in every market in the world. As I have said, there is no silver bullion in the markets of the world to exceed 25,000,000 ounces, if so much. Such silver as may exist in any market would not need to come to the United States, because when men knew they could get $1.29 for it by sending it here they would not part with it for less.

We have a demonstration of this in the fact that when in 1890 there was some expectation that a free-coinage bill might become a law in this country, and silver rose in consequence to $1.20 an ounce, it rose to that price not in the American market alone, but in every market in the world that had any silver bullion for sale.

When it is said that the hoards of silver in India would come here to be exchanged for gold, there is not the slightest foundation in reason for such a supposition. Gold is not the money of the 280,000,000 people of India, and it is impossible to conceive that it ever can be. The remonetization of silver simply means that with silver freely admitted to the mints, gold would fall in relation to silver.

Why should the people of India want it on that account? When silver fell as compared with gold, did the people of the gold-standard countries buy silver because they could get it "cheap?" Did anyone ever hear it suggested that when silver declined as compared with gold the gold-using countries would probably "dump" their gold, which was their money, into India or any other silver-using country in order to take away silver, simply because silver was getting "cheap?" As gold is not the money of India, any more than silver is the money of the Western world, why should we suppose that when gold falls relatively to silver the people of India would "dump" their silver into this country?

The silver of India, which is so much feared here, is referred to by the latest official report—that of Lord Herschel's Indian currency commission—as "*coined rupees, of which it is said the hoards chiefly consists.*" (Report of the Commission, paragraph 106.)

Are the people of India going to ship out their coined money to be exchanged for something that, so far as they are concerned, is not money, but merely a commodity? The fact that there is in India a considerable quantity of uncoined silver has but little bearing on the question we are now discussing. As I have said, the teeming millions of that country have always dedicated to purposes of worship considerable quantities of the silver drawn from Europe and America. Not only do they use it in the architectural decorations of their numerous and magnificent temples, but as objects of religious regard, both in those temples and in their homes and for religious charms, which they wear upon their persons, and to which they attach supernatural virtues.

That a people like the unchanging and unchangeable Hindoos should, because of a change in the commercial relation between gold and silver, melt up their idols and religious charms is, to my mind, simply inconceivable.

Even as to that portion of the silver of India which consists of simple personal ornaments and to which no religious value may be attached, there is not the slightest justification for supposing that its owners would part with it. The best evidence of this is found in a fact recorded in the report of the Herschel commission, paragraph 106. Referring to that class, the report states:

In times of scarcity and famine a considerable quantity of silver ornaments has found its way to the mint.

But what is the quantity that the Commission terms "considerable"? It states that in the three years 1877-1879, inclusive, as much 4,500,000 tens of rupees were coined from these ornaments. Now, the famine of 1877 was one of the most destructive famines ever known in India—the number of recorded deaths from starvation being over 500,000—leaving the imagination to conceive the vastly greater number of unrecorded deaths occurring among 280,000,000 of a squalid population which during the most prosperous seasons are barely able to keep body and soul together. In round numbers 4,500,000 tens of rupees may be taken to be $22,000,000. This is the total sum in silver ornaments which, in those three extraordinary years, under the pressure of wholesale starvation the Hindoos could be induced to part with. This is at the rate of about $7,000,000 a year—which for the purposes of this discussion is hardly to be regarded as threatening a "flood." Nothing but starvation would have drawn from them even so much as that. It is preposterous to suppose that a change of relation between gold and silver would do what widespread starvation has been unable to do—especially when, to the Hindoos, the process appears in the light not a rise in silver measured by gold, but a fall in gold measured by silver.

For as I have said, silver and not gold is the measure of value in silver-using countries. Persons living in a gold-using country, accustomed to estimating values in gold and to seeing prices stated in gold, are prone to imagine that all the world sees things as they see them. The fact is that the people of each country estimate and measure values—that is, they state prices—in whatever is money in their own country. In silver-using countries all estimates are made in silver; in a gold-using country in gold; in a paper-using country in paper. What, to a people in a gold-using country, would seem to be a decline in the value of silver, would to people in a silver-using country appear to be an advance in the value of gold.

In order that it may be ascertained which of the metals has changed, or whether both may not in fact have changed, it is necessary to compare each with all the things which it is the function of money to measure. If it is found that all things appear to have changed in relation to the money of one country, while all things remain unchanged in relation to the money of the other, it can not be truthfully affirmed that the change has been in the money of the country, in relation to which all commodities have maintained a practically unchanging relation. So, when all commodities appear to have fallen in their relation to a particular metal, while at the same time maintaining practically unchanged their relations toward one another, it is asking too much to require us to believe that it is all these things which have changed and not the particular metal. From the point of view of common sense alone, it must be conceded to be more probable that one thing has changed than that every one of thousands of things (which maintain throughout a practically unchanging relation to one another) have all changed in relation to one thing.

GOLD RETAINED AT THE EXPENSE OF OUR PRODUCERS.

The New York newspapers were delighted when, during the past summer, the price of wheat fell to a point at which that cereal could be exported instead of gold, in payment for imports. The New York Sun of June 19, 1893, called attention to the fact that when the price of wheat became low enough the gold that had left the United States came back from England, because our importers could pay for their imports with American wheat rather than with gold.

The farmers of the United States ought to be very glad to know that by this depression of the price of the product of their labor the brokers of New York, who deal in Reading stocks and in Chicago Gas and National Cordage, are enabled, without loss to themselves, to pay their bills in foreign countries. Who are the farmers of this country, that they should interfere with the profits of the New York brokers, or complain of the state of things by which wheat is, by artificial means, reduced in price? If the ruin of the farmers be necessary to enable the brokers and bankers of New York to become rich, the farmers should be willing to be sacrificed.

I hope that Senators in this Chamber who represent agricultural communities, who represent growers of wheat and of cotton, can explain to their constituents the philosophy of the votes they cast here in favor of the repeal of the Sherman law.

I hope the distinguished Senator from Ohio [Mr. SHERMAN] will be able to satisfy the farmers of the great State which he represents here that the $17,000,000 a year which they are out of pocket on the sale of their wheat by the fall in the gold price of silver bullion is more than made up to them in the gratification they must feel at the increased wealth accruing to the bankers, bondholders, pawnbrokers, and other creditors of Europe and America.

I hope, also, that such of the distinguished Senators from cotton-growing States as favor the demonetization of silver, to be

effected by the repeal of the purchase clause of the Sherman law, will be able to prove to the satisfaction of the cotton-producers of the great Commonwealths which they represent in this Chamber that those producers are not being destroyed by the competition of India, and that that competition is not enormously stimulated by the bounty which the fall in the gold price of silver bullion gives to the East India grower of cotton.

Agriculture, Mr. President, is the most fundamental and vitally necessary industry of mankind. Without food men can not live. But in order that some men in other countries may live better than they otherwise would, it is neither necessary nor desirable for our people to permit our agriculturists to be destroyed, or to be kept at the lowest level of physical existence. A country can have no better class of men than those who cultivate the soil; and in the selection of national policies we can make no mistake by adopting such as may save from serious injury a class to whom the ordinary methods of tariff protection can be of but slight avail.

PROTECTION FOR AGRICULTURE.

Mr. President, I am and have been a protectionist, and for very broad reasons, which I have heretofore had the honor to present in full to the Senate. I believe no country can be so happy as when it is doing all its own work; that no country can be richer than one in which all its people are employed with hand and brain in pursuits that accord with their aptitudes. But, Mr. President, I want the protective theory to have full scope. I want it carried out to the end of the chapter. I am a consistent protectionist. I believe in protecting all classes, not merely some classes; all industries, not merely some industries.

Under the present protective policy of this country it is not possible for the farmers and cotton producers to be directly benefited by the tariff. The benefit they receive can only be that indirect benefit which comes of developing in their immediate neighborhoods the various manufacturing industries which will create a demand for the products of the farm. Whatever differences of opinion may exist as to whether a tariff is or is not a tax on some of our people for the benefit of others, no one can deny that by legislation upon our part which will bring the price of silver bullion to $1.29 an ounce we have an absolutely certain method, without imposing any tax whatever on any class of our people, of giving protection to our farming population, both North and South, protection against a competition infinitely more grinding and destructive than that of the people of Europe, against whom especially our tariff wall has been erected.

When we take into account the premium which the Asiatics receive upon their exports, by reason of the fall in the gold price of silver bullion, theirs is a competition which it is impossible for us to remove except by raising the price of silver bullion, which can be done without the slightest injury to anyone and with immeasurable benefit to all. We can not erect a tariff wall which will compel the East India wheat-grower to pay a duty on his wheat as it enters Liverpool; we have no control over the fiscal policies of other countries. But in the way I suggest we can erect a tariff wall that will protect our agriculturists North and South, to the same degree that our manufacturing interests are already protected. And we must remember, Mr. President, that if our farmers are to get the benefit of protection to the same degree that our manufacturers do, it can only be by the plan I recommend—by opening the mints of the United States to the unrestricted coinage of silver.

For my part, I can not conceive how, consistently with their theory, the protectionists of the country can deny to the farmer the full benefit of that policy. While I do not believe that protection is a selfish policy except in the sense that all national policies are selfish, and national selfishness is patriotism, I fear that the agriculturists of the country will come to believe—do they not already largely believe?—that the protective policy is designed to benefit the manufacturers only; that it is for the advantage of certain classes, and not for the benefit of the whole country.

THE PRESIDENT'S LETTER TO GOVERNOR NORTHEN.

President Cleveland, in a letter addressed to Governor Northen, of Georgia, which I find published in the Washington Post of September 28 last, says:

EXECUTIVE MANSION, *Washington, D. C., September 25.*

MY DEAR SIR: I hardly know how to reply to your letter of the 15th instant. It seems to me that I am quite plainly on record concerning the financial question. My letter accepting the nomination to the Presidency when read in connection with the message lately sent to the Congress in extraordinary session appears to me to be very explicit. I want currency that is stable and safe in the hands of our people. I will not knowingly be implicated in a condition that will justly make me in the least degree answerable to any laborer or farmer in the United States for a shrinkage in the purchasing power of the dollar he has received for a full dollar's worth of work or for a good dollar's worth of the product of his toil.

I not only want our currency to be of such a character that all kinds of dollars will be of equal purchasing power at home, but I want it to be of such a character as will demonstrate abroad our wisdom and good faith, thus placing us upon a firm foundation and credit among the nations of the earth.

I want our financial condition and the laws relating to our currency so safe and reassuring that those who have money will spend and invest it in business and new enterprises, instead of hoarding it.

You can not cure fright by calling it foolish and unreasonable, nor you can not prevent the frightened man from hoarding his money.

I want good, sound, and stable money, and a condition of confidence that will keep it in use.

Within the limits of what I have written I am a friend of silver, but I believe its proper place in our currency can only be fixed by a readjustment of our currency legislation and the inauguration of a consistent and comprehensive financial scheme. I think such a thing can only be entered upon profitably after the repeal of the law which is charged with all our financial woes. In the present state of the public mind this law can not be built upon nor patched in such a way as to relieve the situation.

I am therefore opposed to the free and unlimited coinage of silver by this country alone and independently; and I am in favor of the immediate and unconditional repeal of the purchasing clause of the so-called Sherman law.

I confess I am astonished by the opposition in the Senate to such prompt action as would relieve the present unfortunate situation.

My daily prayer is that the delay occasioned by such opposition may not be the cause of plunging the country into deeper depression than it has yet known, and that the Democratic party may not be justly held responsible for such a catastrophe.

Yours, very truly,

GROVER CLEVELAND.

Hon. W. J. NORTHEN.

The President says he wants a "stable" currency. The President is said to be a man of convictions, and I have no doubt that he believes fully that gold is a stable currency. But what do the economists say in this respect?

Adam Smith, in his work on the Wealth of Nations, says:

Gold and silver, like every other commodity, vary in their value. The discovery of the abundant mines of America reduced in the fifteenth century the value of gold and silver in Europe to about a third of what it had been before. This revolution in their value, though perhaps the greatest, is by no means the only one of which history gives some account.

Evidently Adam Smith did not believe that gold was a stable currency.

Prof. Jevons, in his work upon Money and the Mechanism of Exchange, chapter 6, says:

In respect to steadiness of value the metals are probably less satisfactorily regarded as a standard of value, than many other commodities, such as corn.

By "corn" Prof. Jevons meant wheat and all other cereals.

The same author, in chapter 24 of the same work, says:

We are accustomed to looking upon the value of gold as a fixed datum line in commerce, but in reality it is a very variable thing.

He appears to differ with the President as to the "stability" of gold as a standard of value.

Ricardo, in his paper on the High Price of Bullion, says:

If we diminish the quantity of currency, we give an additional value to it

By "currency" Ricardo meant money of every character, including gold.

Mr. Macleod, in his able work on the Elements of Banking, says:

The actual alteration in the *quantities* of the precious metals has materially altered their value at different periods of history. (Page 163.)

We have a distinguished American economist who also differs with the President as to gold being a stable currency. Prof. Francis A. Walker, of the Massachusetts Institute of Technology, in his able work on Money, says:

Gold and silver do over long periods undergo great changes of value and become in a high degree deceptive as a measure of the obligation of the debtor; of the claim of the creditor. Thus Prof. Jevons estimates that the value of gold fell between 1789 and 1809, 46 per cent, and from 1809 to 1849 it rose 145 per cent, while in twenty years after 1849 it fell again at least 20 per cent.

As this enormous increase in the value of gold and silver arose from the falling off in the yield of the metals from the mines of South America, one would suppose that the lesson of *quantity* would have impressed itself on those whose duty it is to deal with monetary policies. The President's idea of stability must be somewhat nebulous when he supposes that gold is a stable material, history demonstrating that it suffered an alteration of 145 per cent in one generation, so that one pound sterling became practically two and a half pounds sterling.

The President also says that he wishes our currency laws to be such that those who have money will spend and invest it in business and in new enterprises instead of hoarding it.

I wonder whether the President ever asked himself the question why people hoarded money and did not invest it in business enterprises.

Does he suppose that while dollars are increasing in value—acquiring daily larger and larger control over property and commodities, more valuable to-morrow than to-day, and more valuable *next* week than *this*—people are going to be in a hurry to invest in property *that is going down in price?* Does he suppose that people will want to buy property that will be worth less next week than it is to-day? Would not the instinct of thrift induce them to withdraw their money from productive enterprises and hoard it?

Does the President suppose people will invest money for a given amount of property when they know that that amount, if held in

hand, will buy much more property next month than this, and next year than this year? The President's idea is that money is "stable" when it is increasing in value, but unstable when it is decreasing; so that according to this theory when property is rising in price it signifies that money is unstable and unsound, but when property is falling, so that those who own money may be able to get an increasing amount of property for a given number of dollars, then money is "stable;" it is then "good" money, "sound" money, "honest" money!

In this letter to Governor Northen, the President also says:

My letter accepting the nomination to the Presidency, when read in connection with the message lately sent to the Congress in extraordinary session, appears to me to be very explicit.

That is to say, explicit with reference to the President's views concerning the financial question, upon which he says in the same letter:

It seems to me that I am quite plainly on record.

It is a great pity, Mr. President, that the President was not a little more explicit before the election. Had he been so he might have been relieved of the necessity of being so explicit afterward. After the election he furnishes the country with a cryptogram by which his letter of acceptance may be interpreted. Had that letter needed no cryptogram the President would not have supplied one. He would not have become President for the second time had the people of the United States, or the voters of his party, understood that there was a mental reservation with reference to the financial question, which reservation would be fully expounded in a message to be "sent to the Congress in extraordinary session, after the election, and which by its terms would annul the platform of the party which nominated him."

In the same letter Mr. Cleveland says:

I will not knowingly be implicated in a condition that will justly make me in the least degree answerable to any laborer or farmer in the United States for a shrinkage in the purchasing power of the dollar he has received for a full dollar's worth of work, or for a good dollar's worth of the product of his toil.

Every man knows that when a "laborer or farmer" gets dollars he usually retains them in his possession but a few days, and on paying them out receives for them all that he gave.

Mr. Cleveland is very anxious that there should be no shrinkage in the purchasing power of the dollar for the extremely few men who have reduced dollars to possession, but he expresses no anxiety with reference to the gross injustice of creating an artificial shrinkage in the purchasing power of the bushel of wheat and of the pound of cotton, and of all the other products of human industry, with which alone dollars can be obtained. Very few men have reduced dollars to possession compared with the enormous number that have yet to produce the material with which dollars can be obtained, for the purpose of supplying wants and paying debts.

The President knows that the whole stock of money in circulation in the country is only sixteen hundred million dollars, and he ought to know that there are at least thirty or forty thousand million dollars of debt; so that for every dollar of money which any man has reduced to possession there must be twenty or thirty dollars that are owing by the producers of the country, who must pay the ever-increasing value of the dollar by an ever-increasing quantity of the products of their toil. What the President should concern himself about is not a shrinkage in the purchasing power of the dollar to the few men who have reduced dollars to possession, but rather the shrinkage in the purchasing power of the unit of all the products of industry; so that the farms and homes that are mortgaged may not by summary proceedings become the property of the mortgagee to the ruin of the mortgagor; and so that the workingmen of the country may not be relegated to idleness by reason of the absence of profit to their employer, owing to the persistent fall of prices, which the increase in purchasing power of the dollar is constantly gaining over the products of industry. For the entire question involved in monetary discussion is the question of *the course of general prices.*

It is a great pity that the President did not call the extra session of Congress before the election, so that the country might have before it an unmistakable statement of his views with reference to this all-important question. It does not seem to have been quite candid on the part of the President to adopt the plan of the serial story papers, by which each installment is supplemented with the statement, "To be continued in our next."

It is marvelous to observe what solicitude is displayed by the President and the bankers with reference to a shrinkage in the purchasing power of the dollar—that is to say, a rise of prices of commodities. This is what they term inflation. Inflation, undoubtedly, is to be avoided, but so also is contraction. These two opposite factors in the money problem end in disturbance and distress. But the harm done by inflation, as the whole history of commerce shows, is not one-hundredth part so great as that done by contraction.

PERIODS OF FALLING PRICES ALWAYS PERIODS OF DISASTER.

In every period of the history of the world, when prices have been gradually rising, activity and prosperity have marked every department of business, while, on the contrary, whenever a fall of prices has been taking place—and that has been the condition almost constantly, the periods of rising prices being few and short—cankering and corroding misery have been its concomitants; social and political upheavals have been universal, and civil governments, without respect to the degree of freedom or liberty of which the people were possessed, were threatened with overthrow. It will be remembered that, as I have already stated in the course of my remarks, during 1848 and 1849, at the end of a generation of falling prices, violent upheavals characterized every city and country of Europe. Starving men, women, and children crowded the streets and cried for bread.

Almost every country of Europe had a revolution on its hands, which could only be repressed by the strong hand of the military. And this equally in despotic Austria and comparatively free England and republican France. It must never be forgotten that *the greatest civil commotion of all time*—that which struck terror into the hearts of all the governmental forces of Europe—the French revolution—occurred after a period of seven years persistent *fall of prices.* That fall, which brought to a culmination the miseries of the French people, was a fall of but 15 per cent, yet it was sufficient to relegate to idleness and keep long in misery enormous numbers of men whose discontent and suffering finally overtoppled first the throne and later the republic.

In all ages of the world the great disasters have occurred during periods of falling prices. Yet we hear no solicitude—no anxiety—expressed by the President or the bankers because of the persistent fall of the past twenty years in the prices of the products of industry in this country—although the story of all the nations is punctuated with disasters growing out of this baleful and prolific source. The only fear we hear expressed is that prices will not fall enough—that the producers will not be sufficiently "cinched" by the idle creditors, income-gatherers, and bondholders.

The President and the bankers express so much anxiety with reference to a shrinkage in the purchasing power of the dollar that they ought to have been delighted with the recent panic. There was no shrinkage in the power of the dollar throughout that period, and there is no shrinkage in its power now. Who ever saw a dollar in the United States buy more than during the recent disturbance? According to the theory of the President, instead of regretting the panic as a great evil we should rather hail it as the dawn of the millenium.

THE CHECKS AND BALANCES OF GOVERNMENT.

If this Republic, Mr. President, is ever to lose its liberties it will be through the gradual absorption and concentration of all the functions of government in the hands of the Executive. There is to-day throughout the country a feeling of uneasiness, crystallizing into a conviction, that the lines of demarcation which the Constitution has wisely marked out between the various departments of the Government are being obliterated, and that the functions of government are being merged more and more into the Executive.

It was the proud boast of the makers of the Constitution that for the first time in history the three departments of government, the legislative, the executive, and the judicial, were by that instrument made wholly independent of each other. It is within the knowledge of Senators that the Executive of this Republic, whoever he may for the time be, possesses more power of patronage than any monarch on earth.

The constitution grants the Executive the right, and imposes it as a duty, to make to Congress recommendations from time to time as to the state of the Union, but the Constitution never contemplated the exercise of any pressure by the Executive upon members of either House of Congress. The framers of that instrument—men of wisdom and patriotism—had had some experience and observation of a pressure exercised by a chief executive, who, though called a king, had neither power nor influence which was for a moment to be compared with that of the Chief Executive of this Republic in the closing years of the nineteenth century.

The population of Great Britain in 1780 was less than one-quarter of our population of to-day. It was less than 16,000,000 of people, and the tenure of all persons holding government offices was for life or for good behavior. The power of a king in such circumstances—the patronage which he could exercise, the influence which that patronage implied—in other words, the *pressure* which the king of a little country could bring to bear upon the members of the legislative body, was not a tithe of that which the President of the United States could, were he so disposed, bring to bear upon the members of the legislative department of this Government—even were the members of that department

disposed to permit any interference with their constitutional rights.

The British king may have been a tyrant; but there had been greater tyrants. He was not Dionysius or Critias. But he was tyrant enough to convince the people of these colonies that in the making of a new constitution they should be on their guard against any encroachment by executive power on the independence of the Legislature. Hence, in providing for the relations which, in the Republic they were founding, should exist between the executive and the legislative departments of the Government, the makers of the Constitution never contemplated the exercise of any pressure by the Executive upon the members of either House in connection with questions of public policy.

The legislative branch of the Government is as independent of the executive as is the judicial branch. I am now merely supposing a case; but I ask, in all seriousness, what would be the condition of public morality in this country if it should come to be understood that the judges of the Supreme Court, who by the Constitution are not a whit more independent of the executive department than are members of this body, might expect Executive favors in the way of patronage provided the judges rendered decisions corresponding with the views of the Executive in behalf of one or the other of the parties to a suit pending before the Supreme Court of the United States? How promptly would the press demand the impeachment of the Executive! Yet the gold press of this country—especially of the great cities of the East—have been urging the President to exercise every means at his command (and all men know what that signifies) to accomplish the passage of the bill now under discussion.

THE ENCROACHMENT OF THE EXECUTIVE SUSTAINED BY THE GOLD-STANDARD PRESS.

It is not the first time the gold press of the great money centers were guilty of attempted subornation of perjury in urging the Chief Magistrate of the Republic to violate his oath of office by inciting him to purchase the votes of those whose convictions were opposed to his. During the period of the debate in Congress on the silver-purchase law of 1878 a leading gold standard journal of the Eastern States, which was in political accord with the President then in office, said, under date of January 7 of that year:

The President knows that men can be held true to Republican pledges as to finance—

It will be remembered that the President of the period was a Republican—

if they know that their truth will mean favor as to appointments.

This, as will be perceived, was no vulgar suggestion that the President should bribe a member of the legislative body. It was, on the very contrary, an incentive to him *simply to purchase the truth*. It is a particularly delectable exemplification of gold-standard morality—the morality that characterizes Wall street—that *truth* is, not something to be held sacred, as a precious personal possession, dearer than life itself, but something to be bought by the President when necessary to maintain the gold standard!

Another leading Eastern gold-standard paper, on the 12th of February, 1878, during the same discussion, editorially gave the Republican President a hint as to what he could do. It said:

The United States Senate has sunk so far below the standard with which it was formerly associated that the propositions which we yesterday gave as in circulation at Washington excite little or no surprise. There are Senators who have so little intelligence or principle that they do not know their own minds in regard to the silver question, or so little conscience that they are ready to vote for or against the pending bill. They imagine that it is popular. Provided they receive a *quid pro quo*, however, they are willing to run the risk of unpopularity. They are ready in short to sell their votes to the President and aid in defeating the bill. It is hinted that by adopting this bribery plan the President may not only defeat the Bland bill, but also may establish amicable relations between his administration and Senators who are at present inimical.

The passage of what is known as the Bland bill by a two-thirds majority of each House demonstrates that the then President either did not take advantage of this hint or that if he attempted to do so the attempt did not succeed.

It will be borne in mind that this language was not used with reference to the present occasion, but to an occasion occurring some fifteen years ago. Nor do I cite it as having application to this occasion, but to illustrate how safely republican institutions may repose on such newspapers as are the obedient servitors of the banking and creditor classes. This was not language used by irresponsible socialistic or reactionary sheets, bent on bringing into contempt such a thing as government of the people by the people. It was used by newspapers priding themselves on their conservatism, that is to say, the conservatism of the banking classes, which does not regard such a trifle as want of fidelity in a President to a solemn oath of office, or unfaithfulness in a legislator to his own convictions, so long as thereby the gold standard of which the bankers and brokers and their clients and customers are the beneficiaries, may be sustained and perpetuated. Their motto is, "The end justifies the means."

So, also, on the 10th of January, 1878, a leading gold-standard paper said:

The capital of the country is organized at last, and we shall see whether Congress will dare to fly in its face.

We are told the same thing now, Mr. President. The chambers of commerce, the boards of trade, and the bankers of the United States, headed by the newspapers of the banking centers, tell us that they are the people and the people are demanding certain things to be done. The capitalists of the country undoubtedly, or at least a noisy part of them, are organized in behalf of the measure now under consideration. But, mark you, we do not hear of the *labor* of the country being organized in its favor.

THE BEST PROTECTION FOR CAPITAL IS JUSTICE TO PRODUCERS.

Is not that a rather ominous fact? It would be more creditable for the capital of the country to investigate the great question pending here before coming to the conclusion to follow the shallow-pated scribblers who are posing as editors and statisticians and political economists, and whose fortune it is to find ready, zealous, and numerous believers among the beneficiaries of the swindle which they denominate the gold standard. It appears that it is the interests of capital that are to be consulted in this country, not the interests of labor—the interests of the few, not those of the many. Is it wise, let me ask, for the capitalists and their organs, so early in the history of the Republic, to attempt to separate men into classes? Is it wise to establish orders which shall be known as the capitalists and the laborers—which, like the patricians and plebeians, may reproduce in this age and on this continent the feuds that periodically convulsed the republics of antiquity?

We must not forget that history repeats itself. To the thoughtful student of monetary science it was unnecessary for the gold-standard press to convey the suggestion that the capitalists of the country were "organized." It was but too palpable already (to all who understand the subtle effects of the gold standard) that those who were the beneficiaries of the system would be "organized." I, for one, though my warning will pass unheeded, suggest to the capitalists of the country that if they expect the repose which should characterize a just government they might profitably devote a little of their valuable time to examining and analyzing the question with which we here are dealing before petitioning for the passage of this bill. More reflection and less noise would better become men who pretend to be thinking beings.

In a free republic the best protection for capital—yes, the only protection for it—is the hearty content of the laborers. It is the bulwark alike of capital and of freedom. History attests that the greatest breeder of social and political discontent is poverty. We are admonished by the census returns that the debts of the people are enormous. The attempt to increase the burden of those debts unjustly will be repelled and punished by the people. Any and all political parties that attempt to buttress and perpetuate injustice will be swept from power, whatever may be their names, or however great their history.

We must remember that this is not India, and that the people of this country are not Hindoos. No order in council and no order from Downing street will ultimately avail here to add to the unearned increment which an increasing value in the money unit exacts from the debtor—a secret, unjust, and clandestine increment which the gold standard insures to the creditor without the knowledge of the debtor, and to his injury. Unlike the people of any other country in the world, the people of this country are giving thought to their monetary policy. And unless justice be installed, parties will crumble under the righteous indignation of the voters.

When it is said that other civilized peoples have abandoned silver and gone to the gold standard, I enter a most emphatic denial of the truth of the statement. The masses of the people—the producers—of no country have been at any time consulted as to what should be the material of their money. These matters are settled for them by the little coterie of statesmen who believe themselves born to rule, and who, in so far as they are not abstract theorists, are direct representatives of the creditor classes and annuitants who are the beneficiaries of the wrong to which these so-called "statesmen" lend themselves.

Our people will never surrender their sovereign powers into the hands of any coterie of men, whether so-called statesmen or financiers. This is the fundamental error which the gold-standard clique have been making in this country. They think they have to do with Hindoos or Egyptians, whose habit it is to sit in silence and upon hearing their doom pronounced accept it not only without resistance but without remonstrance.

The Constitution, as I have said, made separate and apart the

executive, the legislative, and the judicial functions and offices of the Government. It made them coördinate and independent of each other. To suppose that the framers of that great instrument intended that the Executive should have policies of his own to enforce against the convictions of a majority of the law-making branch of the Government would be to imply that those great men erred in trusting the making of laws to the wisdom of a large number of men, selected to represent their several localities and States rather than the opinions or caprices of one man. If the members of those Houses were to accept the dictum of the Executive, it would have been better to provide that the will of the Executive should be the law of the land.

THE CLASS OF MEN WHO LEAD THE GOLD-STANDARD PRESS.

With a few honorable exceptions the daily press of the great banking centers of the country have in this contest, as in all monetary contests since 1873, pursued like sleuth hounds the advocates of silver money. No language has been found too violent, no abuse too gross, no epithet too scurrilous, no imputation too unjust, no falsehood too flagrant, to be applied to the motives and conduct of those who stand here contending for the rights of the plain people and against the perpetration of a monstrous wrong. Who are the persons who thus assail us? It is well known that the brainy men who are employed upon newspapers have nothing whatever to do with fixing the policy of the paper on which they are employed.

Many of them are with us heart and soul in this great contest, but, like soldiers on duty, they obey orders, whether those orders have or have not the approval of their judgment. The policies of great modern newspapers are fixed and directed either by syndicates of wealthy proprietors, in some instances leading bankers or stock operators, or by single millionaire proprietors, who prefer to spend in Europe in an anti-American environment the money they make while figuring as "editors" of newspapers published thousands of miles from the scene of the editor's lodgings. Even when the so-called "American" proprietor of some great city newspaper remains at home and attends to his business, he is well described by Mr. J. W. Keller, the president of the New York Press Club, who ought to know whereof he writes, in the number of the New York Forum for August last, as follows:

He knows how to buy and sell, whether it be white paper or ink or brains. The fact that he may not know the first rudiments of the English language, that sociology and political science are as incomprehensible to him as the hereafter, does not affect the case at all. He can hire men at so much a week for all that sort of thing, just as he could hire skilled artisans if he were a manufacturer of machines, or railroad cars, or jewelry. Editorial writers, or copy readers, or reporters are so numerous and so cheap that his whole editorial staff can be changed in a day if he deems it necessary. He despises the literary accomplishments of these men, and therefore the men themselves, because he measures all men by their ability to accumulate money, and can not see advantage in anything not convertible into money.

These men may be his superiors in all but money getting, but they are his docile hirelings. To him the business end of a newspaper is of chief importance, and if he does not attend to that himself he is willing at all times to pay more for a business manager than for an editor-in-chief. It is a favorite boast of one newspaper proprietor of this stripe that he can hire all the editors he wants for $10 a week. This, of course, is a slight exaggeration, although the average pay of the writers in his employ does not greatly exceed that sum; but his theory of journalism that newspapers are made in the business offices and that the editorial departments are mere adjuncts for carrying out money-making schemes hatched elsewhere is widely shared.

The domination of the business office over the editorial department is a development of recent years; a natural consequence of the gradual evolution of journalism into a purely money-making business. There was a time when the salaried editor despised the counting-room. His idea of a newspaper embodied a loftiness of aim which could not be affected by any sordid motive. He held that there were certain reservations on which the business office should not trespass. An advertisement should appear in the unmistakable form of an advertisement, and in the column set aside for advertisements. Editorial opinions should be above and beyond all considerations except those of right and justice and the general good. The presentation of news should be unbiased and uncolored, the single unvarying rule being to give the facts as nearly as possible.

In short, to borrow the words of a distinguished New York editor, there should be "no sailing under false colors." This was the old theory, the high chivalrous declaration of journalistic principles which the new school of journalism, the purely business school, is willing enough to accept, even if it does not always practice it, except in the matter of advertising. In that the new school has wrought such a revolution that the salaried editor now lends himself cheerfully and even enthusiastically to the attainment of the one objective point, money getting.

The old school pretended to sell nothing but a certain space allotted to advertising. The new school can see no reason for such restriction. If it is right to sell advertising space in one part of the newspaper, that a man may puff his wares, why not in another? This wholesale barter does not necessarily mean debasement, but it does mean that journalistic traditions are shattered, and that in the new school the business office is paramount. Therefore, if a man would be successful to the highest degree in journalism to-day he must know the business office. Without this knowledge he may attain success as an employé, but never as an employer. Without it he can never hope to attain the ownership of a newspaper.

Working newspaper men, workers in the literary vineyard, have given too little heed to this important fact. They have been too long and too thoroughly saturated with contempt for the business office. If the money getter of the journal despises them for their lack of thrift they doubly despise him for his methods, even when their sustenance depends upon his success. This has been chiefly because they have had no business training. They are dependent from the beginning, and their dependence increases with their years of service.

A well-known editorial writer now in New York once made a contract with a Boston newspaper owner to occupy the chair of managing editor for five years. His compensation was to be a fixed weekly salary and $5,000 worth of stock at the termination of the contract. After he had served three years the proprietor of the newspaper made things so uncomfortable for him that he offered to leave if $3,000 of stock or its equivalent were given to him. "You can get out now," said the proprietor, "without any stock or any equivalent." "But," said he "my contract calls for the stock, and I demand it." "Take your contract to a lawyer," said the proprietor, "and let him see what it is worth."

The proprietor thus becomes a sort of despot at whose feet his vassals sue for favor, and to influence whom plots and counterplots are made until the honest, straightforward, guileless man is so sick of such underhand work that he is all too willing to quit the contest and seek some other field. Hence it is that the best places are not always held by the best men. The courtier is often more successful, temporarily at least, than the journalist.

It is not necessary for me, Mr. President, to add to this description, nor to enlarge upon the herculean task which the masses of the people will always have before them when they attempt to right any public wrong whose perpetuation appeals equally to the cupidity and the ignorance of the men described by the able journalist whom I have quoted.

Fortunately for the liberties of the people of this country, the men thus described are few. Their example, however, and the influence of their journals doubtless affect to a greater or less extent men who have not taken the pains to inform themselves of the claims of bimetallism from sources friendly to that system. They have formed their opinions of it from the great metropolitan dailies, which, in view of the location of such papers in great banking centers, they suppose must have analyzed the question. They have been advised that the question was one that concerned only miners of silver. Thus many earnest minds among the journalists of the country, in the multiplicity of their labors and the daily and hourly urgency and pressure of an exacting profession, have not been able to give the subject the time and thought that it deserves. It will not always be so. The great body of the press of the country, with the exception of the great city dailies, which will always be the allies of the banks, will in time be found ranged on the side of the people.

THE INVESTMENT OF FOREIGN CAPITAL IN THE UNITED STATES NOT A BENEFIT BUT AN INJURY TO OUR PEOPLE.

The recent panic in this country has been ascribed to a great variety of causes, some of which, with the permission of the Senate, I shall examine.

The New York World of August 1, 1893, said editorially that the fright which caused the panic began with the foreign investor. It is not denied that at the very time that the foreign investor was so alarmed with reference to the class of money that he should receive from the United States there was in this country more wealth than ever before in its history.

Are we to understand that the legislation of this country is to be in the interest, not of the people of the United States, but of foreigners?

Is the prosperity of this country to depend upon a lot of idle fellows who live in some other country, for whom we must provide investment schemes upon which they may make a profit? What, after all, is it that brings prosperity to a country? Is not prosperity present when all the people are at work with hand and brain? The real source of wealth is the productive energy of the people. The policy that will keep all our people at work will develop the country without the aid of foreign investors.

The theory of these foreign investors is that in this new country great numbers of our people should be idle in order that the foreign investors may be able to send their money here for investment. If, as is constantly asserted, we have enough money in this country, why do we want more? And if we have not enough of our own money, why should we not have enough? The position of the bimetallists here is that we have not enough, and that we should have enough of our own.

With proper monetary and industrial policies in this country everybody would be at work. Were all at work, they would be engaged on the best ventures we had. This would be the maximum of effort, and from it would result the maximum of wealth, prosperity, and national content.

This exploitation of our country with foreign money simply means that schemes are gotten up here to induce foreigners, who do not understand all the conditions existing on this side the ocean, to invest their money in enterprises that are not sufficiently good to warrant wise men among our own capitalists taking hold of them. When sound investments are found here our own capitalists do not hesitate to engage in them.

Were all our people occupied, a foreign investor, in order to make a profit on the money he sent in here would be obliged to send on the same ship with the money a number of foreign workmen upon whose labor the expected profit could be made. Inasmuch as the most profitable enterprises would already be absorbed by our own people, there would be nobody upon whose labor the foreigner could make a profit unless he sent in *men* as well as money. This would mean the sending to this country of hordes

of the lowest order of foreign contract laborers, unacquainted with our language and institutions, and not coming here by reason of the development in them of that aspiration for political freedom which makes the only sure foundation for citizenship in a self-governing republic.

If all our people are usually at work, as is claimed by the gold-standard champions, of what use would it be to bring into our country more money? In order that such money might be put to use our people would need to be diverted from their accustomed occupations—from those to which their lives have been dedicated and in which they are prospering. They would need to be turned into new and unaccustomed avenues. In this there would be great economic waste. A man is most useful and most happy when in the vocation for which he has been trained—the vocation of his choice and of his youth.

It would be much better for us, instead of anticipating what this country may require a generation hence, to attempt to build up communities in reasonable proximity one to another, and develop those to the utmost of our power, instead of building railroads prematurely which are to languish for a generation or more—much better to get all our domestic capital employed and to maintain our own investments in high efficiency than to invite hither the money of foreign investors, and thus throw away much of our prosperity, if not also much of our independence. We should not be dependent on foreigners for the money necessary to make exchanges among our own people.

In a work on the Use and Abuse of Money, by a lecturer at Cambridge University, England, Dr. Cunningham, the apposite remark is made that foreign investments "*do something to break down the strong nationalism of old days.*" There can be no doubt of this, judging from the awe with which the New York bankers, brokers, and newspapers look upon these foreign investors. They regard the home investor, in comparison, as nobody—as indeed no investor at all—because *his* money goes into enterprises that employ *labor*, while the foreigner employs the stock-broker. The "workingman" whom these people have in view is he who exhausts himself daily shouting in the pit of the New York Stock Exchange. His "compatriot," as he may be called, the "foreign investor" of Great Britain, is well characterized by the same author in the following words:

> He may be prepared to join in an outcry against the manufacturer who sends improved patterns of guns to a rival power, say to Russia. But he would feel no scruple in *lending his capital* to Russia, and thus giving that rival power the means of purchasing the improved arms. There is no difference between the cases.

These gamblers engage in a business for all it is worth, and they do not care who or what is hurt, whether their own country or any other.

Instead of this foreign money being borrowed to develop, as is stated, the national resources of the United States, most of it has been borrowed for the purpose of developing the personal resources of speculative adventurers, who have been able to obtain control of franchises and privileges for enterprises which anticipated by many years the needs of the people, and on which these promoters issued bonds for fifty to a hundred per cent more than the cost of the enterprise. Of this amount large bonuses were given to the foreign investor. Hence almost every corporation is enormously overstocked, and the securities as a whole upon which the people are paying interest represent two or three times the money actually invested.

It were much better for our people if the foreign investor kept his money to himself, or invested it elsewhere than here. For all the purposes of rational and natural development in the United States, our own investors and men of enterprise would, under proper conditions, supply all necessary capital. In such cases the interest paid upon the investment, besides representing only the normal cost of the plant, would remain in the country. Under present conditions the interest is taken away by the foreign investor, only to be brought back for investment in some new speculative scheme, which also anticipates by many years the natural demands of the community, but upon which the people are constantly taxed to pay interest—so that they are *compounding the interest* on these foreign investments.

This course will, if the gold standard be proclaimed here, continue until these foreign investors will have our people as they have the people of many other countries—in a condition of vassalage.

The importance to the United States of the money of the foreign investor is a mere bagatelle in comparison with the importance of a system of money which will maintain justice between man and man. The sooner the people of United States learn to do their own work the better, including the work of supplying themselves with their own money; to do this as the country needs it, and in quantities sufficient to maintain all our industries and keep prices firm.

It is very humiliating for a great country like the United States to say that it must adapt its financial system to a condition in which it can borrow money. This country does not need to borrow money. What would be thought of the owner of a vast and splendid estate, whose sole and constant aim it was to be always borrowing money that he did not need? Would it not be an impeachment of his judgment and his common sense? Imagine a man rich beyond the dreams of avarice, yet wringing his hands and crying in despair, "What shall I do if I can not borrow money?" And borrowing money, too, upon conditions that in a subtle and unperceived way would eat up his property by reason of the increasing value of the money unit.

When it is said that if we do not have a gold standard the foreign investors will not buy our bonds and securities, let me inquire what they are going to do with their money? Do they refuse to buy the securities of any other country or to invest their money in any other country in which there is to be a profit made? Not at all. They have so plundered their own country that they can not invest profitably there. Prices there are falling lower and lower and driving more and more money out of England for investment abroad.

Were our money national instead of international, and foreigners then wished to invest in our securities they could do so with perfect freedom, but they would be oliged first to purchase our money, either with commodities or with the money of their own country, and with our money buy our securities, a process which would in nowise inflate our currency. Then when they wished to realize on their investments and withdraw, they would have to sell in our money, and with that money purchase the money of their own country.

In that way they could not perpetrate an injustice upon every producer and every debtor in the United States—upon millions of men who have nothing whatever to do with the investments of foreigners, but who, whenever money is taken out of our country to pay for bonds forced upon our market by monetary exigencies arising abroad, have to pay a premium upon gold in the form of a fall in the prices of the products of American labor—a fall which by bringing the producer to poverty and keeeping him there works advantage to no human except the few men who lend money.

It should be enough that the United States furnish to foreigners not only the opportunity to invest their money at rates of interest higher than they could obtain in their own country, but also the equal protection of our laws—protection equal to that afforded to our own citizens—without permitting the foreigners to disturb and disarrange all the business of the country by inflating the currency when they buy our securities, and contracting it when they sell, thus destroying all the equities in hundreds of thousands of time contracts—contracts involving millions upon millions of dollars—and distorting justice in the innumerable debts due by and among our own people.

Has the American farmer whose farm is mortgaged, or the American mechanic who is buying a home on installments, anything to do with these "foreign investors"? Why should either of these be made to suffer by reason of the investments of such foreigners, either here or elsewhere? When it is undeniable that the value of the unit of money depends upon the number of units, is it wise to permit foreigners at their will to throw, say, $100,000,000 of money suddenly into our country, thus inflating our currency and putting up prices, and then, when prices have gone up, or whenever financial trouble threatens in Europe, to sell out the American securities, and take away the $100,000,000 as well as the profit on the investment, thus alternately inflating and contracting our money volume to the great injury of our people.

When bonds are sent here and gold is taken out by the foreign investor to enable him to meet pressing demands at home, it is sure to be again sent here when the pressure there is over, to be reinvested in the same or similar securities, only to be again taken away as soon as the necessity arises for its European owners to meet obligations in countries other than the United States. Had we a money of our own that was not international in character we should be able to open up railroads and to undertake all other enterprises as they were currently needed for the national progress of our country, and nothing is gained by undertaking such enterprises prematurely. No enterprise should be put upon the market except as it is needed, and with a national money sufficient in quantity there would always be enough of it among our own people to enable them to undertake projects that would pay a fair return to capital.

Had we really to depend upon foreigners it would be a sad commentary upon our population and our institutions—70,000,000 of people with whom no like number anywhere in the world can compare for energy, industry, ingenuity, intelligence, and aspiration, and with a form of government adapted to the highest development of man and without the traditions that tend to petrify the conditions of the people, as in the civilization of older countries.

The gold newspapers think a clear case is made in favor of the gold standard when they assert that the panic was caused through lack of good opinion which foreigners entertained of our country, because of a fear that we might go to a silver basis. Well, Mr. President, if we are to legislate for every foreigner who lacks good opinion of the United States we shall have a good deal to do. The creditor classes of Europe never had any opinion of this country, its people or its institutions. They see nothing good in this country except when they can make a profit by sending their idle money here. When they concern themselves at all about our affairs it is to malign our people and condemn our institutions.

There is, therefore, no reason why we should do injustice to our own people in order to secure the good opinion which the "foreign investor" may entertain of us or our country.

[At this point the honorable Senator yielded the floor for the day.]

Monday, October 30, 1893.

Mr. JONES of Nevada. Mr. President, everywhere we hear it echoed and reëchoed by the gold-standard press of the banking centers that the people demand the repeal of the purchasing clause of the so-called Sherman law. I deny most emphatically that the people demand it. The last statement that we had from the masses of the people of both the leading political parties was contained in the platforms of their national conventions. The orders of the people, there given in unmistakable terms, were *to continue the use of both metals* as standard money, and it was not even hinted that the use of either was to be dispensed with.

THE PEOPLE HAVE NOT DEMANDED THE REPEAL OF THE SILVER-PURCHASE LAW.

The silver plank of the last Republican national convention reads as follows:

The American people, from tradition and interest, favor bimetallism, and the Republican party demand the use of both gold and silver as standard money, with restrictions and under such provisions to be determined by legislation as will secure maintenance of the parity of values of the two metals, so that the purchasing and the debt-paying power of the dollar, whether of silver, gold, or paper shall be at all times equal. The interest of the producers of the country, its farmers and its workingmen, demand that every dollar, paper or coin, issued by the Government shall be as good as any other. We commend the wise and patriotic steps already taken by our Government to secure an international conference to adopt such measures as will insure a parity of value between gold and silver for use as money throughout the world.

The paragraph of the Democratic platform which relates to silver is as follows:

We denounce the legislation known as the Sherman act of 1890 as a cowardly makeshift, fraught with possibilities of danger in the future, which should make all of its supporters as well as its author anxious for its speedy repeal. We hold to the use of both gold and silver as the standard money of the country, and to the coinage of both gold and silver without discriminating against either metal or charge for mintage, but the dollar unit of coinage of both metals must be of equal intrinsic and exchangeable value, or be adjusted through international agreement, or by such safeguards of legislation as shall insure the maintenance of the parity of the two metals, and the equal power of every dollar at all times in the market and in payment of debt; and we demand that all paper currency shall be kept at par with and redeemable in such coin. We insist upon this policy as especially necessary for the protection of the farmers and laboring classes, the first and most defenseless victims of unstable money and a fluctuating currency.

Upon these declarations of principle by the leading political parties we assert that the masses of both parties are with us. We deny that the gold-standard press correctly represents the situation when it asserts that they are against us. Has there been some census of opinions taken since these official declarations were made, by which it has been ascertained that both parties and their voters have abandoned their platforms? Is there some new "Nickel-in-the-slot" machine of which we have not heard, by which the advocates of the gold standard can take a census of the opinions of the people without the knowledge of the silver advocates?

The Republican plank states that "the Republican party demands the use of both gold and silver as standard money," while the Democratic platform announces that "We hold to the use of both gold and silver as the standard money of the country, and to the coinage of both gold and silver without discriminating against either metal or charge for mintage." These declarations must be taken to be and to mean the wishes of the voters of the United States, at least of the respective parties which these opinions were supposed to represent.

The proposition now before the Senate is intended to do away with the use of silver as standard money. It is therefore directly in opposition to the course recommended by these platforms. And while the Democratic platform demanded the repeal of the Sherman law, it was not because that law went too far, but because it did not go far enough towards free coinage—it was not because too much but too little silver was put out under it. The clause which denounced that law must be taken in connection with the clause which declares that the Democratic party was in favor of both gold and silver as standard money, and in favor of the coinage of both gold and silver without discriminating against either metal.

The platforms of both parties agreed in calling for the use of gold *and silver*—not of the gold and silver merely that had been coined, but for the use of gold and silver both in the present and in the *future*, as the material of money.

The proposition now before the Senate is diametrically in opposition to both platforms, and in the very teeth of their distinct declarations. It is wholly against the wishes of the people of the United States.

Undoubtedly the bankers, brokers, and money-lenders want it, and no doubt they think *they* are the people. In the words of Tennyson:

They take the rustic murmur of their burg
For the great wave that rolls around the world.

Counting all the people whom the bankers have in the toils—who feel that *they* must dance when the bankers whistle—and the people who, for want of thought, adopt any opinion which bankers promulgate, it is my solemn conviction that not 3 per cent of the people of the country demand the passage of the measure before the Senate. The great majority of the people—the great producing classes—are in favor of silver money, but they have no great city newspapers to speak for them and no professors of political economy to propound learned and sophistical opinions for them. *They will speak for themselves on election day.*

The law which it is attempted to repeal has upon the distinct acknowledgment of the Senator from Ohio [Mr. SHERMAN] himself, saved to the people of the United States millions of dollars in sustaining the prices of the products of their labor at a time when, without it, a decline enormously greater would have taken place in those prices.

If it be a correct policy to cut off from the people the limited supply of money which the Sherman law has been furnishing, why have our people been coining or issuing money in the past? The conditions which demanded an addition to our money volume fifteen years ago—are they not continuing conditions? Have our people abandoned the production of wealth? Has our population stopped increasing? But it is said that the continued purchase of silver and the issuance of these Treasury notes based upon the purchases of silver constitute a menace to our gold reserve. These Treasury notes have the gold value of the silver bullion behind them, and, as is also said, the whole credit of the Government behind them. Yet they are said to be a menace to the reserve of gold in the Treasury.

I hope that some gold-standard Senator will interrupt me to explain how any other kind of money except actual gold can be issued that will not equally be a menace to that reserve.

And inasmuch as those Senators do not propose to issue a money that will be a menace to that reserve, I should like to inquire what sort of dollars they do propose to issue? Or do they not propose in any way to increase the volume of money in a country in which population is increasing at the rate of 2½ per cent per annum?

Unless we are to have the actual gold, is there any form of dollar that will not be a menace?

A dollar issued under the Sherman law can be no more of a menace than any other form of dollar, whether issued by the Government or a bank.

The addition to the money of the country of a monthly sum being a menace to the maintenance of the parity between gold and other forms of money, it must be the intention of the gold-standard Senators to altogether prohibit the increase of money in this rapidly growing country. That certainly is a most extraordinary proposition.

BOND ISSUES.

The proposition to issue bonds with which to obtain gold simply demonstrates that those who propose it do not understand the conditions under which gold can be kept in a country. When gold goes out of this country it goes because the prices of commodities internationally dealt in are, all things considered, higher here than in other countries having the gold standard. It is therefore the prices of commodities that will dictate whether gold is to go out of this country or remain in it. If those prices are falling rapidly in gold-standard countries it would be as vain to issue bonds, in order to bring gold here, as it would be to attempt to maintain a higher level of the ocean at New York than at Liverpool by pumping water out of the one harbor into the other.

I will venture the statement that if the United States Government were to-day to issue $500,000,000 of bonds, while they would all be taken by European bankers and money-lenders, it would be on condition that the gold should be demanded in installments only and at considerable intervals of time apart. Suppose they sent us, say, $50,000,000 as a first installment. This would tend to depress prices abroad and raise them here, with the

result that our importations would increase, and we should shortly send back to Europe in payment for those goods the very $5,000,000 we had received for the bonds. The Europeans would then pay the second installment on the bond contract with the same fifty millions with which they had paid the first.

And so the performance would go on until the entire five hundred million had been supplied—all with $50,000,000 of actual gold, while our taxpayers would be saddled with interest on the entire bond issue. Some people appear to think there is some neutral ground stored with gold—some great vault of the metal awaiting an issue of our bonds.

The fact is, if a few million dollars in gold were taken from Europe prices would fall. Mr. Goschen, when chancellor of the exchequer of Great Britain, stated in the House of Commons that he was ashamed to confess that the outgo of a million of pounds sterling of gold strained the whole financial fabric. They are strained for gold now. The very moment we take a few millions of it there is danger of a panic. If I am correctly informed, they are on the very edge of a panic now. We might issue bonds under those conditions until this country were $10,000,000,000 in debt, yet we should permanently have no more gold than we have now, because as fast as we took gold from them their prices would fall while ours would rise, and out our gold would go. If you use international money you must content yourselves with international prices. It is impossible to maintain gold here under any other condition.

If we are to enter upon a struggle with Europe for the possession of gold the only course for us to pursue is when we get possession of it to look it up, as it is practically locked up by Russia, and practically locked up by Germany, Austria, and France. But for us to think of maintaining a range of prices here higher than the European range—for us to attempt to establish a value of the gold unit here different from the value of the gold unit all over the western world, and at the same time retain gold here, is preposterous. We might as well attempt, as I have said, to establish two levels to the waters of the ocean. It is utterly impossible of accomplishment. There would be an irresistible tendency toward equalization of international prices.

The banks want permission to issue their notes up to the par of the bond. It is supposed that this class of money would not drive out gold and would not endanger the reserve. But at all times it is *the movement of prices of commodities internationally dealt in that makes it necessary for gold to be sent from any one country to any other.* Any increase in the quantity of money—in the number of dollars—in the country, of whatever material those dollars may be composed, will have the effect of raising prices to a level higher than the level abroad. An increase in the number of bank notes placed in circulation, would have precisely the same effect in sending out gold that an increase of Treasury notes issued under the Sherman bill or any other form of money would have. Gold would be doing no more service in this country than would a money exclusively national, and therefore the cheapest and most advantageous thing for merchants to send out in payment for imports, would be gold rather than products, because the range of prices of products of international trade would be higher here than abroad.

THE NATIONAL BANKS AND THE PANIC.

The course of the national banks in the great money centers during the past summer fully justifies the fears which the people have long entertained of them. As soon as they discovered that the Fifty-third Congress contained a majority against the repeal of the Sherman law or any clause of it they undertook to create a sham public opinion which, they shrewdly opined, would by many be mistaken for real public opinion in favor of repeal. This they could readily do by marshaling, *not* the great mass of the producers of the country, who are under no obligations to the banks, but the army of middlemen and nonproducers who have intimate relations with the banks and who are willing to sign any petitions which the banks may suggest. Not one of those petitions states a single reason why the Sherman law should be repealed, except that what they called "want of confidence" existed which, they professed to believe, but show no grounds for believing, grew out of the Sherman law.

Having determined to secure the repeal at all hazards, they hit upon the cruel device of limiting and restricting credit—of withdrawing from the business men of the country a certain proportion of the accommodation which they had theretofore been in the habit of granting. While doing this they took care to pass the statement around that there was plenty of money in the country and that all that was wanting was confidence.

The banks thought it best to give the country an object lesson in the form of a panic, intending that it should go far enough to secure repeal, but no farther. They did not understand that an economic cause determining a crisis had for some years been in operation, namely, the increase in the value of gold. The bankers ought to have known this fact, but they thought the change in the relations between gold and commodities was not a rise in the value of gold but a fall in the prices of commodities and of silver, which metal had apparently fallen in relation to gold in about the same ratio that commodities had fallen. They thought they would set in motion a small fright, a bankers' "ghost dance," to which they would invite their brethren, the brokers and members of the chambers of commerce. The ball lasted much longer than they intended, for the reason I have mentioned, that they had not reckoned with the factors that constitute a panic, which were ready at any moment to create a crash on the occurrence of the first deranging incident.

With the latitude now allowed by law to the banks to lend the money of their depositors to the extent of from 75 to 85 per cent of the deposits, there can be no security against the periodical recurrence of panics. The law should require them to maintain a much larger reserve, and should provide for the strictest surveillance over them, so that the people may have some assurance that the provisions of law would be respected. If this be not done banks will always overloan, as they have been doing, in order to make dividends for their stockholders. Whatever the volume of money might be, a crisis could be brought about if the banks persisted in overloaning. Their book credits serve to put up prices of commodities and property to a point far beyond the range naturally consistent with the quantity of money in circulation; and when the crescendo movement has continued to the danger line and liquidation is required, either by depositors, from their banks, or by the banks from those who have borrowed from them the money of the depositors, the entire superstructure of credit begins to totter and finally comes to the ground, the quantity of money (upon which alone credit must rest) being insufficient to support it.

There are in the United States to-day about ten thousand banks, including national banks, State banks, trust companies, private banks, and savings banks. At the end of 1892 they had in all deposit liabilities amounting in round numbers to $5,000,000,000, to meet which they had a total sum in cash amounting in round numbers to only $500,000,000.

Here were ten thousand institutions holding the money of the people *subject to call*, yet lending it out *on time* to the extent of 90 per cent, keeping on hand but 10 per cent to meet all demands.

It is manifest that in such circumstances the slightest untoward incident might cause the entire volume of credit to collapse.

DID THE PEOPLE HAVE A DISTRUST OF TREASURY NOTES OR SILVER?

Among the reasons which the banks hastened to assure us were responsible for the panic was one to the effect that the people were afraid of the quality of our money. This was transparently absurd, as the facts of the situation subsequently demonstrated. When the New York bankers advanced this as the reason for the panic that had set in, they could not foresee what was to happen. It did not occur to them that the money which they were trying to disparage would soon bear a premium of 3 per cent over gold in the streets of New York. Yet such was the fact. During the progress of the panic I asked a great many persons in New York City whether they entertained any fear of the quality of the money they held in their pockets, and I could not find a man who expressed any such fear. On the contrary, there was perfect confidence in the quality of the money. The only fear expressed—and that fear was well-nigh universal—was that the banks did not have the money with which to meet the demands of their depositors. And in entertaining this fear the people were perfectly correct.

Nothing can better illustrate the hollowness of the pretense that the panic was caused by the people's distrust of the quality, or kind, of money they were to receive than to inquire whether the firms that failed would not have been glad to pay their debts in any form of legal tender—anything that was money within the United States. Had they been able to get together a sufficient amount of such money to meet their obligations, as those obligations matured, would they have gone into bankruptcy? Was their failure a consequence of their impossibility to get gold? Would not their creditors accept payment in the class of Treasury notes issued under the so-called Sherman law? Does any one deny that those notes became more valuable from month to month, and that the last one issued had more value than the first? Would not the last buy more goods than the first?

Let me ask any Senator who favors this bill whether he does so upon the ground that such notes are diminished in value, compared with those which were issued originally, or diminished *in* value as compared with gold? If so, how does the Senator prove that the notes are diminished in value? No such proof can be obtained, for the reason that it does not exist. On the contrary, there is ample proof that the last of such notes issued would buy

more of all the commodities of life than would the first. This was true not merely after the panic, but before, and even before the President announced that he would pay those notes in gold.

We are told that the people took their money out of the banks because they were afraid the country was going to a silver basis. This explanation does not explain. If we were going to a silver basis, what good would it do them to take their money out of banks? The money they took out of the banks and kept at their own homes or locked up in vaults is the very money they would have when we should arrive at the silver basis. Very much of it was either actual silver or paper based on silver, and, under the law, not redeemable in gold. The fact is that they took their money from the banks, *not* because they were afraid we were going to a silver basis, but because they were afraid the demand for money with which to liquidate might be so great that the banks might fail; and when a man has his money in a bank it is his right to get it if he chooses.

DID THEY FEAR A SILVER BASIS?

The workingmen of this country are ready to deliver the products of their labor for the money of the United States. Has anyone heard of any man in search of work who made it a condition-precedent to his agreeing to perform such work that the money he might be tendered for his services should be some special form of money? I venture to say not one such has been found.

I have yet to hear of any manufacturer or workman, or person engaged in any business whatever, refusing to exchange his services for money simply on the ground that he was afraid the money might not be as good as gold. No man has demanded any particular kind of money.

If I had a dollar that was not advancing in value, and could exchange it for a dollar that was constantly advancing, would I not quickly do so? What, then, can be said of people who foolishly refuse to go to the Treasury to exchange dollars which they are informed by the bankers and the brokers, and the newspaper editors, of New York, was liable at any time to depreciate to the extent of 40 per cent. Are our people lacking in intelligence? Can they not read (and do they not read) the newspapers? Is there a country in the world in which the people read newspapers and everything else to the extent that they do here?

If the masses of the people, say of New York, had had any distrust of silver certificates, silver dollars, or Treasury notes, and preferred gold, would they not have rushed in thousands to the subtreasury with their silver certificates or Treasury notes in order to get gold for them?

If I have a dollar that to-day will buy a bushel of wheat and which I suspect may to-morrow or next week buy but two-thirds of a bushel, if I can exchange that dollar for one that will be sure to advance in value will I not make the exchange as quickly as possible? Is it to be supposed that I should wait very long before applying at the Treasury for the dearer dollar?

The withdrawal of money from the banks does not show a distrust of the kind of money. It only shows a distrust of the banks. Had it been a distrust of the kind or quality of the money, there would not have been a dollar of gold left either in the banks or in the Treasury. The people would have taken the paper or silver money immediately to the Treasury and demanded gold much faster than it was possible for the Treasury to get the gold or pay it out. Yet there has been no gold taken from the Treasury, except for shipment abroad. It is therefore absurd for the bankers to claim that there was any distrust of any form of our money.

Instead of the people of this country going to the subtreasury with Treasury notes to be changed for gold, it was only the agents or brokers of foreign governments who went there, and they went for the purpose of sending the gold out of the country. They ought not to have been accommodated. The law had provided that the Government had the option of paying in silver whenever it was more convenient to do so.

THE NATIONAL BANKS DETERMINED TO SECURE A MONOPOLY OF THE ISSUE OF MONEY.

The repeal of the Sherman law, if accomplished, will be but one-half of the scheme of the banks. They desire to get silver first out of the way. The project is, and the determination of the banks is, that they must be permitted to have a monopoly of the issue of money. They insist that the Government shall cease the issuance of money and hand over the prerogative to them. By the Constitution the right to coin money was given to Congress. The bankers do not believe that was a wise provision on the part of the framers of the Constitution, who should have devolved this duty upon the banks.

When silver is out of the way, they will acquiesce in the views of the producers of the country that more money is necessary, and will demand an issue of several hundred million dollars of bonds in order that the country may be enabled to have a sufficient volume of money to do its business and maintain some degree of prosperity. They hope and expect that by the time they are ready to push this demand the distress of the country will be so great for want of money that their wishes will be complied with.

There is no doubt that the distress of the country will be great—for want of money. Distress will continue until relief be brought by a sufficient supply of money—not, however, bank money, but legal-tender money. It is useless to hope for permanent improvement of industrial conditions—useless to expect that the great masses of idle men will find permanent employment—until a volume of money shall be issued sufficient to arrest the pernicious fall of prices, and give to employers of labor and projectors of great enterprises the reasonable assurance that by employing workmen they will not be losing money. This new money can not be gold. We already have our distributive share of the gold of the world, and if we temporarily get more we can not keep it. Silver must therefore be remonetized, unless we are to resort altogether to paper money. The country must have money, and there appears to be no alternative for quartz mills except paper mills. This may be an unwelcome dilemma to the national banks and the creditor classes in general, but if industry is to be revived and maintained in this country it is a dilemma of which those classes must accept either the one horn or the other.

If the Government must issue bonds—for which, in my opinion, there is no necessity—why should it not take the bonds into its own possession and deposit them in the Treasury of the United States as security for *Treasury notes to be issued by the Government* without expense to the people? In that case the Government would have the advantage of saving the interest on the bonds while they were locked up in the Treasury, which could not be saved if the bonds were placed there as the property of the banks.

We do not need to issue bonds for gold. We do not need to sacrifice our people for gold. This country does not need to depend upon any other country for money. By reliance upon ourselves, our own resources, and our own people, any development that is necessary in our country will be made without difficulty. We do not need to borrow from other countries for the purpose.

For, after all, what is it that is necessary for development? Nothing but labor and the products of labor. We have enough *men* and enough *material* for all rational and natural development. All that is necessary in addition is to have a well-regulated system of money of our own.

HISTORICAL PARALLELS.

I have referred to the effect which the demonetization of silver is destined to have upon the population of the mining States of this country. The cunning, the cruelty, and the unwearying vigilance of the creditor classes in adapting means to ends, and in shaping events to fit their purposes, is well illustrated in the genesis and progress of the movement for demonetization. It is not, however, without historical parallel.

We are told that the Emperor Nero, having himself set fire to a portion of the city of Rome, turned the fury of the populace against the Christians by ascribing the act to *them;* by which means he justified their massacre. This cruel edict of the Roman Emperor is to be outdone in cruelty by the edict to be pronounced here. The bondholders and money-lenders of Europe and their pliant agents in the United States, the national banks, first secure the demonetization of silver, thus enormously increasing the value of gold, and when as a natural consequence gold appreciates in value, making the gold price of silver bullion fall, they demand the destruction of the American silver miners, and our President and lawmakers acquiesce, justifying the decision by the fall in the gold price of silver bullion—a fall which the creditors themselves have caused, though no *silver dollar* has fallen by as much as the value of the one hundredth part of a cent, but, on the contrary, as I have said, has, during the late panic, been at a premium over gold!

However, the edict has gone forth. The vote soon to be taken in this Chamber will give effect to the greatest and the saddest immolation of human beings which history has ever recorded. How can American Senators, through whose veins there courses the warm blood of a common race, consent to record so monstrous a malediction against a million of their fellow-countrymen?

Of what use to man is intellect, if he will not use it to analyze and examine a question involving the happiness of all his countrymen—nay, of the whole human race? Of what use is conscience, if it be overshadowed by cowardice? Among the gods of the ancient Egyptians, one was preëminent for exacting sacrifices, not of beasts, but of *living human beings*. This was Moloch. It has been supposed he was dead, but that appears to be a misapprehension. Like the *poor*, we have him always with us, and it is largely because of *him* that we have so many poor. The money-

lender, "like to Incarnate Moloch," demands as a living sacrifice a million of men, women, and children; and when the victims express a desire to appeal to the intelligence, the conscience, and the votes of their countrymen, Moloch, *the national banker*, declines to permit the appeal to be made. But in due time the issue will be presented to the people, and the national banks will be unable to prevent it. The arrogance of these institutions will be fittingly rebuked.

THE GOLD STANDARD MUST BE DESTROYED.

It is related, Mr. President, of Cato the Wise, that upon a visit to Carthage, observing the haughty and intolerant disposition of the Carthaginians toward the people of his own country, he returned to his place in the senate of Rome, and ever afterwards closed his speeches, upon no matter what subject, with the statement, "Carthage must be destroyed."

This was because Cato knew that if Rome did not destroy Carthage, Carthage would destroy Rome. If the people of this country, Mr. President, do not destroy the gold standard, it will destroy them. Notwithstanding the loud noises of a few newspapers, the masses of the people of the country see that the adoption of that standard is incompatible with their prosperity. It is a well-known fact that for several years every great organization of labor in this country, both of artisans and agriculturists, has declared for the free coinage of silver.

In Congress after Congress, for many years, bills to effect that object have been passed by the people's representatives, but have been defeated by the Executive. The people may for a time be defeated, but they will ultimately triumph, provided they do not wait too long before engaging in the final struggle. Each victory gained by the creditor classes—each successive fall of prices of the products of labor from causes inhering in the money system—will increase the power of the creditors to *extort* and diminish the power of the people to resist the extortion. With the establishment of the gold standard in this country, industry, with accelerated speed, will persist in the downward trend already begun; and it is difficult to predict when, during the descent, the people can find a level plane upon which to rally their forces, face their opponents, and turn the tide of battle.

No matter how low may fall the prices of wheat, cotton, and other basic products of industry, there will not be lacking subservient statisticians and superficial political economists to put forth statements that this result is not from any increase in the value of money, but for various other reasons.

From the fierce onslaughts made upon all who favor a just monetary standard—onslaughts that are no more severe among the creditor classes of Great Britain than among the like classes in the United States—it is evident that the people are to expect no quarter, and that it will become their duty to adopt as a rallying cry, "The gold standard must be destroyed."

THE "GREAT" NATIONS OF EUROPE NOT COMPARABLE IN TRUE GREATNESS WITH THE UNITED STATES.

Those who point to the greatness of European countries, and advise us to follow their example, forget the greatness of the country of which they are citizens. Distance lends enchantment to the view. When they say they want the "money of the world," they mean the little world of Great Britain. They ignore the far greater world of the United States. They fail to note some facts to which I will invite their attention, a few of which I find noted in an interesting work entitled Our Country, by Dr. Josiah Strong.

Our Republic would make sixty States each as large as England and Wales combined; or thirty-one States as large as Italy, or eighteen States each as large as Spain. Take five of the first-class powers of Europe, namely, Great Britain, Germany, Austria, France, and Italy; to those add Spain, Portugal, Switzerland, Denmark, and Greece, weld them all into one mighty empire, and you could lay it down in the United States a first time, a *second* time, and a THIRD time, and then have room to spare.

Lay Texas alone on the face of Europe, and this giant, his head resting on the mountains of Norway, one hand covering London, and the other Warsaw, would stretch himself down over the Kingdom of Denmark, through the empires of Germany and Austria, across Northern Italy, and dip his feet in the Mediterranean. Dakota might be carved into a half dozen kingdoms as large as Greece. Place the 70,000,000 inhabitants of the United States all in Texas, and the population would not then be so dense as that of Germany. Put them in Dakota, and it would not be so dense as that of England and Wales.

In all that constitutes the fundamental basis of the highest development of a people, our soil and climate have been favored by nature. *We can produce everything necessary to the sustenance and comfort of mankind.* Even such articles as nature inhibits in our country, *no gold-standard country can supply to us.* Senators should bear that fact in mind. Our own resources are equal to everything except the products of distinctively tropical countries, *and those are silver-standard countries.*

Above all, we have iron and coal in inexhaustible supply. Iron is mined in twenty-three of our States.

In the work of storing away those elements—the twin bases of enduring power—nature remembered the destiny to which she had appointed this Republic, and gave it many times more than all the other countries of the world combined.

It was the discovery of coal and iron in adjacent fields that first gave Great Britain the vantage ground in manufactures. We have infinitely more coal and iron, and Great Britain has yielded to us that vantage ground. The dominion of manufactures, which the gold standard was expected to maintain for Great Britain to the end of time, has been wrested from her. Our Republic is yet young. Our people are alert, energetic, and aspiring, and do not propose, after a century of independence, to pay tribute to any foreign power—whether the attempt to collect that tribute be by force of arms or by the subtle process of a shrinking money standard. The world's scepter passed from Persia to Greece, from Greece to Italy, from Italy, through intervening states, to Great Britain, and from Great Britain it is passing away; nay, in all that constitutes a dominating nation it has already passed.

The usurers of that country have exploited their own producing classes until, notwithstanding that millions of men are always idle, there is no longer a possibility of profitably using money by their employment. Leaving those millions of their own countrymen to idleness, and to *destruction*—for idleness is the destruction of any people—these British usurers who, like American usurers, know not the name of patriotism—cast their looks abroad, and, after having exploited India, and Egypt, and Argentina, and Australia, and wrought ruin and desolation wherever they went—are now undertaking to exploit the people of the United States. But they will find, Mr. President, that while with the aid of their agents, the national banks, they may have some slight temporary success, they will be doomed to eventual disappointment. The people of this country will now rouse themselves as they never have roused before. They will teach the creditor classes of Europe that the center of influence has moved from their environment.

From the dawn of history power has been moving toward the West, "as if guided," said De Tocqueville, "by the mighty hand of God." Still "Westward the course of empire takes its way." Here must it find pause. There is no farther West. Beyond us is the unchanging and unchangeable Orient.

[At this point the honorable Senator yielded to Mr. HARRIS].

Mr. JONES of Nevada. Mr. President, all countries of the world except the United States are countries for the few. Privilege has been so long installed among them—having its roots in the barbaric ages of the past—that it may never come to an end. With standing armies frowning upon liberty, and with the people in practical servitude to the privileged classes, there would seem to be no outlook in that direction. The hope of all mankind therefore abides with this Republic.

For the people of this country to admit, after all the splendid achievements of their history, that they are unable to shape their financial policies for themselves without reliance upon monarchical countries, would be to confess that republicanism is a ghastly failure; that as an instrument for the development of progress and happiness among mankind "government of the people, by the people," can not be compared with government of the people by kings, emperors, or arbitrary presidents; that laws passed by the representatives of a free people, the result of their own intelligence and their own convictions, without duress from any executive, whatever his title, can not be compared in beneficence with laws passed by subservient law-making bodies at the dictation of the executive.

The making of such a confession would be a slander upon self-government and upon the people of the United States.

A SHRINKING MONEY VOLUME PRODUCES RETROGRESSION OF CIVILIZATION.

The gold standard, Mr. President, is the standard of privilege. It is a standard of injustice. It can not stand, if liberty is to stand. The proofs of its injustice are to be found by anyone who, with an impartial mind and without prejudice, examines the evidence. But so powerful are the influences behind it that every effort is exerted to make it appear that what are in reality glaring defects are evidences of a higher civilization—as the Chinese justify the torture of their children's feet by claiming that what we call a deformity is in reality a higher development of the line of beauty. They regard the standard of the *shoe* as of greater importance than the standard of the *foot*. This is not civilization; it is barbarism. But in the midst of what even *we* term civilization a shrinking volume of money produces, on the industrial and social body, distortions infinitely more cruel and repulsive.

Without a sufficient volume of money the steam engine, the railroad, the telegraph, and the daily newspaper are in vain.

Without a sufficient volume of money every advance in the arts, every addition to human knowledge but adds to the wealth of those already wealthy and to the poverty of those already poor.

History, we are told, repeats itself. Like causes produce like effects, whether upon men or nations. If the gold standard, because it is the standard of contraction, is to be universally established throughout the Western world, the civilization of the Occident will not only be brought to a halt, but will experience a retrograde movement. The records show such a movement to have taken place upon the closing of the ancient mines of Spain and Greece, resulting in the destruction of the great civilization of Rome, ushering in the Dark Ages, and dooming mankind to a thousand years of misery, ignorance, and superstition. Inasmuch as all the annual yield of gold is substantially absorbed in the arts, the vote now to be cast in this Chamber practically closes for all the purposes of money all the gold and silver mines of the world. A shrinking money volume is the greatest agency known to man for the concentration and diminution of wealth and for the increase and distribution of poverty.

Money is indispensable to the just proprietary distribution of wealth. It is as necessary for that purpose as roads or railway cars are for its physical distribution.

The evils arising from an unjust distribution of wealth become more palpable, and, to a free people, more intolerable as knowledge becomes more widely diffused. The higher becomes the intelligence of a people the keener become the pinchings of poverty and the discontent with injustice. To suppose, as many do, that poverty is a necessary concomitant of an advancing civilization is to deny the wisdom which ordained the universe. It is as absurd as to suppose that the slavery of *some* is a necessary concomitant of the freedom of others.

The evils of an unjust distribution of wealth are not evils inhering in progress, but tendencies which, under the operation of a just money system, would be arrested, and which, if society is not to be condemned to retrogression, must be arrested. They are not evils imposed by natural law, but are brought about by violations of natural law. They are evils that do not cure themselves, and unless the cause be removed, must grow greater and greater. Under the gold standard, or under a shrinking volume of any other form of money, the more ingenious and skillful become the masses of the people, the greater becomes the power and wealth of the few.

A MOST SERIOUS FACT ON WHICH TO PONDER.

The world has never had the opportunity of realizing the blessings that would come with a properly regulated volume of money, and has only twice known a sufficient volume of metallic money. Taking even both metals, with the exception of two very short lustrums in history, all periods of recorded time have been periods of monetary contraction. To this statement of irrefragable truth I invite the serious and most earnest thought of this Senate and of the American people. I assert, without fear of successful contradiction, that with the exception of those two brief periods, the metallic monetary supply of the world has, throughout all history, been insufficient to meet the growing demands of the people. The first of these gleams of light came upon the discovery of the American continent, not by reason of that discovery itself, but by reason of the greater discovery which it made possible, namely, the discovery of the great silver mines of Potosi. The second occasion was half a century ago, upon the discovery of the gold mines of California and Australia.

The demonetization of silver concurrently with the falling off in the supply of gold—a demonetization secured in their own interest by the creditor classes of the world—arrested the progress of the most marvelous movement for the enrichment and enfranchisement of mankind that had ever been known. It cut off the world from receiving the full benefit of the yield of silver, which, as if arranged by a special providence, came to supplement and reinforce the dying energies of the gold supply.

In a civilization such as that of the present day, a proper volume of money is as necessary to the freedom of a people as is the ballot.

THE ADVOCATES OF THE GOLD STANDARD DISTRUST THE PEOPLE OF THE UNITED STATES.

Without financial independence political independence is but an empty name. In this Chamber we sound the praises of Liberty. On the Dome of the Capitol we set up her statue. But we fear to trust her. The advocates of the gold standard dare not submit this great question to the enlightened judgment of the voters of the United States. They know they would be overwhelmingly defeated. They have not seen Liberty in all her grandeur. They have seen her through a glass darkly. The beauteous features and benign countenance of the Goddess of the Republic have been obscured from their sight.

But the plain people know and recognize the genius of Freedom. They trust her. None recognize better than they do that it is only under the ægis of Liberty that they can prosper. They will see that the Republic take no harm.

BUT THE ONWARD MARCH OF THE REPUBLIC MUST NOT BE IMPEDED.

This is the only country in the world in which the masses of the people have any chance to improve their condition. Well has Emerson said:

> We live in a new and exceptional age. America is another name for *Opportunity*. Our whole history appears like a last effort of the Divine Providence in behalf of the human race.

This grand opportunity of which Emerson speaks is the very thing of which the masses of the people are now to be deprived. This opportunity means opportunity for advancement—for the physical and mental development of man—for the widening of his social life, the strengthening of his affections, the lifting up of his aspirations. It means the progress of the race up to that high plane of intellectual life in which the physical and the spiritual merge into equal and coördinate dominion. The basis of this opportunity is, and always must be be, industrial prosperity.

The opportunity to which this measure is to give rise is the opportunity of the foreign and domestic creditor to take from the producers of the United States a portion of that just reward to which they are entitled for their labor. It is the opportunity to those creditors to get a bushel of wheat and a pound of cotton—the result of American labor—for a constantly diminishing return. It is the opportunity for which the foreign and domestic money-lenders have been looking with longing eyes for twenty years. At last they see the fruition of their dearest hopes. The deed which in 1873 could be effected only by stealth, and as a consequence largely of the ignorance of members of both Houses of Congress as to the contents of a bill which they were enacting into a law, can now be effected in open day and with full knowledge of consequences. That which for twenty years has been characterized by Senators as a crime committed in the dark, can now be effected by the votes of Senators themselves in the light of a blazing publicity, as an act of the highest virtue and patriotism!

The opportunity which this bill creates is the opportunity to the creditors abroad and at home to filch from labor, by a subtle and cunning device, not palpable to the laborer himself, a portion of his fair reward; and thus to turn the blessings of material progress into curses. By its effect in producing poverty among agriculturists and idleness among artisans it will, if not speedily corrected by the people, be responsible for more misery than any measure ever enacted into law by the representatives of a free people.

To depress by artificial means the prices of the products of labor, from which prices alone can men receive the reward of their toil—what is it but to turn men out of their homes in every State of the Union—to turn the mortgage of the farmer and planter into a deed for the mortgagee? What is it but by means of hunger to goad men to crime, to rob women of the grace and glory of a perfect womanhood? What is it but to pinch with cold and hunger and premature care the otherwise happy morning of childhood?

But, Mr. President, let no man suppose that the iniquitous measure which is now foreordained to pass this Chamber and become a law is to remain long without correction. The people of the United States will never consent that the money volume of the country shall again be contracted, as it has heretofore been contracted, in the interest of sordid greed, for I maintain that the gold standard, as it is understood to-day, is the child of greed and avarice and the prolific parent of panic and of involuntary idleness.

The people understand this question much better than the advocates of the gold standard suppose they do. They will, by an overwhelming majority, rebuke the high-handed, unlawful, and unconstitutional interference of the Chief Magistrate with the rights (and especially the right of conscience) of the members of the law-making branch of the Government. They will overturn the tables of the money-changers and expel them from the temple. They will, if not now, at a time which I believe to be not far distant, embody in the money system of the Republic those fundamental principles of equity and justice by which opportunity will be withdrawn from the usurer and restored to the plain citizenship of the Republic. Then the king, which is the people, will come to his own again.

CONCLUSION.

In my humble opinion, Mr. President, words are inadequte to express the glories of the achievement of man under the stimulus and enjoyment of a perfect system of money—a system in which the *quantity* of money, the number of monetary units, should always and unfailingly keep pace with demand. Imagine a world in which industry ceases to be a game of chance, in which the honors and prizes of life are for the *producers* and the contempt for the *idlers*, in which projectors of enterprises and men of far-

seeing vision may with safety enter into contracts requiring years for their completion, with the knowledge that the unit of money will not change a hair's breadth in its measuring capacity between the day of making the contract and the day of its final completion, a world in which the products of industry are justly distributed between employer and employed, a world from which involuntary idleness is banished, and in which hunger is unknow!

What an enormous stimulus to intellectual and moral growth—to the development and unfolding of the spiritual nature of man, would be a civilization in which no willing worker should ever be idle, in which all would be assured, by uninterrupted employment, of the comforts of life, and in which hunger and cold would not benumb alike the body and the soul. We may not see this immediately, Mr. President, but with the growth of intelligence and strength among the masses of the people, and in spite of the opposition and cupidity of the creditor classes, the result will be achieved by an intelligent monetary system scientifically adjusted in quantity to the increase of population and demand. The flow of time in its irresistible current is carrying us rapidly to the goal. It is for want of such a system that the destiny of man is retarded, his control over nature belated, the fruition of his hopes postponed.

The days of the nations bear no trace
Of all the sunshine so far foretold;
The cannon speaks in the teacher's place;
The age is weary with work and gold:
And high hopes wither and memories wane;
On hearths and altars the fires are dead,
But the brave faith hath not lived in vain;
And this is all that the watcher said.

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APPENDIX.

Index numbers showing the downward trend of wholesale prices, not in one class of commodities merely, but in all classes of commodities from the year in which silver was demonetized.

Year.	Vegetable food (wheat, etc.).	Animal food (meat, etc.).	Sugar, coffee, and tea.	Total food.	Minerals.	Textiles.	Sundry materials.	Total materials.	Grand total.
1873..	106	109	106	107	141	103	106	114	111
1874..	105	103	105	104	116	92	96	100	102
1875..	93	108	100	100	101	88	92	93	96
1876..	92	108	98	99	90	85	95	91	95
1877..	100	101	103	101	84	85	94	89	94
1878..	95	101	90	96	74	78	88	81	87
1879..	87	94	87	90	73	74	85	78	83
1880..	89	101	88	94	79	81	89	84	88
1881..	84	101	84	91	77	77	86	80	85
1882..	84	104	76	89	79	73	85	80	84
1883..	82	103	77	89	76	70	84	77	83
1884..	71	97	63	79	68	68	81	73	76
1885..	68	88	63	74	66	65	76	70	72
1886..	65	87	60	72	67	63	69	67	69
1887..	64	79	67	70	69	65	67	67	68
1888..	67	82	65	72	78	64	67	69	70
1889..	65	86	75	75	75	70	68	70	72
1890..	65	82	70	73	80	66	69	71	72
1891..	75	81	71	77	76	59	69	68	72

NOTE.—The foregoing are the figures of Mr. Augustus Sauerbeck, published by the Royal Statistical Society of London. The average prices of ten years (1868 to 1877) are taken as 100, and upon that basis the figures given above for the separate years result, showing a persistent decline of prices in every department of industry.

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